



SRCA

SALMAN & RAHEEL CHARTERED ACCOUNTANTS

YOUR PARTNER IN SUCCESS

MONTHLY BULLETIN

AUGUST 2026



BUSINESS SIGNALS



PAKISTAN'S PROGRESS



PRACTICAL INSIGHT

SALMAN & RAHEEL CHARTERED ACCOUNTANTS

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FROM SRCA

A month of stronger foundations

August brought encouraging evidence of fiscal repair, momentum and enterprise formation—alongside a clear reminder to keep inflation and external risks in view.



IN THIS EDITION



Economy: fiscal, industrial and external-sector signals



Markets: reserves, rupee, KIBOR and PSX



Business Recorder: a concise August news digest



Management focus: Odoo and internal audit



Tax: filing dates and a facilitation update

EDITORIAL LENS



Positive, but never promotional at the expense of accuracy



Latest data available by 31 August 2026



Official releases prioritised; reputable reporting used for market context



Comparisons and time periods stated explicitly

A HUMBLE MILESTONE FOR SRCA

Alhamdulillah, SRCA was pleased to achieve QCR Rated status from the Institute of Chartered Accountants of Pakistan. We receive this recognition with gratitude to our team, clients and the profession—and with a renewed responsibility to keep strengthening audit quality, ethics and service. We remain committed to continuous improvement.



PAKISTAN • 14 AUGUST • FAITH, UNITY, DISCIPLINE



SOURCE NOTE SRCA company announcement, 19 August 2026. QCR status is stated as announced by the firm.

TOP STORIES

Six numbers worth knowing

A concise reading of the strongest August signals, with the period behind each number made clear.



FISCAL BALANCE

2.6% of GDP

Federal fiscal deficit in FY2026; the Finance Division described it as the lowest in more than two decades.



PRIMARY BALANCE

+2.9% of GDP

Third consecutive annual primary surplus—evidence of improved discipline before interest costs.



WORKER REMITTANCES

US\$3.63bn

July inflows reported in August; up 13.0% year on year.



GOODS EXPORTS

US\$3.01bn

July exports; up 9.4% year on year and 16.9% month on month.



IT EXPORTS

US\$417m

July receipts; up 17.8% year on year after a record FY2026.



NEW COMPANIES

5,438

July incorporations announced by SECP in August; up 33.8% year on year.



WHY THIS MATTERS

Fiscal repair can create room for stability; external inflows reduce pressure on financing; and new-company formation is a practical measure of entrepreneurial intent. The next test is to convert these gains into durable productivity, jobs and investment.



TOP STORIES

Momentum—with an honest watchlist

A positive bulletin is most useful when it separates progress from risks that management teams still need to plan around.


SOVEREIGN RATING

B3 / stable

Moody's upgraded Pakistan to B3 from Caa1 and retained a stable outlook on 24 August.


OFFICIAL RESERVES

US\$17.10bn

SBP reserves on 21 August; total liquid reserves were US\$22.59bn including banks.


LARGE-SCALE MANUFACTURING

+4.98%

FY2026 growth, reversing the prior-year contraction; 16 of 22 sectors expanded.


CURRENT ACCOUNT

US\$328m

July deficit—38% narrower year on-year and 60% below June, according to SBP data reported by Business Recorder.


POLICY RATE

11.5%

SBP policy rate prevailing through August.


HEADLINE INFLATION

11.1%

August CPI. A clear cost and planning watchpoint despite broader stabilization gains.


THE OPPORTUNITY

Use stronger macro signals to revisit investment cases, export plans, working-capital policy and process automation.


THE DISCIPLINE

Stress-test budgets for food, energy, freight, FX and financing costs. Positive direction is not the same as risk-free execution.

SOURCE NOTE Moody's/Finance Division; SBP; PBS; Business Recorder reporting of SBP data, 19 August 2026.

ECONOMIC DASHBOARD

August at a glance

Latest available official data, mostly covering July 2026 or FY2026 and released during August.



REVENUE

Rs16.77tn

Federal revenue in FY2026;
+9.9% year on year.



EXPENDITURE

Rs23.06tn

Federal expenditure in FY2026;
4.5% lower year on year.



