



BUDGET PAKISTAN FEDERAL BUDGET FY27 REVIEW

TAURUS
SECURITIES LIMITED
A Subsidiary of National Bank of Pakistan

Taurus Securities Limited

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Federal Budget FY27 Review

Heading in the right direction with limited resources

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Table of Contents

S.no	Particulars	Page
1	Executive Summary & Key Highlights of the Federal Budget 2026-27	3
2	Revenue & Expenditure Highlights	10
3	Summary of Capital Receipts, Public Account & External Financing	15
4	Provincial Share of Divisible Pool	17
5	PSDP & Subsidies Allocation	18
6	Dividend Projections for Listed Public Sector Companies	21
7	2 nd Phase of National Tariff Policy	23
8	Pakistan Fiscal Operations FY19 – FY26TD	24
9	Projections for Key Economic Indicators	25
10	KSE-100 Index Performance FY26TD & Expected Market Reaction	26
11	Sector-wise Budgetary Measures & Impact	31
12	Our Team	42
13	Important Disclosure	43

Executive Summary & Key Highlights of the Federal Budget 2026-27

- **Expected Revenue Collection Target:** ~PKR 20.6Trn.
- **FBR Tax Collection Target:** ~PKR 15.3Trn.
- **Additional Revenue Measures of:** ~PKR 2.5Trn at including both tax and non-tax revenue & receipts.
- **Petroleum Levy Target:** ~PKR 1.7Trn i.e. 1.2% of GDP.
- **Bank Borrowing (T-Bills, PIBs, Sukuk etc.):** PKR 4,012Bn.
- **Privatization Proceeds:** PKR 161Bn.
- **Total Expenditure:** PKR 18,771Bn.
- **Federal PSDP:** ~PKR 1Trn, plus PKR 451Bn from SOEs.
- **Provincial Development Budget:** ~PKR 2.22Trn, down 24%YoY.
- **Projected Mark-up Payments for FY27:** PKR 8,054Bn.

Macroeconomic Projections for FY27:

- **GDP Growth:** 4.0%.
- **Headline Inflation:** 8.2%.
- **Primary Surplus Target:** 2% of GDP.
- **Fiscal Deficit Target:** 3.6% of GDP.

Key Proposals Presented

- **Salaried Class:** Increase in slabs and reduction in tax rates.
- **Corporates:** Removal of super-tax for earners up to PKR 500Mn.
- Introduction of revised taxation scheme for retailers.
- Incentives to promote construction & real-estate sectors.
- Incentives for exporters, like extension in 0.25% FTR for IT & ITeS. Also, reduction in advance tax and minimum tax on exporters.
- Relief in duties on APIs as well as exports for Pharmaceuticals.
- Extension of EV related incentives for the automobile industry.
- Duty reductions in line with the National Tariff Policy.
- Removal of CVT on foreign assets.
- Enhanced enforcement and tax base broadening measures including financial data sharing by Banks with the FBR etc.
- Expansion of 3rd Schedule of Sales Tax to include 'FMCGs'.
- Sales Tax exemption for refineries on import of capital goods for up-gradation and overhaul of existing refineries.

Key Highlights of the Federal Budget 2026-27



Total Outlay

FY26R: PKR 15.6Trn

FY27B: PKR 18.8Trn



Total PSDP

FY26R: PKR 4.1Trn

FY27B: PKR 3.7Trn



GDP Growth

FY26E: 3.7%

FY27F: 4.0%



Revenue Target

FY26R: PKR 18.1Trn

FY27B: PKR 20.6Trn



Debt Servicing

FY26R: PKR 6.9Trn

FY27B: PKR 8.1Trn



Agriculture Sector

FY26E: 2.9%

FY27F: 3.6%



Fiscal Deficit

FY26R: PKR 5.2Trn

FY27B: PKR 7.0Trn



Primary Surplus (%)

FY26R: 2.5%

FY27B: 2.0%



Industrial Sector

FY26E: 3.5%

FY27F: 4.5%



Provincial Surplus

FY26R: PKR 1.4Trn

FY27B: PKR 1.8Trn



Fiscal Deficit (%)

FY26R: 3.0%

FY27B: 3.6%



Services Sector

FY26E: 3.1%

FY27F: 4.2%



Overall Fiscal Deficit

FY26R: PKR 3.8Trn

FY27B: PKR 5.2Trn



Subsidies

FY26R: PKR 1.2Trn

FY27B: PKR 1.1Trn



Nominal GDP

FY26E: PKR 126.9Trn

FY27F: PKR 143.6Trn

Source: Official estimates

Increase in Applicable Slabs & Reduction in Tax Rates

- i) Annual income from Salary from PKR 2.2Mn up to PKR 3.2Mn (reduction in tax rate from 23% to 20%);
- ii) Annual income from Salary more than PKR 3.2Mn but up to PKR 4.1Mn (reduction in tax rate from 30% to 25%);
- iii) Annual income from Salary more than PKR 4.1Mn but up to PKR 5.6Mn (reduction in tax rate from 35% to 29%); and
- iv) Annual income from Salary from more than PKR 5.6Mn up to PKR 7Mn (reduction in tax rate from 35% to 32%).
- Additionally, the Government has completely abolished 9% surcharge on high-income salary earners also.

Removal of Super-tax on incomes up to PKR 500Mn

- Super-tax at 8% shall apply on incomes exceeding PKR 500Mn only. All other slabs have been removed. We await clarity on whether exporters will be exempt from super-tax.
- However, the relief shall not apply to Banks, Fertilizer and E&P Companies.

Reduction in Advance Income tax & Minimum Tax on Exporters

- Currently applicable 2% Advance Income Tax and Minimum Tax on exporters to be reduced to 1.25% Minimum Tax.

Extension in Final Tax Regime for IT & ITes

- 0.25% Final Tax on exports for IT & ITes due to expire on June 30, 2026 has been extended up to June 30, 2029.

Removal of Tax on Deemed Income under Section 7E, and CVT

- The Federal Government has proposed to abolish tax under Section 7E on Deemed Income as well as Capital Value Tax (CVT) on foreign assets under Section 8 of Income Tax Ordinance 2001.

Reduction in WHT on immovable property transactions

- WHT on purchase and sale of immovable property to be reduced:
i) On Purchase: Reduced from 2.5% to 1.25%; and ii) On Sale: Reduced from 5.5% to 2.75%, respectively.

Reduction in WHT on international debit/credit card transactions

- WHT on international Credit/Debit Card Transactions to be reduced from 5% to 0.5%.

Estimated Impact of Changes to Salaried Class Taxation

Tax Savings for Salaried Class TY27 onwards

S.no	Annual Taxable Income & Slabs for Tax Year 2026						Annual Taxable Income & Slabs for Tax Year 2027						Tax Savings	
	(Rupees)	Slab	Income Tax	Incremental Tax	Total Tax	Effective Tax Rate	(Rupees)	Slab	Income Tax	Incremental Tax	Total Tax	Effective Tax Rate	(PKR)	Reduction in Tax rate
1	600,000	Up to 600K	0	0	0	0.0%	600,000	Up to 600K	0	0	0	0.0%	0	0.0%
2	800,000	>600K up to 1,200K	0	2,000	2,000	0.3%	800,000	>600K up to 1,200K	0	2,000	2,000	0.3%	0	0.0%
3	1,200,000	>600K up to 1,200K	0	6,000	6,000	0.5%	1,200,000	>600K up to 1,200K	0	6,000	6,000	0.5%	0	0.0%
4	1,600,000	>1,200K up to 2,200K	6,000	44,000	50,000	3.1%	1,600,000	>1,200K up to 2,200K	6,000	44,000	50,000	3.1%	0	0.0%
5	1,800,000	>1,200K up to 2,200K	6,000	66,000	72,000	4.0%	1,800,000	>1,200K up to 2,200K	6,000	66,000	72,000	4.0%	0	0.0%
6	2,200,000	>1,200K up to 2,200K	6,000	110,000	116,000	5.3%	2,200,000	>1,200K up to 2,200K	6,000	110,000	116,000	5.3%	0	0.0%
7	2,600,000	>2,200K up to 3,200K	116,000	92,000	208,000	8.0%	2,600,000	>2,200K up to 3,200K	116,000	80,000	196,000	7.5%	12,000	0.5%
8	3,000,000	>2,200K up to 3,200K	116,000	184,000	300,000	10.0%	3,000,000	>2,200K up to 3,200K	116,000	160,000	276,000	9.2%	24,000	0.8%
9	3,200,000	>2,200K up to 3,200K	116,000	230,000	346,000	10.8%	3,200,000	>2,200K up to 3,200K	116,000	200,000	316,000	9.9%	30,000	0.9%
10	3,500,000	>3,200K up to 4,100K	346,000	90,000	436,000	12.5%	3,500,000	>3,200K up to 4,100K	316,000	75,000	391,000	11.2%	45,000	1.3%
11	3,800,000	>3,200K up to 4,100K	346,000	180,000	526,000	13.8%	3,800,000	>3,200K up to 4,100K	316,000	150,000	466,000	12.3%	60,000	1.6%
12	4,100,000	>3,200K up to 4,100K	346,000	270,000	616,000	15.0%	4,100,000	>3,200K up to 4,100K	316,000	225,000	541,000	13.2%	75,000	1.8%
13	5,600,000	>4,100K	616,000	525,000	1,141,000	20.4%	5,600,000	>4,100K up to 5,600K	541,000	435,000	976,000	17.4%	165,000	2.9%
14	7,000,000	>4,100K	616,000	1,015,000	1,631,000	23.3%	7,000,000	>5,600K up to 7,000K	976,000	448,000	1,424,000	20.3%	207,000	3.0%
15	10,000,000	>4,100K	616,000	2,065,000	2,681,000	26.8%	10,000,000	>7,000K	1,424,000	1,050,000	2,474,000	24.7%	207,000	2.1%

Source: Finance Bill 2026 & TSL Research

No Change in Taxation of Dividends & Capital Gains

- No changes have been proposed in relation to taxation of dividends and capital gains tax.

No Change in Corporate Tax Rate & Turnover Tax Rates

- Corporate tax rate for both banking and non-banking companies remains unchanged at 42% and 29%, respectively. Further, no changes have been proposed to the turnover tax rates also.

Imposition of Carbon Levy on Petroleum Products

- PKR 5/liter carbon levy has been imposed FY27 onwards on petrol, high-speed diesel and furnace oil.

Adjustability of tax on e-commerce transactions

- Tax deducted on ecommerce transactions shall be adjustable for sellers having turnover exceeding PKR 200Mn.

