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ANALYSIS OF CORPORATE SECTOR CONSTRAINTS IN AGRICULTURE

Losses to the Government Exchequer
from
Public Sector Agribusiness Operations

RONCO Consulting Corporation
in collaboration with
AGRI-BI-CON International (PVT) Ltd.

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Foreword

In January 1989, at the request of the Government of Pakistan, the United States Agency for International Development (USAID) entered into a contract with the RONCO Consulting Corporation, in collaboration with a Pakistan consulting firm, AGRI-BI-CON International (Pvt) Limited, to carry out an analysis of corporate sector constraints in agriculture (ACSCA). The purpose of ACSCA is to identify constraints, capabilities and opportunities to stimulate the growth of private sector agribusiness operations in Pakistan.

This paper--Losses to the Government Exchequer from Public Sector Agribusiness Operations--is one of several papers prepared by the ACSCA team to shed light on various aspects of the agribusiness economy of Pakistan.

The analysis on which this paper is based was carried out by Dr. Ghulam Rasul, who is currently a consultant on the staff of AGRI-BI-CON International (Pvt) Ltd. Formerly, Dr. Rasul held senior analytical positions in the Ministry of Finance and Planning and other agencies in the Government of Pakistan.

Leon F. Hesser
Chief of Party

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LOSSES TO THE GOVERNMENT EXCHEQUER
from
PUBLIC SECTOR AGRIBUSINESS OPERATIONS

I. INTRODUCTION

Public sector agribusiness corporations are involved in a number of agro-industries in Pakistan--fertilizer, edible oils, and farm tractors, to name some of the more important ones. Public sector corporations are also involved in agricultural trade and commerce: notably, the Cotton Export Corporation, the Rice Export Corporation, and the Trading Corporation of Pakistan. This paper examines the extent to which these public sector agribusiness corporations, and the individual firms within the corporations, are a financial liability to the government exchequer.

Two kinds of losses occur: (a) costs to the economy due to the economic inefficiencies of the operations, and (b) actual financial losses because the revenues of many of the companies are insufficient to cover the expenses--i.e., they are subsidized either directly or indirectly by the government exchequer. This paper examines only the latter type of losses, although the former are undoubtedly substantial as well.

Two government agencies do performance evaluations of public sector enterprises:

- (a) The Economic Analysis Wing of the Ministry of Finance, which does performance evaluations at an aggregate level (i.e., for corporations, or holding companies, but not for the individual enterprises therein); and
- (b) The Performance Evaluation Cell of the Accountant General of Pakistan, which evaluates individual units and recommends to management ways to remove the financial and technical shortcomings of the enterprises. [1]

The aggregative approach does not identify the relative profitability or lack of profitability of the enterprises within a corporation or holding company. Neither approach sheds light on whether the economy would be better off if individual enterprises were divested.

[1] A description of the various agencies involved in performance evaluation of public sector enterprises is given in the GOP publication: Government Sponsored Corporations 1986-87 (Preface), Economic Analysis Wing, Ministry of Finance.

This analysis considers individual agribusiness enterprises within public sector corporations with a view to:

- (a) identifying those which nominally make profits, even though the returns on capital invested may be low;
- (b) identifying those which are chronic loss-makers; i.e., those which are directly or indirectly subsidized by the Exchequer; and
- (c) estimating the total cost to the Exchequer of the chronic loss-makers.

Public sector agribusiness enterprises are concentrated largely within two major sectors of the economy: Manufacturing, and Commerce. The Manufacturing sector includes the following agribusiness enterprises: 24 units within the Ghee Corporation of Pakistan (GCP); 6 fertilizer factories within the National Fertilizer Corporation (NFC); 8 units within the Pakistan Industrial Development Corporation (PIDC); 2 units of the Pakistan Automobile Corporation--Millat Tractors Limited and Al-Ghazi Tractors Limited (Al-Ghazi was merged with Millat in 1990); the Roti Corporation; Ittehad Pesticides; Universal Oil Mills; Pakistan Agricultural Storage & Services Corporation Limited; and Agricultural Marketing and Storage Limited (AMSL). The Commerce sector includes as agribusiness enterprises the Cotton Export Corporation (CEC); the Rice Export Corporation of Pakistan (RECP) with two subsidiaries; and the Trading Corporation of Pakistan (TCP). See Annex I for a complete listing of the agribusiness corporations and subsidiaries.