FBR COLLECTION

Rs820.9bn

July 2026 tax collection;
+8.4% year on year.



FX RESERVES

US\$22.59bn

Total liquid reserves
on 21 August.



NET FDI

US\$178.6m

July 2026 net foreign
direct investment.



PSX

176,676

KSE-100 close on 31 August; modestly
positive for the month despite late
volatility.



CEMENT

4.50m tonnes

July dispatches; domestic sales
rose 17.3% year on year.



WORKERS ABROAD

36,156

Pakistanis registered for
overseas employment in July.



READING THE DASHBOARD

The direction is constructive: a much smaller fiscal gap, firmer industry and export receipts, sizeable remittances and stronger reserves. Inflation and geopolitical risk remain the two most visible near-term sensitivities.

SOURCE NOTE Finance Division, August 2026; SBP; PBS; Business Recorder market close, 31 August 2026.

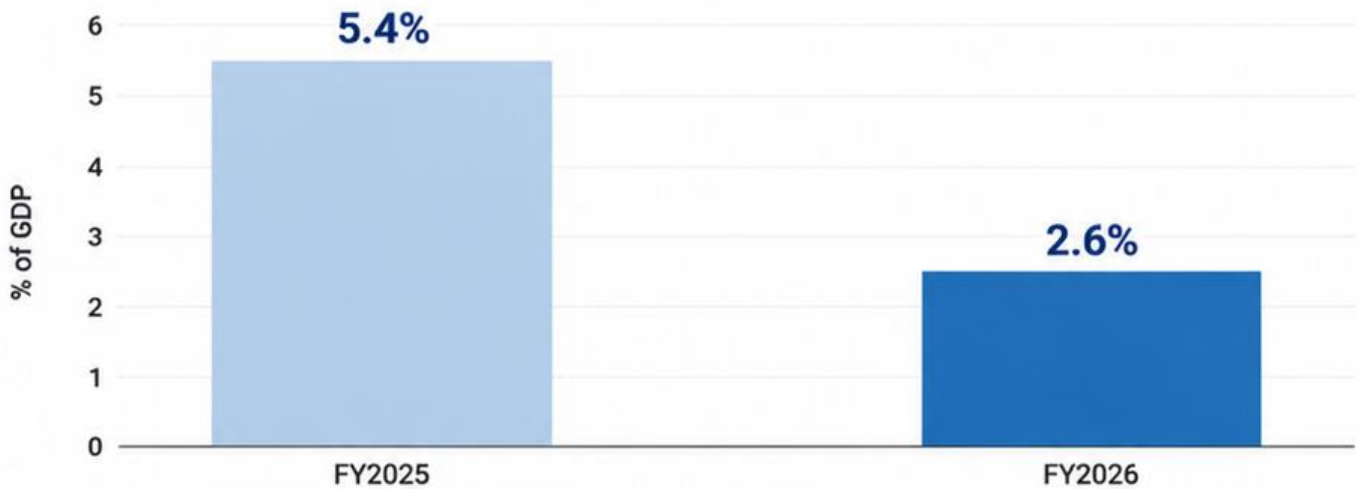
ECONOMIC EVENTS

Fiscal repair becomes visible

FY2026 closed with a materially smaller federal deficit and the third straight annual primary surplus.



Federal fiscal deficit narrowed sharply



PRIMARY SURPLUS

2.6% of GDP

Before interest payments, the federal balance recorded a sizeable surplus.



MARKUP PAYMENTS

-21.8%

Lower year on year—an important contributor to reduced expenditure.



DEVELOPMENT SPENDING

+14.6%

Expanded even as total expenditure declined.



REVENUE GROWTH

+6.6%

Federal revenue rose in FY2026.



Business implication

A more credible fiscal path can support confidence and reduce macro volatility over time. Companies should still build decisions around cash generation and scenario ranges—not a single optimistic forecast.

SOURCE NOTE Finance Division, Monthly Economic Update C Outlook, August 2026. Comparisons are FY2026 versus FY2025.