Tax credit for integration with FBR systems

- 10% Tax credit of the investment made in electronic resources for integration with FBR's computerized systems has been introduced to facilitate documentation and digital compliance.

Launch of new Fixed Tax Regime for Retailers

- Fixed Tax Regime being introduced for Retailers under Section 99B of Income Tax Ordinance:
 - **Eligible Retailers:** Annual Turnover of up to PKR 200Mn
 - **Applicable Tax Rate:** 1% of Turnover, adjustable against WHT subject to filing of returns.
 - **Benefits:** No ongoing audit requirement, no need to deduct WHT on buying etc.

Withholding Tax on Income from Social Media Platforms

- A withholding tax regime has been introduced on revenues received by digital content creators and social media influencers from platforms such as YouTube, Facebook etc. with financial institutions deducting tax on such receipts. 5% WHT would apply to both resident and non-resident persons under this regime.

Rationalization of Withholding Tax Rates on Services

- The withholding tax structure on services has been revised with the rate for specified services increased including for independent professionals that have been separately categorized.

Extension in sales tax and duty benefits for EVs

- It has been proposed to extend sales tax and custom duty relief on EVs for one more year. This is likely to bode well for domestic EV assemblers and manufacturers.

Sales tax exemption on capital goods for refinery upgrades

- Exemption of sales tax on import of capital goods for up-gradation and overhaul of existing refineries.

Expansion of scope of 3rd Schedule of Sales Tax Act

- Expansion of 3rd Schedule to ensure payment of sales tax at consumer price by the manufacturers at manufacturing stage by virtue of adding a category for FMCGs.

Imposition of FED on Luxury Cars

- Imposition of FED on luxury cars including SUVs of more than 2000CC and up to 3000CC; and ii) Cars and SUVs of over 3000CC, at the prescribed rates, respectively.

Reduction of CD from 20% to 10% on specialized vehicles

- Applicable for specialized vehicles for construction sector.

Focus on Tariff Rationalization under National Tariff Policy

- Reduction of existing Customs Duty (CD) from 20% to 15% and 10%, existing 15% and 10% to 10% and 5%, and existing 5% to 0% respectively for 92 tariff lines.

Reduction in Additional Customs Duty (ACD) Rates

- Reduction of ACD from 6% to 4% on 449 Tariff Lines.
- Reduction of ACD from 4% to 2% on 2,107 Tariff Lines.
- Elimination of ACD from 2% to 0% on 569 Tariff Lines.

Review of Regulatory Duty (RD) Regime

- RD greater than 20% are brought down and capped at 20% for 359 Tariff Lines. 20% reduction on all RD rates between 2.5% and 20% across 1,347 Tariff Lines. RD rates of 2.5%, 2% and 1% are reduced by 20% or completely eliminated across 208 Tariff Lines.

Other Duty Exemptions

- Exemption of CD on critical cancer-related Active Pharmaceutical Ingredients (APIs) under the Fifth Schedule. And exemption of CD, ACD and RD on import of Agricultural Machinery.

Revenue & Expenditure Highlights

Revenue & Expenditure Summary

Revenue Collection (PKR Mn)

Classification	Budget FY26	Revised FY26	Budget FY27
FBR Taxes	14,131,000	12,983,000	15,264,000
Direct Taxes	6,902,000	6,431,754	7,613,000
Income Tax	6,811,243	6,331,484	7,480,521
Workers Welfare Fund & WPPF	73,565	80,664	105,898
Capital Value Tax	17,192	19,606	26,581
Indirect Taxes	7,229,000	6,551,246	7,651,000
Customs Duties	1,588,000	1,366,047	1,651,000
Sales Tax	4,753,000	4,333,908	4,927,000
Federal Excise	888,000	851,291	1,073,000
Non-Tax Revenue & Receipts	5,147,090	5,093,364	5,335,598
Income from Property & Enterprise	519,332	480,792	435,760
Receipts from Civil Administration etc.	2,450,392	2,467,764	1,480,183
Petroleum Levy	1,468,395	1,498,000	1,676,509
Royalty on Oil & Gas	207,000	125,000	140,504
Extraordinary Receipts (UN etc.)	37,600	29,614	31,503
Others	464,371	492,194	1,571,139
Gross Revenue Receipts	19,278,090	18,076,364	20,599,598
Less: Provincial Share	8,205,723	7,591,797	8,848,493
Net Federal Revenue Receipts (A)	11,072,367	10,484,567	11,751,105

Source: Budget Brief FY27

Summary of Current Expenditure (PKR Mn)

Classification	Budget FY26	Revised FY26	Budget FY27
Mark-up payment	8,206,657	6,937,459	8,054,000
On Domestic Debt	7,197,335	6,006,541	6,982,607
On Foreign Debt	1,009,322	930,918	1,071,393
Pension	1,055,000	1,055,000	1,169,000
Defence Affairs and Services	2,550,000	2,588,218	3,000,000
Grants and Transfers	1,927,895	1,971,429	2,680,417
Subsidies	1,186,036	1,157,007	1,091,000
Running of Civil Government	971,000	1,021,322	1,071,000
Provision for Emergencies	389,000	275,888	430,000
Total (B)	16,285,588	15,006,324	17,495,417

Development Expenditure & Net Lending

Classification	Budget FY26	Revised FY26	Budget FY27
Federal PSDP	1,000,000	820,506	1,000,000
Net Lending	287,000	(184,830)	276,000
Total (C)	1,287,000	635,677	1,276,000
Total Expenditure (D) = (B) + (C)	17,572,588	15,642,000	18,771,417
Budget Deficit (A) - (D)	(6,500,221)	(5,157,433)	(7,020,312)

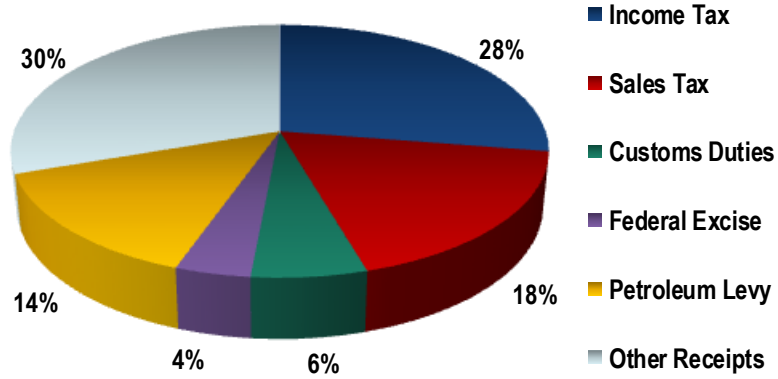
Deficit Financing (PKR Bn)

Classification	%	Budget FY27
Net External Financing	11.6%	813
Domestic Financing	86.1%	6,046
Privatization Proceeds	2.3%	161
Total Financing	100%	7,020

Source: Budget Brief FY27

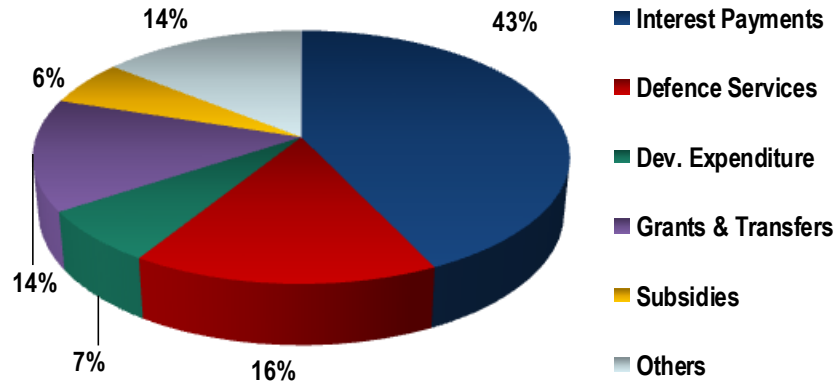
Federal Budget Position for the year 2026-27

Revenue Break-up FY27 (%) - (Net of Provincial Transfers)



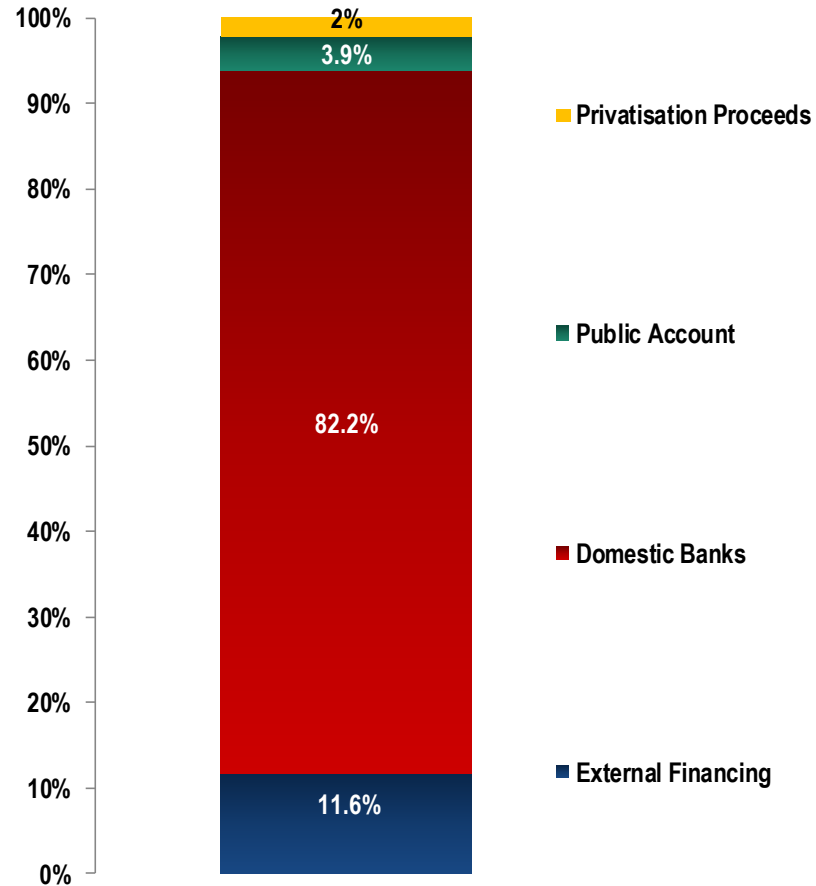
Source: Budget Brief FY27

Expenditure Break-up FY27 (%)