Data were analyzed for the four most recent years for which data are available in public documents: 1984-85 through 1987-88. In summary, taken at face value, nominal losses to the Exchequer from the loss-making public sector agribusinesses for the four-year period were Rs 6,930 million, or an average of Rs 1,733 million per year (Table 1). Economic efficiency losses to the economy were undoubtedly substantially larger.

Table 1.
Financial Losses of Public Sector Agribusinesses
1984-85 through 1987-88

	Sector		
	Manufacturing	Commerce	Total
	million rupees		
Loss before taxes	2,650	4,280	6,930

II. LOSSES IN THE MANUFACTURING SECTOR

In the Manufacturing sector, the largest proportion of losses (96.7 percent) among public sector agribusiness enterprises took place in units under three corporations: NFC, PIDC, and GCP. The remaining 3.3 percent of losses was contributed by the Roti Corporation, AMSL, and Ittehad Pesticide Company. Annual losses incurred by the various loss-makers are summarized in Table 2.

Table 2.
Public Sector Agribusiness Losses: Manufacturing Sector

	-----Year-----				Total
	1984-85	1985-86	1986-87	1987-88	
	-----million rupees-----				
Nat'l Fert Corp	621	582	72	90	1,522
Pak-American	(---)	(---)	(52)	(90)	(142)
Fert Market'g Ltd	(621)	(582)	(20)	NR	(1,223)
Inter-Co adjust.	(---)	(---)	(--)	(--)	(157)
PIDC	223	188	221	210	842
GCP	NR	27	67	103	197
Roti Corp	14	11	12	7	44
AMSL	22	NR	7	NR	29
Ittehad Pesticide	NR	9	4	2	15
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	876	820	378	376	2,649

Note: The above losses were compiled on the basis of financial data (audited accounts) of firms which had reported. A number of firms did not report (NR). It is likely that most of the non-reporting firms were either out of production and lying idle or experiencing repeated losses. If such losses were included, the totals would be larger.

III. LOSSES IN THE COMMERCE SECTOR

Two of the three major corporations in the Commerce sector-- the Cotton Export Corporation and the Rice Export Corporation of Pakistan--sustained essentially continuous losses (Table 3).

Table 3.
Public Sector Agribusiness Losses: Commerce Sector

	-----Year-----				Total
	1984-85	1985-86	1986-87	1987-88	
	-----million rupees-----				
CEC	70	2,110	1,950	-	4,130
RECP	40	40	30	50	150
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	110	2,150	1,980	50	4,280

Note: Totals may not add, due to rounding.

IV. LOSSES vs PROFITS OF PUBLIC SECTOR AGRIBUSINESS CORPORATIONS

In the previous two sections, only the public sector agribusiness units which sustained continuous losses were included. In this section, the total losses of those loss-making units are pitted against the profits of the profit-making units within the same corporations. For the four-year period 1984-85 through 1987-88, the profits before taxes of the profit-making units (Rs 7,107 million) essentially offset the total losses of the loss-making units (Rs 6,932), as indicated in Table 4.