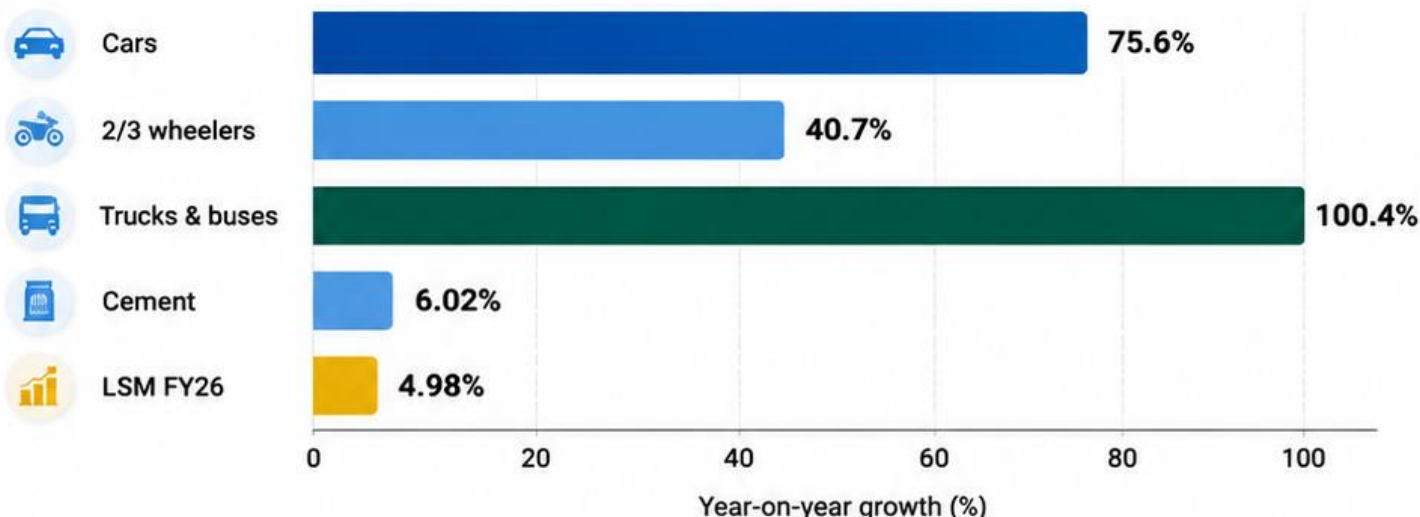
MONTHLY OUTLOOK

The real economy regains traction

Manufacturing, vehicles and domestic cement sales all supplied encouraging signals, albeit from different bases and time periods.



Selected production and sales indicators



What improved

- ✓ LSM expanded 4.98% in FY2026; 16 of 22 sectors grew.
- ✓ July passenger-car sales rose 75.6% year on year.
- ✓ July truck and bus sales doubled year on year.
- ✓ Domestic cement dispatches rose 17.3% year on year.



What leaders should ask

- ? Is demand broad-based or driven by a favourable base?
- ? Which capacity constraints will appear first?
- ? Can working capital support higher throughput?
- ? Are quality and controls scaling with volume?



The better question

Growth is welcome; profitable, cash-generative and controlled growth is better. Finance and operations teams should monitor unit economics, inventory ageing and receivable conversion as volumes recover.



SOURCE NOTE Finance Division, August 2026; PAMA and APCMA indicators reproduced in the official update.