Source: Budget Brief FY27

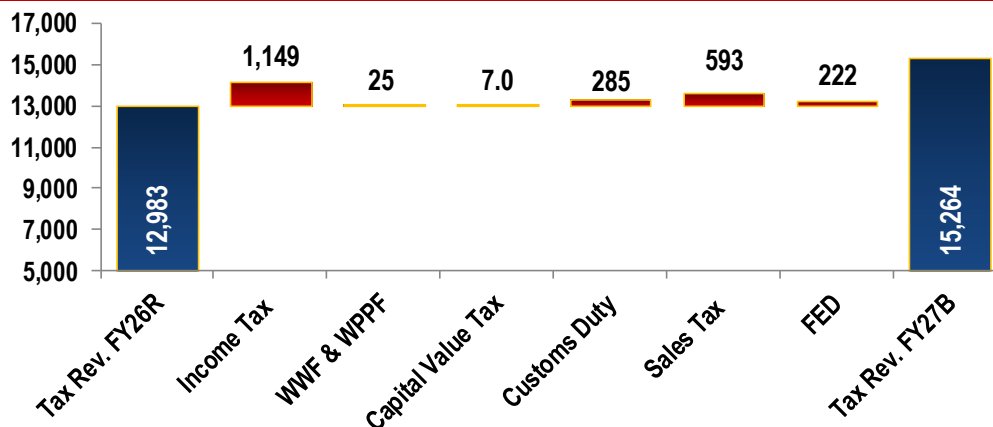
Fiscal Deficit Financing FY27 (%)



Source: Budget Brief FY27

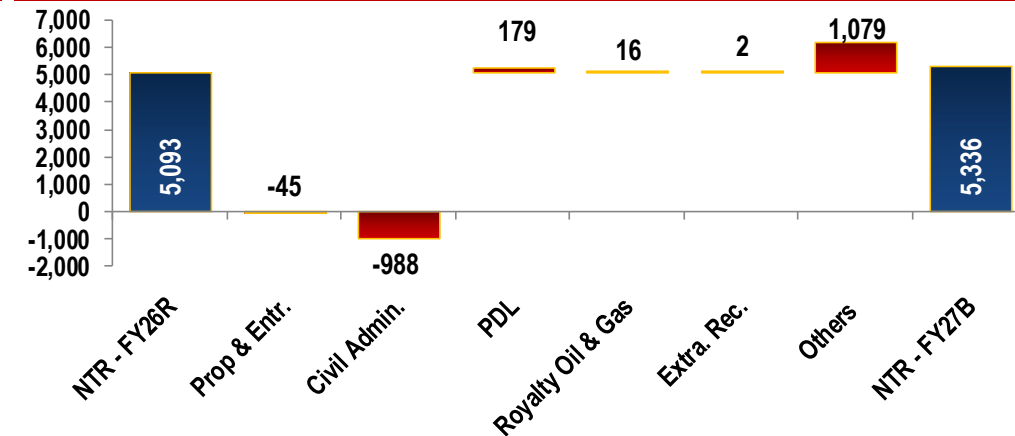
YoY Movement in Revenue & Expenditure

YoY Movement in Tax Revenue (PKR Bn)



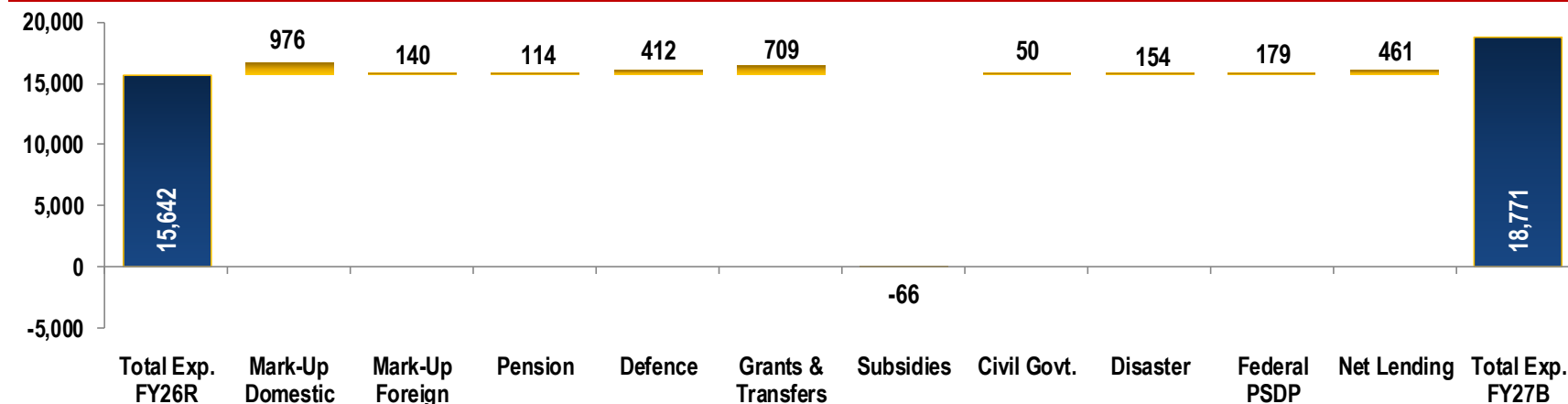
Source: Budget Brief & TSL Research

YoY Movement in Non-Tax Receipts (PKR Bn)



Source: Budget Brief & TSL Research

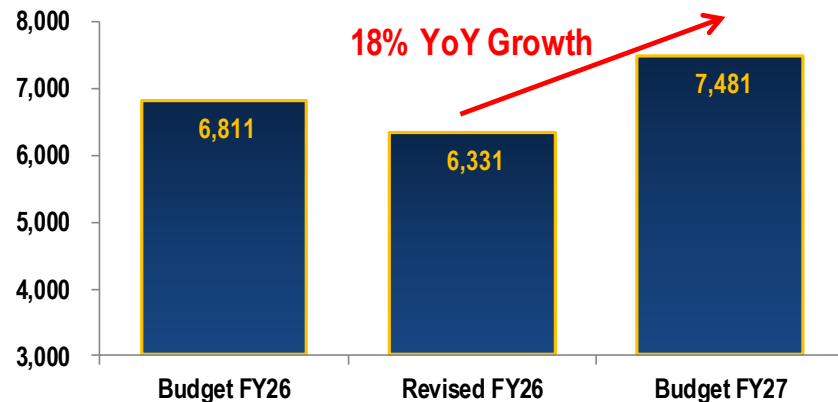
YoY Movement in Total Expenditure (PKR Bn)



Source: Budget Brief & TSL Research

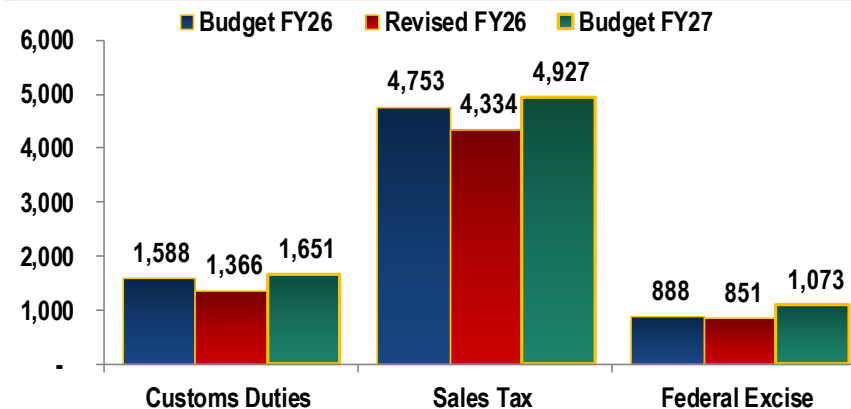
YoY Movement in Key Revenue & Expenditure Items

Direct Taxes - Income Tax (PKR Bn)



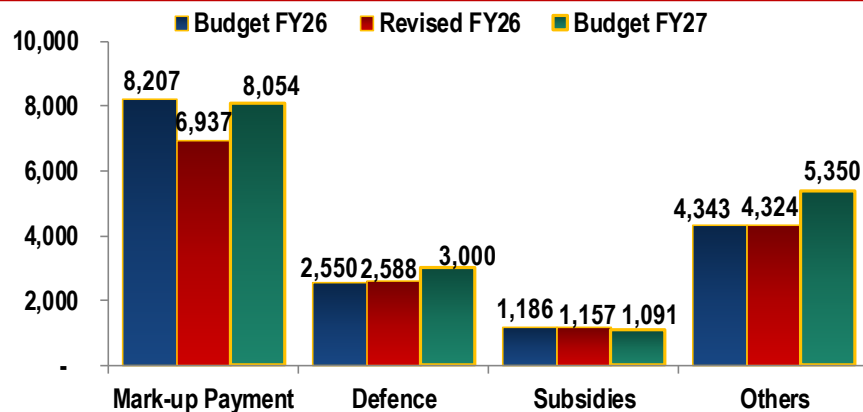
Source: Budget Brief FY27

Indirect Taxes - Sales Tax, Customs Duty & FED (PKR Bn)



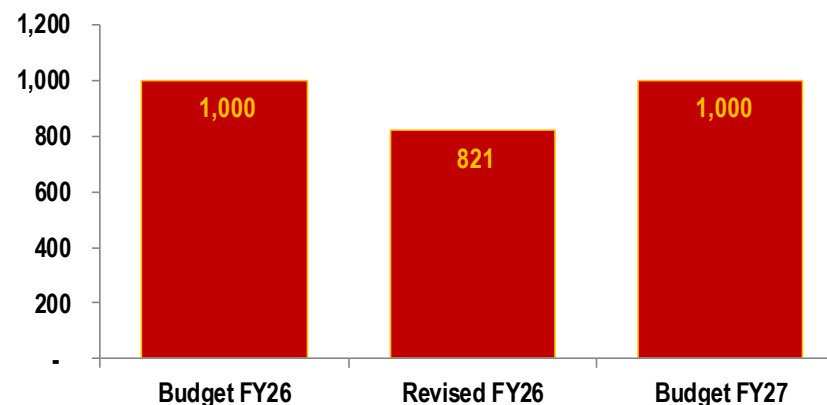
Source: Budget Brief FY27

Major Components of Current Expenditure (PKR Bn)



Source: Budget Brief FY27

Federal Public Sector Development (PSDP) - (PKR Bn)



Source: Budget Brief FY27

Summary of Capital Receipts, Public Account and External Financing

Summary of Capital Receipts, Public Account and External Financing

Capital Receipts (PKR Mn)

