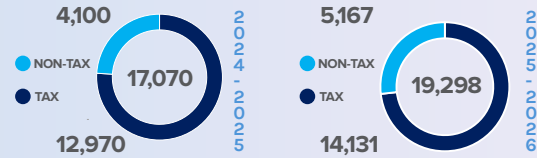


### HEADLINES

- Total budget outlay is set at Rs 17,573 billion – 6.9 percent less than FY2024-25 (Rs 18,877 billion).
- Primarily, a stabilization budget with some efforts to balance relief.
- Less relief for salaried class than real estate sector.
- A good initiative to simplify tax return forms and encourage digital filing. AI-driven systems, digital invoicing, and real-time monitoring to curb tax evasion.
- Tariff rationalization – ultimately boosting exports and drive economic development.
- First time carbon levy of Rs 2.5 per/liter has been imposed.
- A business as usual focus on water reservoirs development (Rs 133.4 Bn allocated).
- Keep in mind recent happening on Indus Water Treat, this must be on war footing.
- 18 percent of GST on imported solar panels, hybrid cars and on E-commerce goods and services.
- Pensions remain higher than the salaries for the third consecutive year. Few reforms made;
  - \* Maximum 10-year tenure for receiving pension after the death of spouse.
  - \* Re-employed must choose either pension or salary.
- Budget deficit for the current fiscal year is Rs 6,501 billion – lower than FY2024-25 (8500 billion PKR).
- Interest payments set at Rs 8,207 billion – 46.7 pc of the total budget outlay.
- Net transfers to provinces under NFC Award are set at 8,206 billion PKR.
- Salaries increased by 10 percent and pensions increased by 7 percent.
- Petroleum levy increased from Rs 70 to 90.

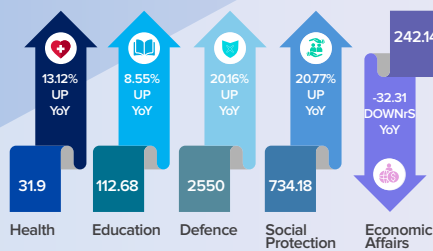
### REVENUE TARGETS



### EXPENDITURE TARGETS



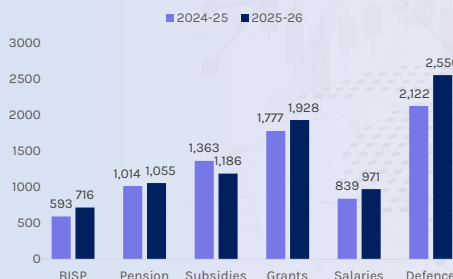
### MAJOR SECTORAL ALLOCATIONS (RS BILLION)



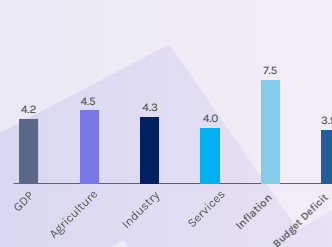
### INCOME TAX SLAB

Income Tax Slab (Million PKR) 2024-25	Income Tax Slab (Million PKR) 2025-26
0 – 0.6 Mn (Zero tax)	0 – 0.6 Mn (Zero tax)
0.6 – 1.2 Mn (5% tax)	0.6 – 1.2 Mn (1% tax)
1.2 – 2.2 Mn (30,000 fixed tax + 15% above 1.2 Mn)	1.2 – 2.2 Mn (6,000 fixed tax + 11% above 1.2 Mn)
2.2 – 3.2 Mn (180,000 fixed tax + 25% above 2.2 Mn)	2.2 – 3.2 Mn (116,000 fixed tax + 23% above 2.2 Mn)
3.2 – 4.1 Mn (430,000 fixed tax + 30% above 3.2 Mn)	3.2 – 4.1 Mn (346,000 fixed tax + 30% above 3.2 Mn)
4.1 Mn – Above (700,000 fixed tax + 35% above 4.1 Mn)	4.1 Mn – Above (616,000 fixed tax + 35% above 4.1 Mn)