Table 4.
Profits vs Losses of Public Sector Agribusinesses
1984-85 through 1987-88

	Profits	Losses
	(million rupees before taxes)	
A. Manufacturing Sector		
GCP	484	197
NFC	2,604	1,522
PIDC	4	842
Others	595	88
	3,687	2,649
Subtotal		
B. Commerce Sector		
RECP	2,567	154
CEC	722	4,129
TCP	130	not reported
	3,149	4,283
Subtotal		
C. Grand Total		
	7,107	6,932

V. CONCLUDING REMARKS

Following are some of the conclusions which the foregoing analysis suggests:

1. The order of magnitude of losses being incurred by some of the public sector agribusiness enterprises is quite large; the question must be asked whether the public funds which subsidize such operations could be better invested in social and physical infrastructure or some other public good.
2. Divesting the chronic loss-making public sector agribusiness enterprises, even at a zero price, would be a substantial gain to the Exchequer; if the physical assets were auctioned off, any amount received would enhance the Exchequer that much more.
3. The "social welfare" argument for continuing loss-making agribusiness operations holds little validity; other much more efficient methods exist for achieving social objectives.
4. While it was not a purpose of this paper, it can be seriously questioned whether the profit-making public sector agribusiness enterprises constitute an economic allocation of scarce public sector funds; clearly, there is no justification for continued operation by the government of the loss-making firms.

LIST OF GOVERNMENT SPONSORED AGRICULTURE-BUSINESS CORPORATIONS

1. Ghee Corporation of Pakistan(GCP) List of subsidiaries at next Page.
2. National Fertilizer Corporation of Pakistan Limited
 - 2.01 Lyallpur Chemicals and Fertilizers Limited
 - 2.02 Pak American Fertilizers Limited
 - 2.03 Pak Arab Fertilizers Limited
 - 2.04 Pak China Fertilizers Limited
 - 2.05 Pak Saudi Fertilizers Limited
 - 2.06 National Fertilizer Marketing Limited
3. Rice Export Corporation of Pakistan Limited
 - 3.01 Pakistan National Produce Co. Limited
 - 3.02 Doaba Rice Mills Limited
4. Cotton Export Corporation of Pakistan Limited
5. Trading Corporation of Pakistan
6. Pakistan Industrial Development Corporation
 - 6.01 Bannu Sugar Mills
 - 6.02 Cotton Ginning Factory Limited
 - 6.03 Dir Forest Industries Limited
 - 6.04 Harnai Woollen Mills Limited
 - 6.05 Quaidabad Woollen Mills Limited
 - 6.06 Larkana Sugar Mills
 - 6.07 Shahdad Kot Textile Mills Ltd.
 - 6.08 Tarbella Cotton and Spinning Mills Limited
7. Pakistan Automobile Corporation Limited
 - 7.01 Al-Ghazi Tractors Limited
 - 7.02 Millat Tractors Limited
8. Roti Corporation of Pakistan Limited
9. PIA Shaver Poultry Breeding Farms Limited
10. Pakistan Agricultural Storage & Services Corporation Limited
11. Agricultural Marketing & Storage Limited
12. Ittehad Pesticides Limited
13. Universal Oil Mills

LIST OF CCP SUBSIDIARIES

1. GHEE CORPORATION OF PAKISTAN LIMITED

- | | |
|------|--|
| 1.01 | Kakakhel Industries Limited, Faisalabad |
| 1.02 | Horafco Industries Limited, Faisalabad |
| 1.03 | Local Vegetable Ghee Mills Limited, Islamabad |
| 1.04 | S. Fazal Rehman and Sons Limited, Multan |
| 1.05 | Sunaj Ghee Industries Limited, Sheikhupura |
| 1.06 | Kohinoor Oil Mills Limited, Kala Shah Kaku |
| 1.07 | Universal Oil and Vegetable Ghee Mills Limited, Sheikhupura |
| 1.08 | Burma Oil Mills Limited, Karachi |
| 1.09 | Hughes Company Limited, Karachi |
| 1.10 | Waco Oil Industries Limited, Hyderabad |
| 1.11 | Associated Industries Limited, Nowshera |
| 1.12 | United Industries Limited, Faisalabad |
| 1.13 | A&B Industrial Gases Limited, Multan |
| 1.14 | Bengal Vegetable Industries Limited, Karachi |
| 1.15 | E.H. Oil Mills Limited, Karachi |
| 1.16 | Hydri Industries Limited, Hyderabad |
| 1.17 | Corolla Vegetable Ghee and General Mills Limited, Faisalabad |
| 1.18 | Dargal Vegetable Oil Processing Industries Limited, Dargal |
| 1.19 | Crescent Factories Limited, Chichawatni |
| 1.20 | Haripur Vegetable Oil Processing Industries Limited, Haripur |
| 1.21 | Bara Vegetable Ghee Mills, Bara |
| 1.22 | Chilton Ghee Mills, Quetta |
| 1.23 | A&B Oil Industries Limited |
| 1.24 | Araf Industries Limited |

