

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
C. P. No. D - 1710 of 2025

Date

Order with signature of Judge

- 1) For hearing of CMA No.8506/2025.
- 2) For hearing of Main Case.

13.05.2025.

Mr. Imran Iqbal Khan, Advocate for the Petitioner.
Mr. Sardar Zafar Hussain, Advocate for Respondent.

Respondent's Counsel has filed a statement along with documents, which are taken on record, copy whereof has been supplied to the Petitioner's Counsel.

Through this Petition, the Petitioner has impugned Circular dated 25.04.2025, whereby the Petitioner's License as Customs House Agent has been suspended pending a Show Cause Notice dated 25.03.2025. It appears that while issuing the impugned Circular, the Licensing Authority has failed to record any reasons for taking this immediate / extreme action against the Petitioner, which is in violation of Rule 102(4) of the Customs Rules, 2001. Though this Rule empowers the Licensing Authority to suspend a license without notice, where immediate action is considered necessary; however, that also requires recording of reasons, whereas the said power is to be exercised rarely and so also after assigning reasons for such a harsh action. In the instant matter a show cause notice for cancellation proceedings has been issued; but while passing the impugned circular no justifiable reasons have been assigned; nor it has been explained as to why such a need arose. At best a final order could have been passed, but instead, recourse to suspension proceedings has been adopted.

In ***K. G. TRADERS***¹ and followed in ***DOCKS PRIVATE LIMITED***², authored by one of us³ and many other cases⁴, it has been held that it is *sine qua non*, to give reasons for an immediate suspension of a license without notice. It is further settled that even

¹ K. G. TRADERS vs. DEPUTY COLLECTOR OF CUSTOMS (PLD 1997 Karachi 541)

² DOCKS PRIVATE LIMITED vs. FEDERATION OF PAKISTAN AND 3 OTHERS (2015 PTD 948)

³ Muhammad Junaid Ghaffar, J:

⁴ Pak Afghan Cargo Service (Pvt) Ltd. V Director (2014 PTD 661; Japan Shippers v Deputy Collector (1989 CLC 74); Saman Diplomatic Duty-Free Bonded Warehouse v CBR (PLD 1999 Karachi 170); A. H International v Assistant Collector (2003 PTD 2798);

where the powers and authority to suspend the license as an immediate measure, under exceptional circumstances are available, the same are to be exercised after following the mandate of law and the principles of natural justice as suspension of a license is an extreme penal action as it puts a complete halt to the business of such person which can cause incalculable harm to such person, for which there is no redress, even if later the order of suspension is withdrawn. The Court has further held that if such suspension continues for a longer period, it may eventually destroy its business totally. Therefore, in such a situation it is incumbent upon the concerned authority to exercise such powers sparingly and only when the situation demands it as an extreme exigency. It is needless to state that even when such authority is exercised, the same should be done through a reasoned order and the aggrieved person should be informed forthwith, and the action which is to follow for which the immediate suspension has been done, must be completed and decided within the shortest possible time.

In view of hereinabove facts and circumstances of the case, since the impugned suspension has been done without assigning any reason(s) and is contrary to the aforesaid dicta laid down by this Court, we deem it appropriate to **allow** / dispose of this petition by suspending the Circular dated 25.04.2025, whereby the license of the Petitioner was suspended till such time any final order is passed pursuant to Show Cause Notice dated 25.03.2025. Once a final order is passed by the Licensing Authority, and if aggrieved, the Petitioner, may seek further remedy in accordance with law.

Petition stands disposed of in these terms, whereas copy of the order in question be issued to Respondents No.3 by the office.

ACTING CHIEF JUSTICE

J U D G E

Nasir/