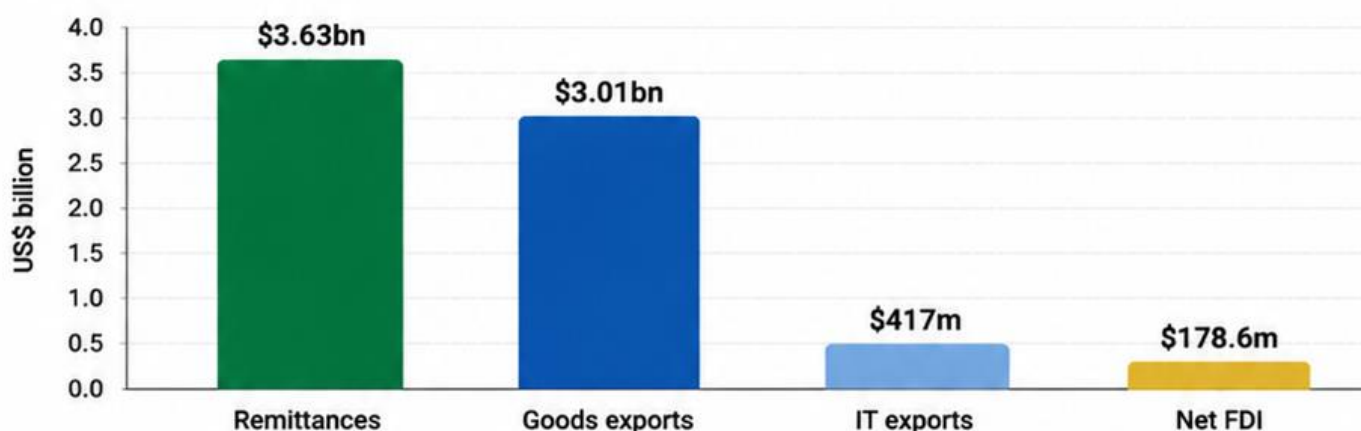
EXTERNAL ACCOUNT

Export and remittance engines strengthen

July data released in August showed stronger receipts and a substantially narrower current-account deficit.



July 2026 flows reported during August



CURRENT ACCOUNT

US\$328m

Deficit in July 2026, versus US\$529m a year earlier and US\$814m in June.



GOODS & SERVICES EXPORTS

US\$3.64bn

Combined receipts in July, versus US\$3.48bn a year earlier.



TOTAL FOREIGN INVESTMENT

US\$204.5m

Net inflow in July, versus US\$178.9m a year earlier.



PORTFOLIO INVESTMENT

US\$25.6m

Net inflow in July, reversing a net outflow in the same month last year.



Business Recorder perspective

Business Recorder highlighted that July's current-account gap narrowed 38% year on year and 60% month on month, while goods exports reached their highest level in 19 months.

SOURCE NOTE Finance Division/SBP; Business Recorder, "Current account deficit shrinks 38% YoY to \$328mn in July", 19 August 2026.

DIGITAL PAKISTAN

Services exports move further up the value chain

Technology receipts and formal remittance channels continue to provide resilience and opportunity.



IT EXPORTS

US\$417m

July 2026 receipts,
up 17.8% year on year.



FY2026 IT EXPORTS

≈US\$4.6bn

A record annual level,
according to the Finance Division.



REMITTANCE GROWTH

+13.0%

July year-on-year increase.



MONTHLY GROWTH

+4.5%

July remittances versus June.



For exporters

- Formalise pricing and margin governance by client and currency.
- Track utilisation, delivery quality and collection days together.
- Build cybersecurity and continuity controls before scale exposes gaps.



For policymakers & ecosystem

- Keep digital payments easy, trusted and interoperable.
- Deepen talent pipelines and export-market access.
- Reduce friction in business formation and compliance.



A compounding opportunity

Digital exports are not only a foreign-exchange story. They can diffuse better management practices, technical skills and international quality expectations across the wider economy.

SOURCE NOTE Finance Division, Monthly Economic Update & Outlook, August 2026;
SBP balance-of-payments and remittance data.

ENTERPRISE & CAPITAL FORMATION

A record month for company incorporation

SECP registered 5,438 new companies in July—its highest monthly total—announced on 6 August.



TOTAL INCORPORATIONS

5,438

Up 33.8% year on year.



INFORMATION TECHNOLOGY

1,008

Largest sector by new incorporations.



TRADING

845

Second-largest sector.



SERVICES

638

Third-largest sector.



CONSTRUCTION

348

New companies in the sector.



FOREIGN PARTICIPATION

112

Companies formed with foreign directors.



SECP actions in August

- Guide issued to facilitate corporate Sukuk issuance.
- Shariah-compliant brokerage segment and 33 Islamic windows announced.
- Two IPO approvals and a Corporate Debt Market Desk.
- Public offering approved for Naya Nazimabad Apartment REIT.



What it can unlock

- More diverse capital-raising channels
- Greater investor choice
- Formalisation of new businesses
- A deeper pipeline for equity and debt markets

SOURCE NOTE SECP press releases, 6–24 August 2026; Business Recorder coverage of the July incorporation record, 6 August 2026.