YEARLY PROFIT/LOSS BY CORPORATION/ENTERPRISE

1. GHEE CORPORATION OF PAKISTAN

Rs.(Million)

	1987-88	1986-87	1985-86	1984-85
Profit Before Tax	0.000	-1.902	9.796	36.726
Taxes	0.000	-3.835	1.090	0.423
Profit After Tax	0.000	1.933	8.706	36.303
1.01 Kakakhel Industries Limited Faisalabad				
Profit Before Tax	12.000	21.995	18.336	24.698
Taxes	6.659	8.718	7.686	11.610
Profit After Tax	5.341	13.277	10.650	13.088
1.02 Morafco Industries Limited, Faisalabad				
Profit Before Tax	0.000	1.720	-4.837	8.667
Taxes	0.000	0.000	-1.237	1.567
Profit After Tax	0.000	1.720	-3.600	7.100
1.03 Fazal Vegetable Ghee Mills Limited, Islamabad				
Profit Before Tax	-1.432	9.170	6.260	14.511
Taxes	-0.085	3.900	2.990	7.550
Profit After Tax	-1.347	5.270	3.270	6.961
1.04 Sh. Fazal Rahman & Sons Limited, Multan				
Profit Before Tax	4.190	0.310	11.970	29.300
Taxes	0.690	-0.080	3.890	14.430
Profit After Tax	3.500	0.390	8.080	14.870
1.05 Suraj Ghee Industries Limited, Sheikhpura				
Profit Before Tax	1.018	-4.348	0.951	14.058
Taxes	0.000	0.000	0.000	5.623
Profit After Tax	1.018	-4.348	0.951	8.435
1.06 Kohinoor Oil Mills Limited Kala Shah Kaku				
Profit Before Tax	-18.660	-7.510	-4.820	7.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-18.660	-7.510	-4.820	7.000
1.07 Universal Oil & Vegetable Ghee Mills, Sheikhpura				
Profit Before Tax	-13.260	-0.270	-11.120	0.590
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-13.260	-0.270	-11.120	0.590

SOURCE: Annual Publication of the Economic Advisor's Wing, Finance Division, GOP for the years 1984-85, 1985-86, 1986-87 and 1987-88.

1.08 Burma Oil Mills Limited, Karachi

Profit Before Tax	-14.616	-14.269	0.782	15.940
Taxes	0.000	-0.516	-0.546	6.400
Profit After Tax	-14.616	-13.753	1.328	9.540

1.09 Maqbool Company Limited, KHI

Profit Before Tax	0.000	-10.250	-1.602	4.813
Taxes	0.000	-0.035	-0.234	2.277
Profit After Tax	0.000	-10.215	-1.368	2.536

1.10 Wazir Ali Industries Limited, H. Jerabad

Profit Before Tax	37.365	20.915	7.819	25.261
Taxes	14.414	9.964	3.374	12.598
Profit After Tax	22.951	10.951	4.445	12.663

1.11 Associated Industries Limited, Nowshera

Profit Before Tax	13.241	36.269	20.218	35.709
Taxes	4.696	15.229	7.835	17.990
Profit After Tax	8.545	21.040	12.383	17.719

1.12 United Industries Limited, Faisalabad

Profit Before Tax	-7.629	9.248	5.973	11.439
Taxes	-0.047	0.280	3.304	6.982
Profit After Tax	-7.582	8.968	2.669	4.457