Classification	Budget FY26	Revised FY26	Budget FY27
Recoveries of Loans & Advances - A	603,000	749,547	426,309
Pakistan Investment Bonds	147,395	47,969	386,241
Ijara Sukuk Bonds	1,100,000	843,606	300,000
Others	6,967	10,565	13,499
Permanent Debt	1,254,362	902,140	699,740
Prize Bonds & Others	12,562	10,759	10,331
Treasury Bills Auction	500,000	589,692	350,000
Govt.Bai Muajjal Ijara Sukuk	897,000	636,198	700,000
Floating Debt	1,409,562	1,236,649	1,060,331
Total Public Debt - B	2,663,924	2,138,789	1,760,071
Total Capital Receipts (A+B)	3,266,924	2,888,336	2,186,380

Source: Budget Brief FY27

Public Account (PKR Mn)

Classification	Budget FY26	Revised FY26	Budget FY27
National Savings Schemes	141,288	232,562	247,401
GP Fund	(20,679)	(20,484)	(16,330)
Deposits & Reserves (Net)	89,517	69,249	43,306
Total	210,126	281,327	274,377

Source: Budget Brief FY27

External Resources (PKR Mn)

Classification	Budget FY26	Revised FY26	Budget FY27
Project Loans - A	902,481	880,278	779,109
Programme Loans - B	418,699	430,405	418,024
Other Loans - C	4,413,510	3,672,816	5,542,297
External Loans - A + B + C	5,734,690	4,983,499	6,739,431
External Grants	42,865	41,018	40,194
Total External Resources	5,777,554	5,024,517	6,779,624
Gross External Resources	5,777,554	5,024,517	6,779,624
Less: Foreign Loans & Repayments	5,472,222	3,326,037	5,836,275
Less: Repayment of short-term credits	199,810	164,453	130,292
External Resources - Net	105,522	1,534,027	813,057

Source: Budget Brief FY27

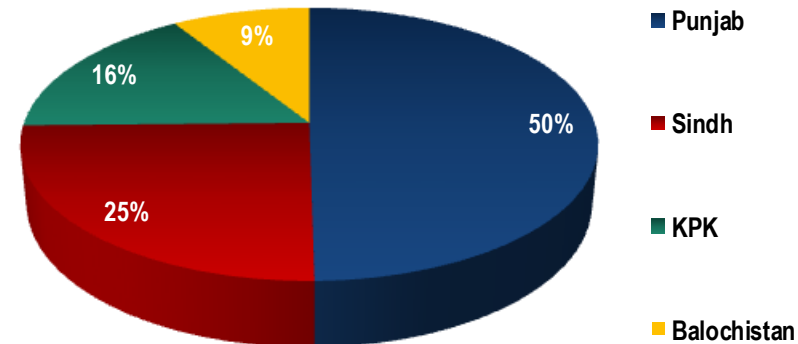
Provincial Share of Divisible Pool increased to ~PKR 8.8Trn

Details of Divisible Pool Taxes (PKR Mn)

Classification	Budget FY26	Revised FY26	Budget FY27
Income Tax	3,866,504	3,618,490	4,246,430
Capital Value Tax	9,859	11,120	15,243
Sales Tax (excl. GST on services)	2,716,863	2,496,971	2,815,066
Federal Excise (excl. Excise Duty on Gas)	503,141	486,182	611,699
Customs Duties (excl. Export Dev. Surcharge)	892,170	788,538	946,778
Divisible Pool Taxes - (A)	7,988,537	7,401,301	8,635,216
Gas Development Surcharge	37,240	61,740	69,394
Royalty on Natural Gas	112,700	83,300	93,100
Royalty on Crude Oil	56,840	39,200	44,595
Excise Duty on Natural Gas	10,406	6,255	6,189
Straight Transfers - (B)	217,186	190,495	213,278
Total (A) + (B)	8,205,723	7,591,796	8,848,494
Province-wise Share			
Punjab	4,076,008	3,745,061	4,402,834
Sindh	2,043,762	1,879,057	2,207,180
KPK	1,342,788	1,231,759	1,443,346
Balochistan	743,166	735,919	795,134
Total Provincial Share	8,205,724	7,591,796	8,848,494

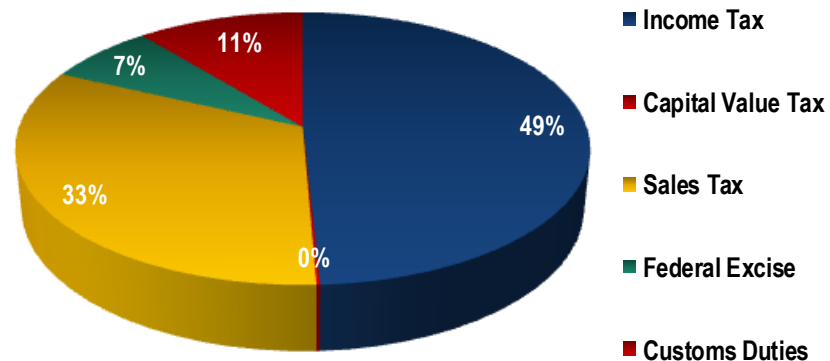
Source: Budget Brief FY27

Provincial Share of Divisible Pool Taxes FY27



Source: Budget Brief FY27

Composition of Divisible Pool Taxes FY27



Source: Budget Brief FY27

PSDP & Subsidies Allocation

PKR 1Trn allocated under Federal Public Sector Development Program

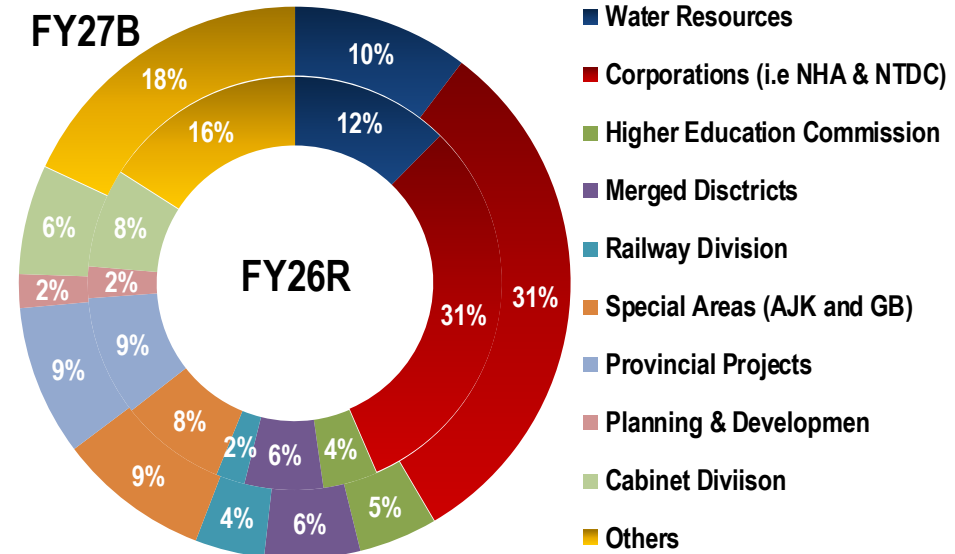
National PSDP set at PKR 3.7Trn, including PKR 451Bn from SOEs

- The Government has allocated ~PKR 1.0Trn under the Federal Public Sector Development Program (PSDP), up ~22% compared to the revised allocation of PKR 820.5Bn for FY26. While, Provincial PSDP has been set at ~PKR 2.2Trn, down 24% compared to the revised allocation of PKR 2.9Trn for FY26. Additionally, PKR 451Bn is expected to be generated from State Owned Entities (SOEs) next year. Resultantly, total National PSDP for FY27 amounts to ~PKR 3.7Trn, down 11% YoY.
- Allocation to NHA, NTDC etc. is up 22%, led by a ~23% YoY increase in allocation to National Highway Authority (NHA) amounting to PKR 224.5Bn in total; followed by PKR 88Bn for Power Division. Major NHA projects include dualization & rehabilitation of highways in Balochistan for ~PKR 100Bn, and PKR 30Bn for Sukkur-Hyderabad Motorway.
- Elsewhere, allocation to Railway Division has more than doubled from PKR 19Bn to PKR 41Bn. This includes PKR 26.4Bn for ML-1 upgrades & establishment of dry port near Havellian, & PKR 2Bn for Thar Coal Rail.
- Finally, shares of HEC, Merged Districts & Special Areas have increased by 32% (including PKR 2.2Bn for PM Youth Program), 11% and 31%, respectively. PKR 103Bn kept for Water Resources.

PSDP 2026-27 (PKR Bn)

Particulars	Revised FY26	Budgeted FY27
Water Resources	102	103
Corporations (i.e NHA & NTDC)	255	313
Higher Education Commission	35	46
Merged Districts	50	56
Railway Division	19	41
Special Areas (AJK and GB)	68	89
Provincial Projects	77	88
Planning & Development	20	20
Cabinet Division	63	64
Others	131	180
Total Federal PSDP	821	1,000

Source: Budget Brief FY27 and TSL Research



PKR 1.1Trn allocated for Subsidies next year

PKR 1.1Trn allocated for Subsidies including PKR 830Bn for Power

- The Government has allocated ~PKR 1.1Trn (~6% of total expenditure) on account of subsidies for FY27. Wherein, the power sector remains the largest recipient, accounting for ~76% of the total subsidy outlay.
- **Power Subsidies:** PKR 667Bn and PKR 163Bn have been allocated under tariff differential subsidies for various DISCOs including WAPDA and K-Electric, respectively, along with PKR 81Bn for the Tariff Differential Subsidy pertaining to AJK. To note, allocation for Power subsidies is down 7% compared to revised allocation for FY26.
- **Other Subsidies:** ~PKR 20Bn has been allocated for PASSCO, and ~PKR 23Bn for the Utility Stores Corporation, respectively.
- Additionally, the Government has budgeted ~PKR 88Bn as mark-up subsidy to facilitate the gradual phasing out of SBP's refinance schemes, reflecting continued reliance on transitional financing support.
- Meanwhile, PKR 71Bn has been earmarked for the PM Apna Ghar Program – the Federal Government's flagship low cost housing scheme. The scheme will provide financing up to PKR 10Mn with the Government subsidizing markup at 5% for up to 10 years.