BUSINESS RECORDER WATCH

Five August stories for business leaders

A brief, deliberately selective digest of developments that complement the official data.



1

RATING UPGRADE

24 AUG



24 AUG

Moody's lifted Pakistan to B3 with a stable outlook, citing improved external and fiscal dynamics.

2

CURRENT ACCOUNT

19 AUG



19 AUG

July's deficit narrowed sharply year on year and month on month.

3

NEW COMPANIES

06 AUG



06 AUG

SECP's 5,438 July incorporations set a monthly record.

4

FX RESERVES

20 AUG



20 AUG

SBP-held reserves remained above US\$17bn through the latter half of August.

5

MARKET RESILIENCE

31 AUG



31 AUG

KSE-100 ended August near 177,000 despite month-end geopolitical volatility.

6

CONSTRUCTIVE DIPLOMACY

PEACE



PEACE

At the turn of the month, Pakistan highlighted dialogue, facilitation and the Islamabad MoU as a path to de-escalation in the US-Iran conflict.



Our reading

The common thread is confidence rebuilding through measurable fundamentals—not headlines alone. The rating improvement, reserve position and current-account moderation are meaningful; durable gains still depend on reform continuity, productivity and risk management.

SOURCE NOTE Business Recorder articles dated 6, 19, 20, 24 and 31 August 2026, plus its 1 September report on Pakistan's month-end peace initiative. Official figures cross-checked where available.

FINANCIAL WORLD

Reserves and the rupee provide a steadier base

External buffers stayed materially stronger than a year earlier, while the interbank exchange rate remained broadly stable through August.


SBP RESERVES
US\$17.10bn

21 August 2026.


COMMERCIAL BANKS
US\$5.4Gbn

21 August 2026.


TOTAL LIQUID RESERVES
US\$22.5Gbn

21 August 2026.


USD/PKR
277.4728

Interbank closing rate on 31 August.


FY-TO-DATE PKR MOVE
≈0.12%

Appreciation through 31 August, as reported by Mettis/market data.


GROSS FDI
US\$304m

July 2026 gross inflows.


Treasury priorities

- Match foreign-currency receipts and payments where practical.
- Use approved hedging policy not ad hoc market calls.
- Maintain a rolling 13-week cash forecast.
- Separate liquidity, rate and counterparty limits.


Board-level questions

- What exchange-rate move would breach covenants?
- How concentrated are banking exposures?
- Are import commitments visible before they become urgent?
- Is forecast accuracy measured and improved?

SOURCE NOTE SBP reserves snapshot as of 21 August 2026; interbank market close on 31 August 2026; Finance Division August update.

CAPITAL & MONEY MARKET

Rates stay firm; equities hold near records

The policy rate was 11.5% through August. KIBOR remained in the low-to-mid 11% range at short tenors.



KIBOR on 31 August 2026

— Bid — Offer



KSE-100

176,676

31 August close; about 0.5% higher than end-July despite a volatile final session.



MARKET CAPITALISATION

Rs16.88tn

28 August, from the Finance Division's market snapshot.



ONE-WEEK KIBOR

11.36 / 11.86%

Bid / offer on 31 August.



ONE-YEAR KIBOR

11.66 / 12.16%

Bid / offer on 31 August.



Financing implication

With nominal rates still elevated, investment cases should be tested against realistic borrowing spreads, tax effects, working-capital absorption and downside demand—not only the headline policy rate.

SOURCE NOTE SBP KIBOR, 31 August 2026; Finance Division market indicators; Business Recorder market close, 31 August 2026.