1.13 Industrial Gases Limited

Profit Before Tax	-4.600	6.058	1.106	10.831
Taxes	-0.074	2.110	0.556	6.375
Profit After Tax	-4.526	3.948	0.550	4.456

1.14 Bengal Vegetable Ghee Industries Limited

Profit Before Tax	0.763	-2.437	3.389	4.709
Taxes	0.113	-1.628	1.284	2.680
Profit After Tax	0.650	-0.809	2.105	2.029

1.15 E. M. Oil Mills Limited

Profit Before Tax	-22.889	-10.574	2.247	9.832
Taxes	-0.023	-2.266	0.454	4.778
Profit After Tax	-22.866	-8.308	1.793	5.054

1.16 Haidery Industries Limited

Profit Before Tax	-11.817	-6.096	-5.718	3.258
Taxes	0.000	0.000	0.000	1.630
Profit After Tax	-11.817	-6.096	-5.718	1.628

1.17 Sargodha Vegetable Ghee Mills

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

1.18 Crescent Factories Limited, Chichawatni

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

1.19 Dargai Vegetable Oil Products limited

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

1.20 Harripur Vegetable Oil Products Limited

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

1.21 Bara Vegetable Ghee Mills

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

1.22 Chiltan Ghee Mills

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

1.23 A&B Oil Industries Limited

Profit Before Tax	0.000	-5.680	-2.535	4.930
Taxes	0.000	-1.819	-0.444	2.405
Profit After Tax	0.000	-3.861	-2.091	2.525

1.24 Asif Industries Limited

Profit Before Tax	-7.590	-5.080	-1.604	5.313
Taxes	0.000	0.000	0.000	2.061
Profit After Tax	-7.590	-5.080	-1.604	3.252

NET TOTAL (1.01 to 1.24)

Profit Before Tax	Total	-33.916	39.171	46.815	230.859
Taxes	//	26.343	33.857	28.912	106.956
Profit After Tax	//	-60.259	5.314	17.903	123.903

TOTAL FOR POSITIVE PROFIT BEFORE TAX

Profit Before Tax	68.577	105.685	79.051	230.859
Taxes	26.572	40.121	30.827	106.956
Profit After Tax	42.005	65.564	48.224	123.903

TOTAL FOR NEGATIVE PROFIT BEFORE TAX

Profit Before Tax	-102.493	-66.514	-32.236	0.000
Taxes	-0.229	-6.264	-1.915	0.000
Profit After Tax	-102.264	-60.250	-30.321	0.000

TOTAL FOR POSITIVE TAXES

Profit Before Tax	2.634	82.071	55.789	230.859
Taxes	26.572	40.201	30.827	106.956
Profit After Tax	-23.938	41.870	24.962	123.903

TOTAL FOR NEGATIVE TAXES

Profit Before Tax	-36.550	-42.900	-8.974	0.000
Taxes	-0.229	-6.344	-1.915	0.000
Profit After Tax	-36.321	-36.556	-7.059	0.000

TOTAL FOR POSITIVE PROFIT AFTER TAX

Profit Before Tax	68.577	105.685	79.051	230.859
Taxes	26.572	40.121	30.827	106.956
Profit After Tax	42.005	65.564	48.224	123.903

TOTAL FOR NEGATIVE PROFIT AFTER TAX

Profit After Tax	-102.493	-66.514	-32.236	0.000
Taxes	-0.229	-6.264	-1.915	0.000
Profit After Tax	-102.264	-60.250	-30.321	0.000

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2. NATIONAL FERTILIZERS CORPORATION

Profit Before Tax	368.927	133.055	127.396	314.955
Taxes	21.200	6.700	7.000	16.000
Profit After Tax	347.727	126.355	120.396	298.955

2.01 Lyallpur Chemical & Fertilizers Limited

Profit Before Tax	3.725	4.916	6.847	4.947
Taxes	2.132	2.360	3.505	2.935
Profit After Tax	1.593	2.556	3.342	2.012