Subsidies (PKR mn)

Classification	Budget FY26	Revise FY26	Budget FY27
Subsidy to WAPDA/PEPCO	911,136	768,136	667,000
Subsidy to K-Electric	125,000	125,000	163,000
Subsidy to Petroleum	1,200	1,200	-
Subsidy-Incentive on Electric Vehicle Scheme	9,000	9,000	8,000
Utility Store Corporation	15,000	3,193	23,200
PASSCO	20,000	20,000	19,000
Subsidy to Fertilizer Plants	-	-	5,800
Others	104,700	230,478	205,000
Wheat Subsidy to GB	20,000	20,000	15,000
Metro Bus Subsidy	7,300	6,978	5,000
Mark-up subsidy of SBPs refinancing	30,000	30,000	88,000
Refinance and credit guarantee	1,000	1,000	1,000
Subsidy for SME sector	5,400	5,400	2,000
Mark-up Subsidy and risk sharing scheme	7,000	7,000	5,000
Subsidy to Naya Housing Pakistan Authority	1,000	-	-
Mark-up subsidy for Low Cost Housing	5,000	5,000	-
Housing Sector Subsidy	5,000	5,000	-
Subsidy on Import of Urea	15,000	15,000	10,000
PM Apna Ghar Program	-	-	71,000
Miscellaneous	8,000	135,100	8,000
Total Subsidies	1,186,036	1,157,007	1,091,000

Source: Budget Brief FY27

Dividend Projections for Listed Public Sector Companies

Dividend Projections for Listed Public Sector companies

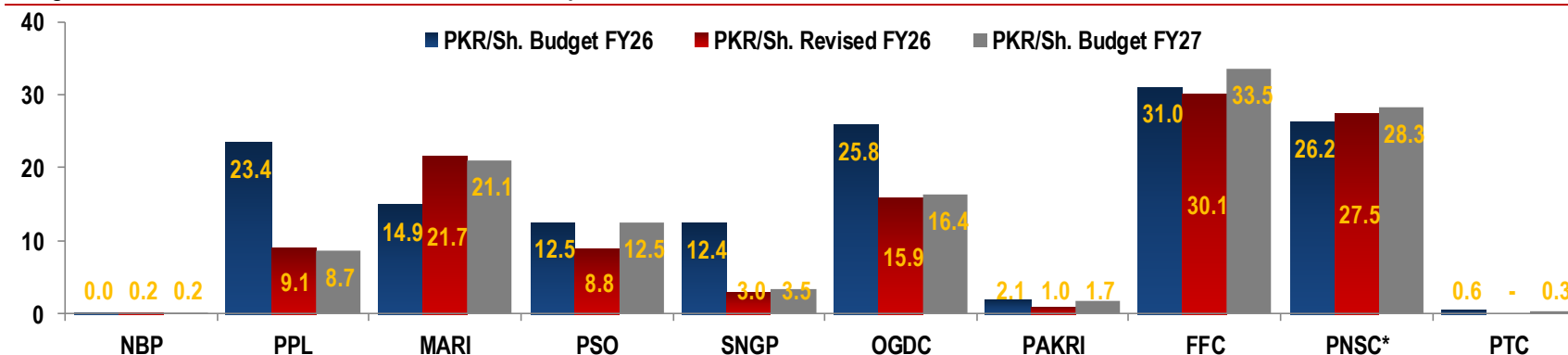
Dividend on Federal Government Investments - Major Listed Companies only

S.no	Company	Ticker	% GOP Holding	PKR/Sh.		
				Budget FY26	Revised FY26	Budget FY27
1	National Bank of Pakistan	NBP	75.6%	0.0	0.2	0.2
2	Pakistan Petroleum Limited	PPL	67.5%	23.4	9.1	8.7
3	Mari Energies Limited	MARI	20.0%	14.9	21.7	21.1
4	Pakistan State Oil Company Limited	PSO	25.5%	12.5	8.8	12.5
5	Sui Northern Gas Pipeline Limited	SNGP	31.7%	12.4	3.0	3.5
6	Oil and Gas Development Company Limited	OGDC	85.0%	25.8	15.9	16.4
7	Pakistan Reinsurance Company Limited	PAKRI	51.0%	2.1	1.0	1.7
8	Fauji Fertilizer Limited	FFC	0.6%	31.0	30.1	33.5
9	Pakistan National Shipping Corporation	PNSC*	89.1%	26.2	27.5	28.3
10	Pakistan Telecommunication Company Limited	PTC	62.2%	0.6	-	0.3

Source: PSX, Budget FY27 and TSL Research; Based on Estimated Holdings (%); Actual declarations may be subject to change.

*PNSC holding includes NLC shares

Budgeted Dividend from GOP Investents in Listed Companies



Source: PSX, Company Accounts, Budget FY27 and TSL Research

2nd phase of National Tariff Policy implemented

2nd phase of National Tariff Policy to be implemented in FY27

- In line with the IMF's Trade Liberalization Plan, the Government has implemented the next phase of tariff reductions under the National Tariff Policy (NTP) introduced last year. To recall, NTP would be implemented in phases and aim to abolish: i) Additional Customs Duty (ACD) in four years; ii) Regulatory Duty (RD) in five years; and ii) Phase-out 5th Schedule of the Customs Act in five years from launch.
- Another aspect of trade liberalization through tariff reductions is the elimination of all ACDs and RDs, and substantial reduction in CDs by FY30 for the automobile sector.
- Overall, the NTP will result in a gradual reduction in the weighted average applied tariff from 10.6% in FY25 to 7.4% by FY30. When combined with the duty reductions for the auto sector, the weighted average tariff will be brought to below 6% by FY30.
- Accordingly, it has been proposed to reduce CD from 20% to 15% and 10%, existing 15% and 10% to 10% and 5%, and existing 5% to 0%, respectively for input goods of different industrial sectors on 92 items. Further, ACD reduced from 6% to 4% (449 items), 4% to 2% (2,107 items), and 2% to 0% (569 items). RDs also reduced on several items.

Tariff Rationalization Overall Targets under National Tariff Policy over FY25-FY30

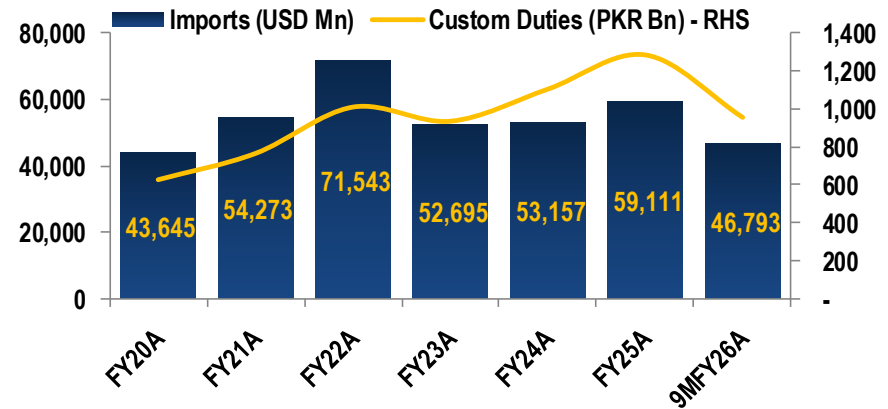
Type of Duty	Current Simple Avg. Tariff*	Year 1	Year 2	Year 3	Year 4	Year 5
CD	11.93%	11.18%	11.00%	10.50%	10.00%	9.70%
ACD**	3.66%	1.76%	1.00%	0.50%	0.00%	0.00%
RD**	4.60%	2.71%	1.00%	0.50%	0.25%	0.00%
Overall	20.19%	15.65%	13.00%	11.50%	10.25%	9.70%

Source: National Tariff Policy FY25-FY30

*Base Year 2024-25

**Excluding Chapter 27 of the First Sch. to the Customs Act, 1969.

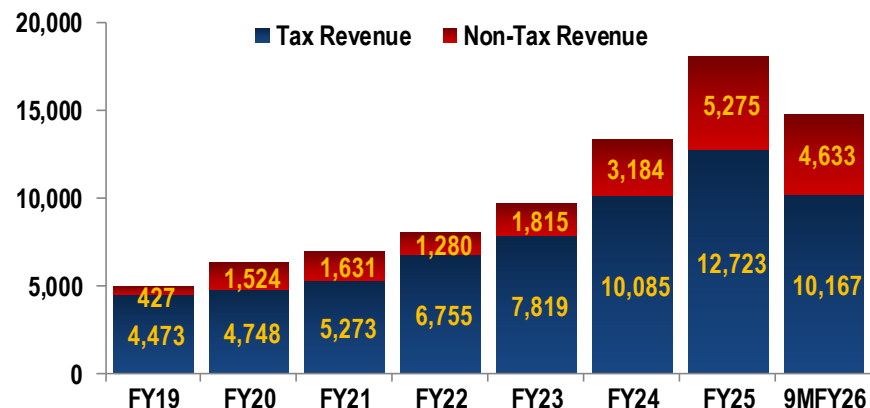
Goods Imports and Collection of Customs Duties



Source: MoF, SBP and TSL Research

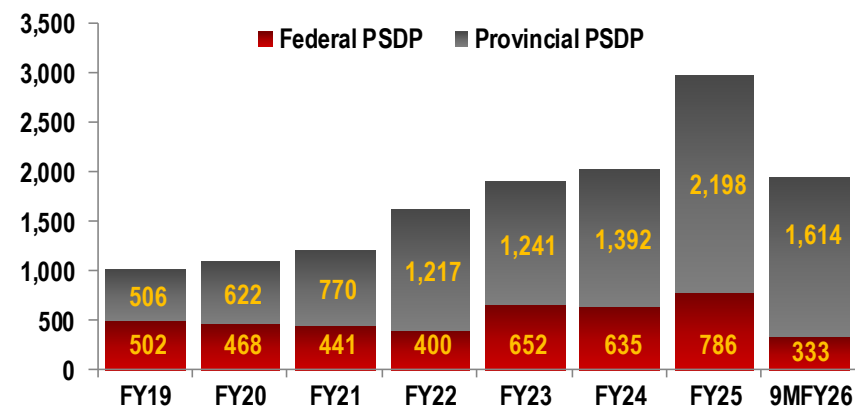
Pakistan Fiscal Operations FY19 – FY26 TD

Revenue Receipts (PKR Bn) - Up to 9MFY26



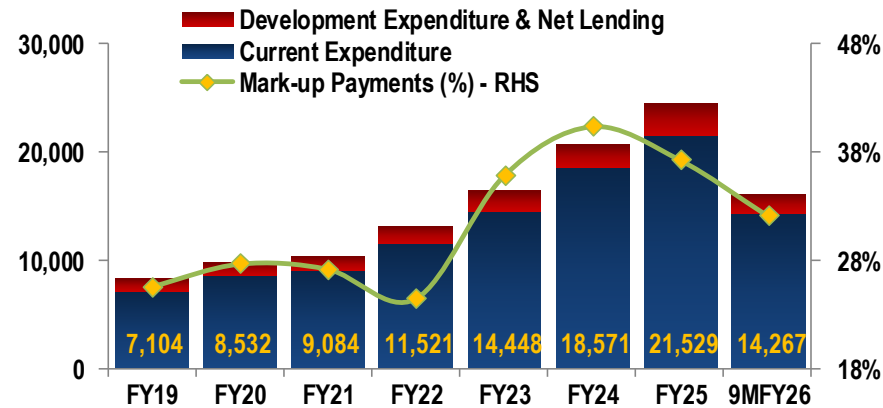
Source: Ministry of Finance and TSL Research

