

# THE HIGH COURT OF SINDH KARACHI

**Present:**

Mr. Justice Adnan Iqbal Chaudhry

Mr. Justice Muhammad Jaffer Raza

C. P. No. D-3942 of 2025

**(Phoenix Security (Private) Limited Vs. Federation of Pakistan & Others)**

For the Petitioner : M/s. Salman Dosani, Syed M. Hassan Meerza and Asif Raza, Advocates.

For the Respondent No. 3 : Mr. Zeeshan Ahmed holding brief for Mr. Ameer Nausherwan Adil Advocate.

**Date of hearing** : **12.11.2025.**

**Date of decision** : **12.11.2025.**

## **ORDER**

**Muhammad Jaffer Raza J.** – Through the instant Petition, the Petitioner is engaged in providing “Security Guard Services” and through the instant Petition has sought a declaration that Explanation<sup>1</sup> added to Division III, Clause 2(i) of Part III of the First Schedule to the Income Tax Ordinance, 2001 (“Ordinance”) vide the Finance Act, 2021 (“Act”) excludes the Petitioner from its purview.

The noted explanation was adjudicated by us in the case of HRSG Outstanding Private Limited<sup>2</sup> and vide Judgment dated 29.10.2025 the noted explanation was declared to be ultra vires to the scheme of section 153(1)(b) of the Ordinance and Article 25 of the Constitution and was consequently struck down. The above noted Judgment shall apply mutatis mutandis to the petition in hand. Petition stands disposed of in above terms.

**J U D G E**

**J U D G E**

**Arshad/**

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<sup>1</sup> Explanation:—The tax rate under this subparagraph shall be applicable only to a service provider whose services are subjected to withholding tax on gross receipts and the service provider has not agitated taxation of gross receipts before any court of law;

<sup>2</sup> HRSG Outsourcing (Pvt.) Ltd. and others Vs. Federation of Pakistan and another (**C. P. No. D-5136 of 2021**) and other connected cases.