2.02 Pak American Fertilizers Limited

Profit Before Tax	-56.864	-44.689	17.937	91.870
Taxes	-4.197	-12.133	19.363	51.579
Profit After Tax	-52.667	-32.556	-1.426	40.291

2.03 Pak Arab Fertilizers Limited

Profit Before Tax	85.063	67.940	380.111	396.293
Taxes	27.963	31.279	191.947	284.683
Profit After Tax	57.100	36.661	188.164	111.610

2.04 Pak China Fertilizers Limited

Profit Before Tax	-33.324	-11.103	7.577	8.443
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-33.324	-11.103	7.577	8.443

2.05 Pak Saudi Fertilizers Limited

Profit Before Tax	467.913	629.430	233.781	197.409
Taxes	191.184	202.127	128.172	70.000
Profit After Tax	276.729	427.303	105.609	127.409

2.06 National Fertilizers Marketing Limited

Profit Before Tax	0.000	-15.801	-581.903	-621.437
Taxes	-3.890	0.000	0.000	0.000
Profit After Tax	3.890	-15.801	-581.903	-621.437

NET TOTAL (2.01 to 2.06)

Profit Before Tax	Total	466.513	630.693	64.350	77.525
Taxes	//	213.192	223.633	342.987	409.197
Profit After Tax	//	253.321	407.060	-278.637	-331.672

TOTAL FOR POSITIVE PROFIT BEFORE TAX

Profit Before Tax	556.701	702.286	646.253	698.962
Taxes	217.389	235.766	342.987	409.197
Profit After Tax	339.312	466.520	303.266	289.765

TOTAL FOR NEGATIVE PROFIT BEFORE TAX

Profit Before Tax	-90.188	-71.593	-581.903	-621.437
Taxes	-4.197	-12.133	0.000	0.000
Profit After Tax	-85.991	-59.460	-581.903	-621.437

TOTAL FOR POSITIVE TAXES

Profit Before Tax	523.377	675.382	64.350	77.525
Taxes	221.279	235.766	342.987	409.197
Profit After Tax	302.098	439.616	-278.637	-331.672

TOTAL FOR NEGATIVE TAXES

Profit Before Tax	-56.864	-44.689	0.000	0.000
Taxes	-8.087	-12.133	0.000	0.000
Profit After Tax	-48.777	-32.556	0.000	0.000

TOTAL FOR POSITIVE PROFIT AFTER TAX

Profit Before Tax	556.701	702.286	628.316	698.962
Taxes	217.389	235.766	323.624	409.197
Profit After Tax	339.312	466.520	304.692	289.765

TOTAL FOR NEGATIVE PROFIT AFTER TAX

Profit Before Tax	-90.188	-71.593	-563.966	-621.437
Taxes	-4.197	-12.133	19.363	0.000
Profit After Tax	-85.991	-59.460	-583.329	-621.437

3. RICE EXPORT CORPORATION OF PAKISTAN

Profit Before Tax	1581.081	54.377	469.650	461.550
Taxes	630.000	13.600	161.400	290.560
Profit After Tax	951.081	40.777	308.250	170.990

3.01 Pakistan National Produce Co. Limited

Profit Before Tax	-36.296	-20.827	-32.973	-27.457
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-36.296	-20.827	-32.973	-27.457

3.02 Doaba Rice Mills Limited

Profit Before Tax	-10.630	-5.692	-11.650	-8.184
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-10.630	-5.692	-11.650	-8.184

NET TOTAL (3 + 3.01 + 3.02)

Profit Before Tax	Total	1534.155	27.858	425.027	425.909
Taxes	//	630.000	13.600	161.400	290.560
Profit After Tax	//	904.155	14.258	263.627	135.349

TOTAL FOR POSITIVE PROFIT BEFORE TAX

Profit After Tax	1581.081	54.377	469.650	461.550
Taxes	630.000	13.600	161.400	290.560
Profit After Tax	951.081	40.777	308.250	170.990

TOTAL FOR NEGATIVE PROFIT BEFORE TAX

Profit Before Tax	-46.926	-26.519	-44.623	-35.641
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-46.926	-26.519	-44.623	-35.641