Public Sector Development Program (PKR Bn) - Up to 9MFY26



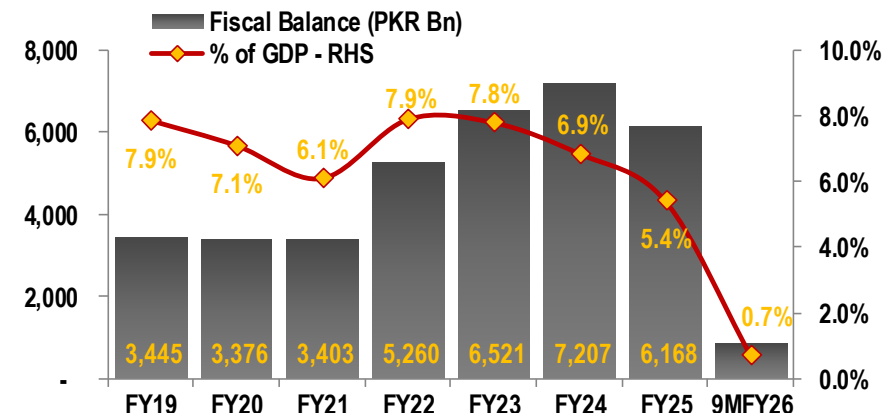
Source: Ministry of Finance and TSL Research

Total Expenditure (PKR Bn) - Up to 9MFY26



Source: Ministry of Finance and TSL Research

Fiscal Deficit (PKR Bn) FY19 - FY26 TD



Source: Ministry of Finance and TSL Research

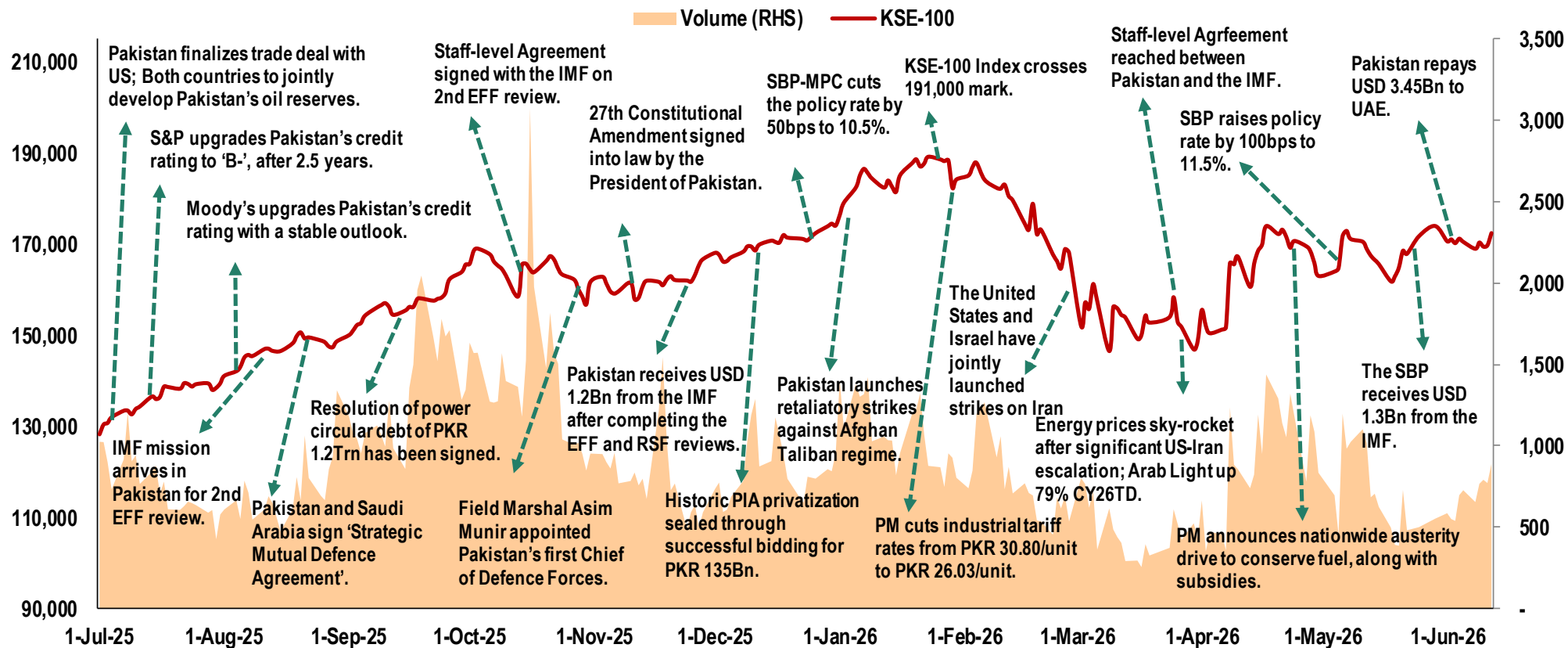
Projections for Key Economic Indicators

Gross Domestic Product		FY19	FY20	FY21	FY22	FY23	FY24	FY25A	FY26F	FY27F	FY28F
Real Growth	YoY %	3.1%	-0.9%	5.8%	6.2%	-0.2%	2.6%	3.2%	3.6%	4.3%	4.8%
Nominal Value	USD (Bn)	322	301	349	376	337	372	407	447	489	513
Monetary Indicators		FY19	FY20	FY21	FY22	FY23	FY24	FY25A	FY26F	FY27F	FY28F
NCPI (% YoY)	FY Avg.	7.3%	10.7%	8.9%	12.1%	29.0%	23.9%	4.6%	7.0%	5.6%	2.7%
Policy Rate (% YoY)	FY Avg.	9.7%	11.8%	7.0%	9.7%	17.5%	21.9%	14.3%	11.8%	10.8%	8.5%
Policy Rate (% YoY)	FY End	12.3%	7.0%	7.0%	13.8%	22.0%	20.5%	11.0%	12.5%	9.0%	8.0%
PKR/USD	FY Avg.	136.1	158.0	160.0	177.5	248.0	282.9	279.3	281.6	282.8	289.6
PKR/USD	FY End	162.0	167.7	157.3	204.6	286.1	278.3	283.7	279.4	286.2	293.1
External Indicators		FY19	FY20	FY21	FY22	FY23	FY24	FY25A	FY26F	FY27F	FY28F
Goods Imports	USD (Bn)	51.9	43.6	54.3	71.5	52.7	53.2	59.1	64.0	68.4	73.1
Goods Exports	USD (Bn)	24.3	22.5	25.6	32.5	27.9	31.0	32.3	31.3	34.6	37.2
Trade Deficit	USD (Bn)	(27.6)	(21.1)	(28.6)	(39.1)	(24.8)	(22.2)	(26.8)	(32.7)	(33.8)	(35.9)
Services Deficit	USD (Bn)	(5.0)	(3.3)	(2.5)	(5.8)	(1.0)	(3.1)	(2.8)	(2.1)	(2.4)	(2.8)
Remittances	USD (Bn)	21.7	23.1	29.4	31.3	27.3	30.3	38.3	41.6	43.7	45.5
Current Account	USD (Bn)	(13.4)	(4.4)	(2.8)	(17.5)	(3.3)	(2.1)	1.7	(0.8)	(1.9)	(3.5)
Foreign Reserves (FY End)	USD (Bn)	14.5	18.9	24.4	15.4	9.2	14.0	19.3	23.8	28.0	29.7
Fiscal Indicators		FY19	FY20	FY21	FY22	FY23	FY24	FY25A	FY26F	FY27F	FY28F
Total Revenue	PKR (Bn)	4,901	6,272	6,903	8,035	9,634	13,269	17,997	18,966	20,600	23,690
Total Expenditure	PKR (Bn)	8,346	9,648	10,307	13,295	16,155	20,476	24,166	23,374	27,620	30,382
Fiscal Deficit	PKR (Bn)	(3,445)	(3,376)	(3,403)	(5,260)	(6,521)	(7,207)	(6,168)	(4,408)	(7,020)	(6,692)
Deficits % of GDP Summary		FY19	FY20	FY21	FY22	FY23	FY24	FY25A	FY26F	FY27F	FY28F
Fiscal Deficit	%	7.9%	7.1%	6.1%	7.9%	7.8%	6.9%	5.4%	3.5%	3.5%	3.7%
Current Account Deficit	%	4.2%	1.5%	0.8%	4.7%	1.0%	0.6%	-0.4%	0.2%	0.4%	0.7%
Trade Deficit	%	10.1%	8.1%	8.9%	12.0%	7.7%	6.8%	7.3%	7.8%	7.4%	7.5%

Source: International Monetary Fund, Ministry of Finance, State Bank of Pakistan, Pakistan Bureau of Statistics and TSL Research

KSE-100 Index Performance FY26TD and Expected Market Reaction

The year in review: KSE-100 Index up 37.2% (+46,773 points) FY26 TD



Source: PSX & TSL Research

KSE 100 Index Major Outperformers & Underperformers – FY26 TD

Top-10 Outperformers FY26 TD

Symbol	Company Name	Sector	Market Cap - PKR Mn		% Change
			30-Jun-25	12-Jun-26	
BOP	The Bank of Punjab	Commercial Banks	33,861	113,229	234%
PTC	Pakistan Telecommunication Company Ltd	Technology & Communication	96,011	243,876	154%
JVDC	Javedan Corporation Limited	Property	24,508	58,333	138%
PIBTL	Pakistan International Bulk Terminal	Transport	15,610	31,274	100%
AKBL	Askari Bank Limited	Commercial Banks	71,450	142,321	99%
NPL	Nishat Power Limited	Power Generation & Distribution	12,843	25,349	97%
SAZEW	Sazgar Engineering Works Limited	Automobile Assembler	68,898	126,542	84%
NBP	National Bank of Pakistan	Commercial Banks	231,239	404,589	75%
ATLH	Atlas Honda Limited	Automobile Assembler	127,881	222,840	74%
POWER	Power Cement Limited	Cement	16,201	27,746	71%

Top-10 Underperformers FY26 TD

Symbol	Company Name	Sector	Market Cap - PKR Mn		% Change
			30-Jun-25	12-Jun-26	
SSOM	S.S.Oil Mills Limited	Vanaspati & Allied Industries	5,386	2,323	-57%
SSGC	Sui Southern Gas Company Limited	Oil & Gas Marketing Companies	37,694	23,758	-37%
TPLRF1	TPL REIT Fund I	Real Estate Investment Trust	25,892	17,359	-33%
IBFL	Ibrahim Fibres Limited	Synthetic & Rayon	105,762	72,966	-31%
TGL	Tariq Glass Industries Limited	Glass & Ceramics	43,243	30,957	-28%
LCI	Lucky Core Industries Limited	Chemical	146,783	105,700	-28%
PGLC	Pak-Gulf Leasing Company Limited	Leasing Companies	990	717	-28%
MEHT	Mehmood Textile Mills Limited	Textile Composite	9,199	6,717	-27%
PABC	Pakistan Aluminium Beverage Cans Limited	Miscellaneous	52,097	38,075	-27%
BNWM	Bannu Woollen Mills Limited	Woollen	831	659	-21%

Source: PSX & TSL Research.