### OTHER ALLOCATIONS (RS BILLION)



### SECTORAL TARGETS



### BALANCING THE 4DS

Net Federal Revenue = 11,072

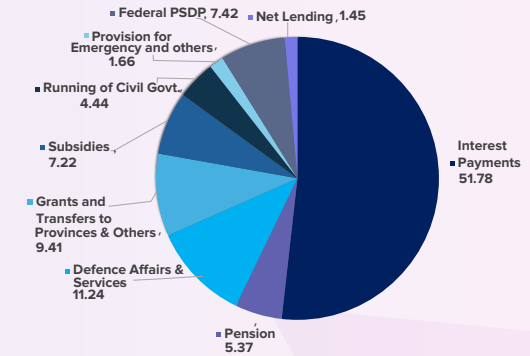
#### 1. Current Expenditures (D1+D2+D3+D4)

- D1 - Debt Interest Payment = 8,207
- D2 - Defence = 2,550
- D3 - Day to Day Running of Civil Government (Civil Administration Pay, Pensions) = 2,026
- D4 - Development (Grants + Subsidies) = 3,114
- D1+D2+D3+D4 = 15,897

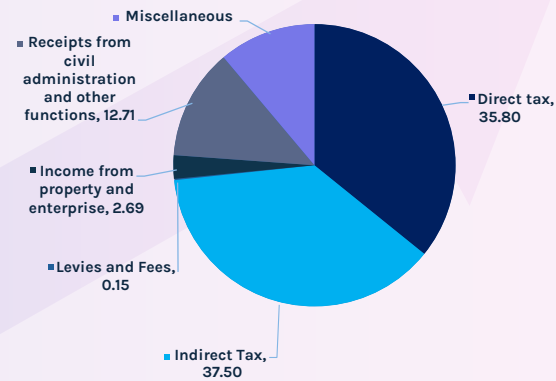
#### 2. Federal PSDP = 1000

### PERCENTAGE SHARE AS TOTAL EXPENDITURE

#### 2024 - 25 B.E

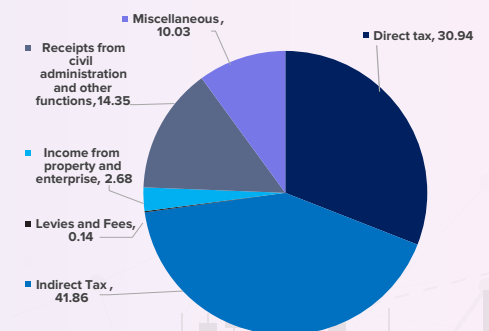


#### 2025 - 26 B.E

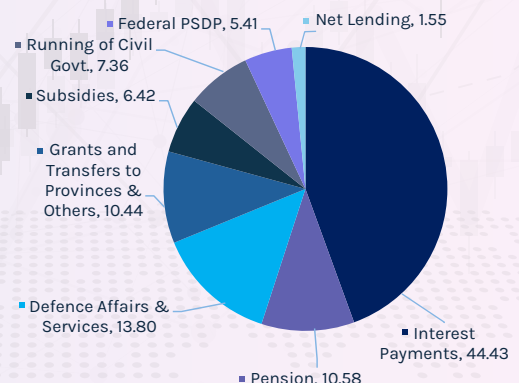


### PERCENTAGE SHARE AS TOTAL REVENUE

#### 2024 - 25 B.E



#### 2025 - 26 B.E



### KEY CHALLENGES

- Further causes to rise poverty and unemployment.
- Enforcement of policies will remain a bigger challenge.
- No clarity to include undertaxed sectors like retailers, and real estate.
- The budget falls short on structural and bold reforms.
- No increase in the minimum wage rate – Rs 37,000 in the last budget.