TOTAL FOR POSITIVE TAXES

Profit Before Tax	1534.155	27.858	425.027	425.909
Taxes	630.000	13.600	161.400	290.560
Profit After Tax	904.155	14.258	263.627	135.349

TOTAL FOR NEGATIVE TAXES

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

TOTAL FOR POSITIVE PROFIT AFTER TAX

Profit Before Tax	1581.081	54.377	469.650	461.550
Taxes	630.000	13.600	161.400	290.560
Profit After Tax	951.081	40.777	308.250	170.990

TOTAL FOR NEGATIVE PROFIT AFTER TAX

Profit Before Tax	-46.926	-26.519	-44.623	-35.641
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-46.926	-26.519	-44.623	-35.641

4. COTTON EXPORT CORPORATION OF PAKISTAN

Profit Before Tax	722.546	-1944.439	-2111.708	-72.405
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	722.546	-1944.439	-2111.708	-72.405

5. TRADING CORPORATION OF PAKISTAN

Profit Before Tax	24.273	46.892	34.686	24.028
Taxes	10.800	19.440	17.000	7.000
Profit After Tax	13.473	27.452	17.686	17.028

6. PAKISTANI INDUSTRIAL DEVELOPMENT CORPORATION

Profit Before Tax	-33.809	-231.351	-180.900	-272.900
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-33.809	-231.351	-180.900	-272.900

6.01 Bannu Sugar Mills Limited

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

6.02 Cotton Ginning Factory Limited

Profit Before Tax	-0.879	0.038	-0.175	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-0.879	0.038	-0.175	0.000

6.03 Dir Forest Industries Limited

Profit Before Tax	-70.825	-65.670	-58.782	-62.048
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-70.825	-65.670	-58.782	-62.048

6.04 Harnai Woolen Mills Limited

Profit Before Tax	-17.274	-26.191	-17.694	-23.083
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-17.274	-26.191	-17.694	-23.083

6.05 Quaidabad Woolen Mills Limited

Profit Before Tax	0.586	1.621	2.174	-6.520
Taxes	-0.444	0.065	0.000	0.000
Profit After Tax	1.030	1.556	2.174	-6.520

6.06 Larkana Sugar Mills Limited

Profit Before Tax	-25.544	-40.775	-19.535	-26.066
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-25.544	-40.775	-19.535	-26.066

6.07 Shahdad Kot Textile Mills Limited

Profit Before Tax	93.625	83.195	-65.147	-67.554
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-93.625	-83.195	-65.147	-67.554

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6.08 Tarbella Cotton & Spinning Textile Mills Limited

Profit Before Tax	0.000	0.000	-21.693	-33.615
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	-21.693	-33.615

6.09 Al-Libas Limited

Profit Before Tax	-1.868	-4.981	-4.792	-4.196
Taxes	0.000	0.000	0.000	0.000
Profit after Tax	-1.868	-4.981	-4.792	-4.196

NET TOTAL (6.01 to 6.09)

Profit Before tax	Total	-209.429	-219.153	-185.644	-223.082
Taxes	//	-0.444	0.065	0.000	0.000
Profit After Tax	//	-208.985	-219.218	-185.644	-223.082

TOTAL FOR POSITIVE PROFIT BEFORE TAX

Profit Before Tax	0.586	1.659	2.174	0.000
Taxes	-0.444	0.065	0.000	0.000
Profit After tax	1.030	1.594	2.174	0.000

TOTAL FOR NEGATIVE PROFIT BEFORE TAX

Profit Before Tax	-210.015	-220.812	-187.818	-223.082
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-210.015	-220.812	-187.818	-223.082

TOTAL FOR POSITIVE TAXES

Profit Before Tax	-210.015	-219.153	-185.644	-223.082
Taxes	0.000	0.065	0.000	0.000
Profit After tax	-210.015	-219.218	-185.644	-223.082