Market reaction expected to be **Positive** overall

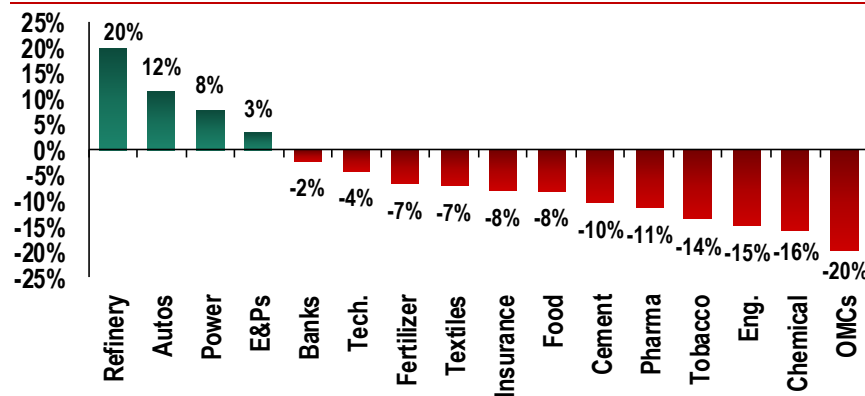
- We expect the market to react positively to the Federal Budget overall specially due to: i) Welcome relief for the salaried class including removal of CVT; ii) Reduction in Super-tax; iii) Incentives for Exporters (IT and Textiles mainly); and iv) No significant revenue measures (other than the taxation of retailers). Further, reliefs announced for the construction & real-estate sector, pharmaceuticals and refineries are also likely to support positive momentum, going forward.
- Additionally, the incentives/exemptions applicable on EVs have been more or less retained and extended for up to one year which would also benefit domestic EV assemblers and manufacturers. Also, reduction in CDs, ACDs and RDs on several tariff lines under the 2nd Phase of National Tariff Policy would also bode well for multiple sectors.
- Moreover, we flag the exclusion of heavyweight sectors like Banks, Fertilizer & E&Ps from any reliefs to be Neutral and broadly in-line with market expectations given the tight fiscal space. To note, tax collection target has been set as per the IMF Staff Report in May'26, with the Government aiming to achieve 2% Primary Surplus.
- No change in capital gains tax, taxation of dividends etc. would also be a Neutral for the market – supporting wider sentiment.

Post-Budget KSE 100 Index Return

Budget Year	Announcement Date	Market Return (%)		
		30 Days	60 Days	90 Days
FY18	26-May-17	-12.0%	-19.7%	-22.9%
FY19	26-Apr-18	-7.4%	-7.4%	-17.0%
FY20	11-Jun-19	-2.3%	-10.7%	16.7%
FY21	12-Jun-20	5.8%	22.9%	25.0%
FY22	11-Jun-21	-1.8%	-2.4%	-3.5%
FY23	10-Jun-22	0.4%	-1.1%	0.5%
FY24	9-Jun-23	6.4%	13.2%	9.2%
FY25	12-Jun-24	9.8%	7.9%	8.9%
FY26	10-Jun-25	9.6%	19.4%	27.9%

Source: PSX & TSL Research.

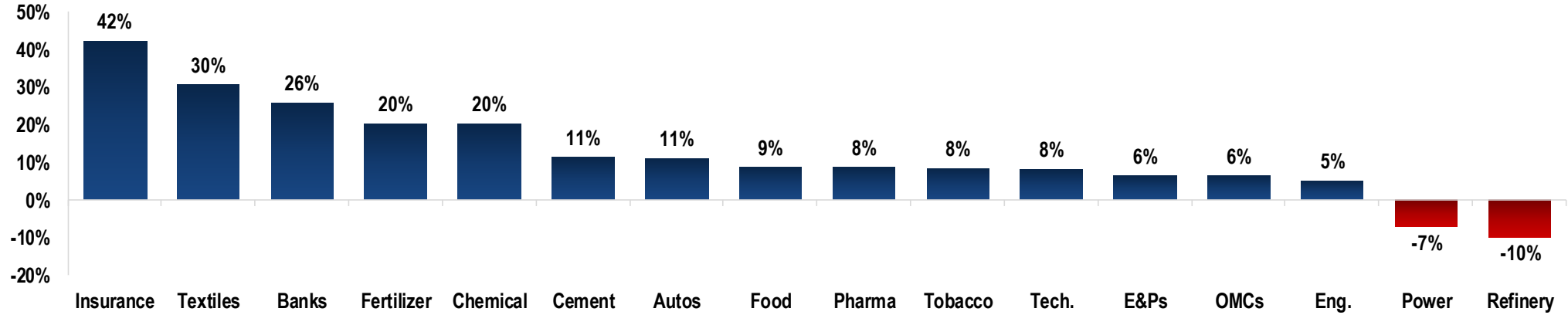
CY26TD Sector-wise return



Source: PSX and TSL Research

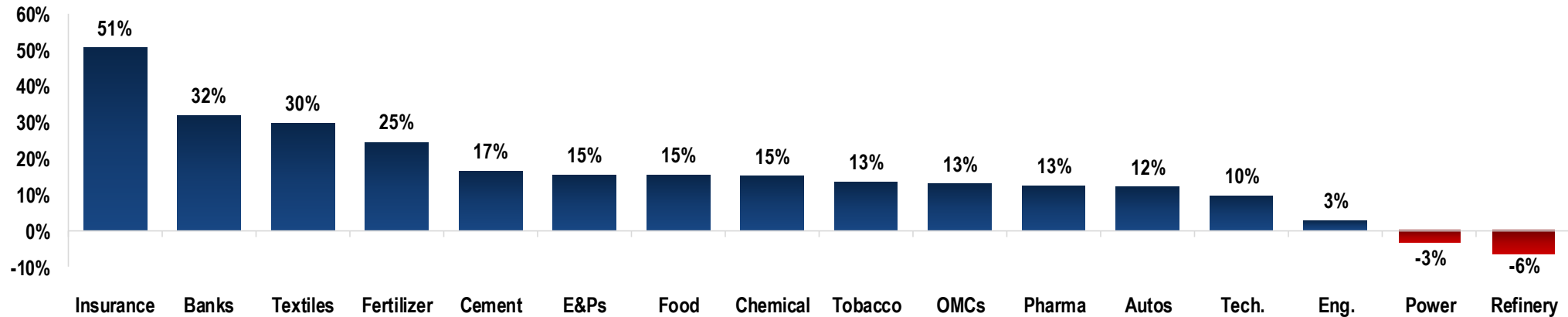
Sector-wise Returns Post Budget Announcement Last Year

KSE-100 Index Sector-wise Return for major sectors (30 Days Post-Budget FY26)



Source: PSX & TSL Research

KSE-100 Index Sector-wise Return for major sectors (60 Days Post-Budget FY26)



Source: PSX & TSL Research

Sector-wise Budgetary Measures & Impact

Sector	Index Weight (%)	Impact
Commercial Banks	30%	Neutral
Fertilizer	13%	Neutral
Oil & Gas Exploration	12%	Neutral
Cement	9%	Positive
Power	5%	Positive
Technology	4%	Positive
Automobile	4%	Positive
Oil & Gas Marketing	3%	Neutral
Pharmaceutical	3%	Positive
Food & Personal Care	3%	Neutral

Sector	Index Weight (%)	Impact
Textile Composite	1%	Positive
Refinery	1%	Positive
Chemical	1%	Neutral
REITs	1%	Positive
Engineering	1%	Positive
Glass & Ceramics	1%	Positive
Cable & Electrical	0.4%	Neutral
Insurance	0.4%	Neutral
Paper & Board	0.4%	Neutral
Tobacco	0.3%	Positive

Proposal	Impact	Analyst Comments
Government borrowing requirement from the domestic banking sector to remain elevated for FY27, as majority of the budgetary borrowings are likely to come from Banks.	Positive	Highly positive for banks as ~97% of the sector's investments are currently concentrated in Government Securities. Banks mainly benefit from arbitrage opportunities as well by utilizing OMOs from the SBP.
No change in super-tax regime for the banking sector. 10% super-tax would continue to apply. Further, no change in statutory corporate tax rate for Banks.	Neutral	No relief in super-tax or corporate tax for the sector contrary to relief in super-tax for other sectors. Nevertheless, this was more or less expected, hence, we flag it to be Neutral.
Reduction in WHT rate on international card transactions from 5% to 0.5%.	Positive	This is a significant reduction and will encourage more card related spend enabling the sector to earn hefty fees.
Banking companies and Electronic Money shall electronically provide information relating to high-value deposits and withdrawals for algorithmic comparison with tax declarations to identify significant mismatches and broaden the tax base.	Neutral	This is likely to increase compliance & monitoring costs for the sector while also encouraging cash-based transactions. However, overall we believe it to be Neutral.
NCCPL to compute and determine capital gain as per the prescribed mechanism. While, Banks shall continue to deposit tax on account of provisions of ITO-2001.	Neutral	We attribute the proposal to be Neutral for Banks. However, differences may arise in determining CGT as per NCCPL and as per the provisions of ITO-2001.
Banks to deduct tax from capital gain arising on disposal of debt instruments and Government securities etc.	Neutral	Neutral for the sector.