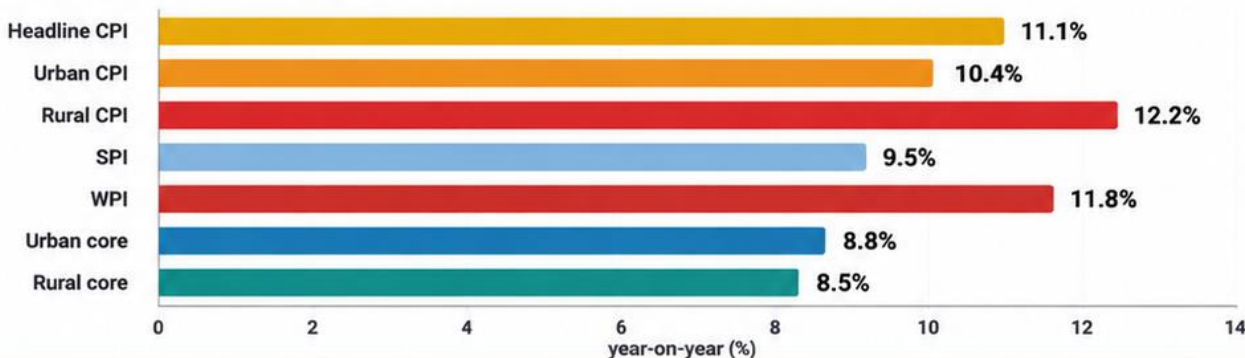
INFLATION & COST WATCH

A balanced reading of price pressure

August headline CPI rose to 11.1% year on year. Stronger macro foundations therefore coexist with a renewed need for cost discipline.



Price indicators – August 2026



MONTHLY CPI

+1.2%

Increase in August versus July.



TWO-MONTH AVERAGE

10.17%

Average CPI inflation for July–August FY2027.



URBAN CORE

8.8%

NFNE inflation in August.



RURAL CORE

8.5%

NFNE inflation in August.



Management response

Refresh pricing waterfalls, review supplier terms, separate volume and price variances, and protect essential customer value. Across-the-board cuts can weaken capability; targeted productivity is usually the better answer.

SOURCE NOTE Pakistan Bureau of Statistics, Monthly Review on Price Indices, August 2026, released 1 September 2026.

AUTOMATION FOCUS



Odoo: from transaction to insight

This month's automation theme is integrated finance—reducing hand-offs between sales, billing, payment matching and reporting.



Why integration matters

- Less duplicate entry and fewer disconnected spreadsheets
- A clearer audit trail from source document to ledger
- Faster identification of overdue receivables and payables
- More timely management reporting and bank reconciliation



Control before speed

- Define roles and approval limits before configuration
- Clean customer, vendor, product and chart-of-account data
- Document exception ownership and period-close procedures
- Test access rights, backups and change management



A practical first step

Choose one end-to-end process—such as order-to-cash—measure its baseline cycle time and error rate, then configure, pilot and re-measure. Automation should make a good process visible and repeatable.

SOURCE NOTE Odoo 19 documentation: customer invoices, vendor bills, bank reconciliation and accounting reports. Product fit depends on configuration and governance.

INTERNAL AUDIT FOCUS

An early-warning system for value leakage

Internal audit creates most value when it tests the risks that matter and follows recommendations through to closure.



01 REVENUE

Pricing overrides, unbilled deliveries, credit notes and collection leakage.



02 PROCUREMENT

Vendor onboarding, conflicts, tender discipline, three-way match and duplicate payments.



03 INVENTORY

Existence, valuation, slow-moving stock, wastage and access to stores.



04 PEOPLE & PAYROLL

Ghost employees, overtime, benefits, leavers and segregation of duties.



05 TECHNOLOGY

Privileged access, change control, backup recovery and cyber response.



06 REPORTING

Close controls, estimates, reconciliations, compliance and management information.



Management owns controls

- Designs and operates the process
- Accepts or mitigates risk
- Remediates agreed findings
- Reports progress honestly



Internal audit provides

- Independent, risk-based assurance
- Advice and insight without owning the control
- A view across silos and recurring root causes
- Follow-up that keeps action visible



The outcome to seek

Fewer surprises, better decisions and stronger trust—not simply more findings. A concise report with clear risk, cause, owner, due date and verified closure is often more valuable than a long checklist.

SOURCE NOTE The Institute of Internal Auditors, *Global Internal Audit Standards*, effective 2025.

TAXWORLD

Prepare early for Tax Year 2026 filing

A disciplined tax close protects management time and reduces last-minute errors.



INDIVIDUALS & AOPS

30 SEP 2026

Standard income-tax return due date.



COMPANIES

31 DEC 2026

Standard due date for companies with a calendar tax year.



SPECIAL TAX YEAR

30 SEP 2026

Company return due date where applicable.