Proposal	Impact	Analyst Comments
Exemption of CD, ACD and RD on import of Agricultural Machinery.	Positive	Highly positive for the growth & expansion of Agricultural activity in the country, enabling positive farm economics.
The Government has launched "Zargkhezi" program aiming to provide PKR 300Bn loans to 750K small farmers.	Positive	This will improve access to affordable financing for farmers who often lack formal credit options and stimulate economic activity across the agricultural value chain.
Introduction of "Agri Storage Financing Facility" amounting to PKR 7.1Bn to build storage facilities for farmers i.e. Fertilizer products.	Positive	Increase in storage capacity can ensure timely availability of inputs to farmers, and help stabilize supply during peak demand periods. Likely to improve farm productivity and strengthen overall agricultural output.
Continuation of "Kissan Card" program with increase in the loan limit.	Positive	To improve farmer's cash flows by allowing greater purchases of fertilizers, seeds and pesticides. This is likely to support small-to-medium sized farmers i.e. providing interest free loans with the loan limit likely to cross above 300K per season.
Continuation of other schemes introduced in FY26 by virtue of allocations under PSDP and subsidy programs.	Positive	The Government is likely to continue schemes launched during FY26 which includes Apna Khet Apna Rozgar Scheme, CM Kissan Card program and Wheat support program; aiming to enhance agronomics.
Fertilizer companies excluded from relief in Super tax.	Negative	This is potentially leading to higher fertilizer prices or reduced margins for producers, pressurizing farm economics.

Proposal	Impact	Analyst Comments
The Federal PSDP FY27 allocates PKR 16.4 billion to the housing sector, reflecting an increase i.e. 22%YoY.	Positive	This will accelerate housing and urban development projects and support the construction industry i.e. demand for cement, steel, and allied building materials. Additionally, stimulate demand for the boarder economy.
Accelerating "Apna Ghar program" to boost construction activity. PKR 71Bn subsidy allocated for the scheme.	Positive	The program would help increase construction activities through affordable finance i.e. 5% Mark-up and improve access to affordable homeownership for low and middle-income households.
Reduction in Withholding Tax on purchase and sale of immovable property from 2.5% to 1.25% and from 5.5% to 2.75%, respectively.	Positive	To stimulate activity in the real estate sector by lowering transaction costs, improving affordability and encouraging greater investment and market participation. Also benefit construction related sectors i.e. Cement, Steel, Glass & Ceramics and Chemicals.
The Federal Government has announced Federal PSDP allocation of PKR 1Trn for FY27, including PKR 224.5Bn for NHA projects as well as further allocation for development of Railways, and the development of hydel projects.	Positive	To boost Pakistan's construction sector by increasing public investment in infrastructure projects and drive demand for construction materials along with stimulate growth.
Late-filers rates category abolished	Positive	Abolishing this category means one less tax penalty, encouraging more people to become filers.
Cost basis of inherited property	Positive	Heirs now get a stepped-up cost basis — they use the property's value at inheritance, not the original purchase price; lowering capital gains tax when selling.

Proposal	Impact	Analyst Comments
Reduction in duties on import of Raw materials.	Positive	This will stimulate export-led growth, lower production costs, improve competitiveness and increase in the industry utilization.
Phase-wise increase of GST on FATA/PATA i.e. from 10% in FY26 to 12% in FY27.	Positive	Likely to benefit Pakistan's formal steel sector (mainly Long steel) by reducing the tax advantage previously enjoyed by manufacturers in these regions.
Imposition of tax on the basis of monthly electricity units consumed.	Negative	The sector is highly energy-intensive so this measure is likely to increase operating cost and reducing margins specifically for small steel players.

Proposal	Impact	Analyst Comments
Customs duty on imported CBU EVs has been set at 0% for vehicles priced below PKR 20Mn, 30% for vehicles priced between PKR 20Mn and PKR 30Mn, and 40% for vehicles priced above PKR 30Mn.	Positive	The measure is likely to support the affordability of lower-priced EVs while discouraging imports of premium EV models, thereby encouraging demand in the mass-market EV segment.
Existing Custom Duty concession on electric bike, riskshaws, cars, and buses will continue for another year.	Positive	The announcement is cost-neutral for local EV assemblers, as the extension of CKD duty exemptions ensures that production costs remain largely unchanged.
The budget also proposes a 40 percent ad valorem Federal Excise Duty (FED) on imported cars, SUVs and other vehicles with engine capacities above 2000cc and up to 3000cc and vehicles with engine capacities exceeding 3000cc will face a 41 percent ad valorem FED under the proposed measures.	Neutral	This announcement will increase vehicle prices and negatively impact demand for imported premium vehicles.
Pakistan Accelerated Vehicle Scheme to be launched by the Government under which subsidized financing is being provided for the purchase of E-bikes and e-rickshaw.	Positive	Strongly positive for EV penetration, supporting higher sales volumes of e-bikes and e-rickshaws through improved affordability.

Proposal	Impact	Analyst Comments
The Competitive Trading Bilateral Contract Market (CTBCM) is set to host its first competitive power auction in September 2026 in which about 800 MW of electricity will be traded under a competitive market based framework.	Positive	Positive for the power sector as it promotes competition, improves pricing efficiency, and encourages private sector participation.
The Federal PSDP has allocated PKR 116.2Bn for the power sector under major hydropower projects	Positive	This is likely to increase the power generation mainly from the hydro power projects, eventually leading to lower cost of electricity generation.
Structural reforms of NTDC are also underway, under which the function of transmission, system operations and market operations are being separated.	Positive	Positive for sector efficiency and transparency, paving the way for a more competitive and market-driven electricity sector.
PKR 830Bn allocated under tariff differential subsidy for various DISCOs include K-Electric to support low income groups.	Neutral	The subsidy will ensure continued consumption through the grid while also supporting low-income groups.

Proposal	Impact	Analyst Comments
Export Development Surcharge of 0.25% has been eliminated on export income.	Positive	This initiative will reduce costs for exporters, improve margins and global price competitiveness. Alongside, encourage higher production, supporting sector growth.
~PKR 88Bn has been allocated for the expansion of the Export Refinance Scheme to support and boost sector exports.	Positive	This aims to ease the financial burden on exporters by lowering financing costs and relaxing working capital constraints.
The second phase of expanding 1,000 industrial stitching units is underway under SMEDA.	Positive	This step will improve value addition, increase employment, boost SME participation and strengthen garment manufacturing and export capacity.
The reduction in advance Income tax and Minimum tax on exporters from 2% to 1.25% Minimum Tax.	Positive	This will reduce tax burden on the exporters and improve profitability for the sector.
Tax deducted on ecommerce transactions shall be adjustable for sellers having turnover exceeding PKR 200Mn.	Positive	This will reduce accumulation of tax refunds and reduce working capital pressure on players with large e-commerce presence.

Proposal	Impact	Analyst Comments
Illegal or unregistered cigarettes, beverages, and other excise goods can now be seized with transport and permanently destroyed if found without proper tax stamps or monitoring compliance.	Positive	Positive for the formal tobacco sector as it curbs illegal cigarette trade, improves tax compliance, and helps listed manufacturers gain market share and pricing stability.
Manufacturers or importers cannot introduce a cheaper new variant of an existing cigarette brand below the lowest price of that brand as on Budget day of the current year, to prevent price undercutting within the same brand.	Neutral	The proposal will have a positive impact on cigarette manufacturers as it prevents internal price undercutting, supports premium pricing discipline, protects brand value, and reduces unfair competition from cheaper variants within the same brand.
The Government has increased FED on e-liquids used in e-cigarettes from PKR 10,000/kg to PKR 16,500/kg and replaced the retail-price-based tariff of up to 65% on tobacco and nicotine products and shifted to a fixed FED regime.	Positive	It creates a more transparent tax structure, improves compliance, reduces distortions and supports better revenue collection.
Reduction in FED on import of acetate tow from PKR 44,000 to PKR 10,000.	Positive	This will bode positively for the sector as acetate tow is a key raw material used in manufacturing of cigarettes.
Inclusion of FMCGs in 3 rd Schedule of Sales Tax Act.	Negative	Change in classification for sales tax is likely to increase retail prices for these goods leading to reduction in their consumption.

Proposal	Impact	Analyst Comments
Imposition of FED on Naphtha, solvent oil and turpentine. (Refinery)	Negative	The imposition of levy i.e. PKR 80/litre is likely to have a negative impact by increasing the tax burden on refined products, potentially reducing demand and compressing profit margins.
Exemption of sales tax on import of capital goods for up-gradation and overhaul of existing refineries. (Refinery)	Positive	Likely to lower operational cost and encourage refineries to accelerate ongoing brownfield projects.
Imposition of 5% ad valorem on Lubricating oil and base lubricating oils. (OMCs)	Negative	Raises lubricant prices, lowers demand, and favors smuggled or unregistered alternatives.
Increase in Carbon levy tax from PKR 2.5/liter to PKR 5.0/liter on MS and HSD. (OMCs)	Negative	Higher fuel costs reduce demand, squeeze OMC margins, and increase inflation.
The government has decided not to abolish the Super Tax for E&P companies. (E&P)	Neutral	This decision will be negative to neutral for E&P companies as the continued Super Tax will reduce after-tax earnings, resulting in lower profitability and placing pressure on net income growth despite operational performance.

Proposal	Impact	Analyst Comments
Around PKR 25.1Bn has been allocated under the Federal Development Programme FY27 for health projects, including the expansion of tertiary healthcare facilities. (Pharmaceutical)	Positive	This initiative will strengthen emergency and critical care services, expanding cancer treatment facilities.
The Government is fully abolishing customs duties on more than 100 types of raw materials used in the local manufacturing of medicines for cancer and other diseases. (Pharmaceutical)	Positive	This will improve access to advanced and specialized treatments while making them more affordable for the public, while also reducing production costs for companies, supporting local drug makers, and improving profit margins.
The Government has abolished right-of-way charges, leading to an increase in telecom tower fiberization from 14% to 18%. (Telecom)	Positive	This is positive for the telecom sector as it reduces infrastructure costs, encourages faster fiber rollout, improves network quality and internet speed, and supports overall digital connectivity expansion.
The 0.25% Final Tax on IT & ITeS export revenue has been extended till June 30, 2029. (IT and ITeS)	Positive	This motive would continue to support growth in IT & ITeS exports, and also support tech-start-up activity in the country.

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- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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Frequently Used Acronyms

TP	Target Price	DCF	Discounted Cash Flow	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DDM	Dividend Discount Model
SOTP	Sum of the Parts	P/E	Price to Earnings ratio	P/BVPS	Price to Book ratio
P/S	Price to Sales	EVA	Economic Valued Added	BVPS	Book Value per Share
EPS	Earnings per Share	DPS	Dividend per Share	DY	Dividend Yield
ROE	Return on Equity	ROA	Return on Assets	JPB	Justified Price to Book

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