SALES-TAX REGISTRATION

3 working days

FBR's 24 August order calls for low-risk, complete applications to be processed, as far as practicable, within three working days.



Before filing

- Reconcile turnover, withholding, bank flows and wealth movement.
- Complete fixed-asset, inventory and related-party schedules.
- Retain evidence for credits, deductions and exemptions.
- Resolve portal/profile issues before the final week.



Governance reminders

- Management remains responsible for completeness and accuracy.
- Review positions with material judgement or uncertainty.
- Track notices and correspondence to closure.
- Keep tax, accounting and statutory records consistent.



Important

Dates shown are standard statutory dates from FBR guidance and may be affected by entity-specific circumstances or later notifications. Obtain advice for your facts and check the latest FBR communication before filing.

SOURCE NOTE FBR Income Tax Due Dates; Sales Tax General Order No. 20 of 2026, dated 24 August 2026.

PAKISTAN POSITIVE

Progress that reaches households

Macroeconomic improvement matters most when it expands livelihoods, resilience and opportunity.


OVERSEAS EMPLOYMENT

3G,15G

Pakistanis registered for work abroad in July 2026.


INTEREST-FREE LOANS

5,778

PPAF loans disbursed during the latest reported period.


LOAN VALUE

Rs413m

Value of those interest-free loans.


CUMULATIVE SUPPORT

Rs126.67bn

Cumulative interest-free loan disbursements reported by PPAF.


BISP

Rs706bn

FY2026 disbursement referenced in the August economic update.


AGRICULTURAL CREDIT

Rs3.23tn

FY2026 disbursement, up 24.7% year on year.



What deserves celebration

- More formal businesses entering the economy
- Higher technology-export receipts
- Strong remittances from Pakistanis abroad
- Improved fiscal space and external buffers



What deserves persistence

- Jobs with productivity and dignity
- Affordable food, energy and finance
- Climate and disaster resilience
- Reliable institutions and consistent reform



An August reflection

Independence is renewed through capable institutions, ethical enterprise and service to people. The encouraging numbers in this bulletin are foundations—our shared task is to turn them into durable, inclusive progress.

SOURCE NOTE Finance Division, Monthly Economic Update C Outlook, August 2026; PPAF, BISP and agriculture-credit indicators reproduced therein.

METHOD & SOURCES

Evidence behind the bulletin

Official publications were prioritised. Business Recorder was used selectively for market context and contemporary reporting; dates and periods are stated to avoid mixing monthly and annual data.



- **Finance Division** — Monthly Economic Update C Outlook, August 2026



- **Pakistan Bureau of Statistics** — Monthly Review on Price Indices, August 2026



- **State Bank of Pakistan** — key economic indicators and reserves



- **State Bank of Pakistan** — KIBOR, 31 August 2026



- **SECP** — August 2026 press releases



- **FBR** — Income Tax Due Dates



- **FBR** — Sales Tax General Order No. 20 of 2026



- **Business Recorder** — current-account report, 19 August 2026



- **Business Recorder** — Moody's upgrade, 24 August 2026



- **Business Recorder** — SECP record incorporations, 6 August 2026



- **Business Recorder** — market close, 31 August 2026



- **Business Recorder** — Pakistan's peace and de-escalation initiative



- **Odoo 19** documentation — bank reconciliation



- **The IIA** — Global Internal Audit Standards



- **SRCA** — QCR milestone announcement, 19 August 2026



Editorial note

Figures are rounded for readability. "July data reported in August" is labelled as such. Market values are point-in-time observations, not forecasts. Where an official release became available on 1 September (August CPI), it is included because it measures August.

SOURCE NOTE Sources listed above were accessed during August–September 2026. Readers should consult original publications for full context and updates.

Insight with integrity

Professional services designed to help organisations strengthen reporting, control, compliance and decision-making.



AUDIT & ASSURANCE

ASSURE

Independent work focused on quality, clarity and trust.



TAX & COMPLIANCE

COMPLY

Practical support grounded in the applicable framework.



ADVISORY

IMPROVE

Finance, controls, process and management insight.



AUTOMATION

ENABLE

Thoughtful use of systems to simplify and strengthen work.



SALMAN RAHEEL CHARTERED ACCOUNTANTS

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