TOTAL FOR NEGATIVE TAXES

Profit Before Tax	0.586	0.000	0.000	0.000
Taxes	-0.444	0.000	0.000	0.000
Profit After tax	1.030	0.000	0.000	0.000

TOTAL FOR POSITIVE PROFIT AFTER TAX

Profit Before Tax	0.586	1.659	2.174	0.000
Taxes	-0.444	0.065	0.000	0.000
Profit After Tax	1.030	1.594	2.174	0.000

TOTAL FOR NEGATIVE PROFIT AFTER TAX

Profit Before Tax	-210.015	-220.812	-187.818	-223.082
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-210.015	-220.812	-187.818	-223.082

7.

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

7.01 Al-Ghazi Tractors Limited

Profit Before Tax	17.420	23.824	11.051	18.680
Taxes	0.000	0.000	0.000	5.972
Profit After Tax	17.420	23.824	11.051	12.708

7.02 Millat Tractors Limited

Profit Before Tax	66.461	54.661	9.950	77.720
Taxes	25.204	23.650	0.420	37.240
Profit After Tax	41.257	31.011	9.530	40.480

Profit Before Tax	Total	83.881	78.485	21.001	96.400
Taxes	//	25.204	23.650	0.420	43.212
Profit After Tax	//	58.677	54.835	20.581	53.188

TOTAL FOR POSITIVE PROFIT BEFORE TAX

Profit Before Tax	83.881	78.485	21.001	96.400
Taxes	25.204	23.650	0.420	43.212
Profit After Tax	58.677	54.835	20.581	53.188

TOTAL FOR NEGATIVE PROFIT BEFORE TAX

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

TOTAL FOR POSITIVE TAXES

Profit Before Tax	83.881	78.485	21.001	96.400
Taxes	25.204	23.650	0.420	43.212
Profit After Tax	58.677	54.835	20.581	53.188

TOTAL FOR NEGATIVE TAXES

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

TOTAL FOR POSITIVE PROFIT AFTER TAX

Profit Before Tax	83.881	78.485	21.001	96.400
Taxes	25.204	23.650	0.420	43.212
Profit After Tax	58.677	54.835	20.581	53.188

TOTAL FOR NEGATIVE PROFIT AFTER TAX

Profit Before Tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	0.000	0.000	0.000	0.000

8. ROTI CORPORATION OF PAKISTAN

Profit Before tax	-6.840	-11.710	-10.995	-13.946
Taxes	0.000	0.000	0.000	0.000
Profit After tax	-6.840	-11.710	-10.995	-13.946

9.

Profit Before tax	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000
Profit After tax	0.000	0.000	0.000	0.000

10. PASSCO

Profit Before Tax	126.830	53.670	50.249	82.749
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	126.830	53.670	50.249	82.749

11. AGRICULTURAL MARKETING & STORAGE LIMITED

Profit Before tax	1.460	-6.870	0.000	-22.216
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	1.460	-6.870	0.000	-22.216

12. Ittehad Pesticides Limited

Profit Before Tax	-2.406	-3.624	-9.100	0.057
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-2.406	-3.624	-9.100	0.057

OVERALL TOTAL FOR CORPORATIONS

Profit Before Tax	2782.062	-1911.902	-1620.926	538.598
Taxes	662.000	39.905	186.490	313.983
Profit After Tax	2120.062	-1947.807	-1807.416	224.615

OVERALL FOR POSITIVE PROFIT BEFORE TAX FOR CORPORATIONS

Profit Before Tax	2825.117	287.994	691.777	920.065
Taxes	662.000	39.740	186.490	313.983
Profit After Tax	2163.117	248.254	505.287	606.082

OVERALL FOR NEGATIVE PROFIT BEFORE TAX FOR CORPORATIONS

Profit Before Tax	-43.055	-2199.896	-2312.703	-381.467
Taxes	0.000	-3.835	0.000	0.000
Profit After Tax	-43.055	-2196.061	-2312.703	-381.467

OVERALL FOR POSITIVE TAXES FOR CORPORATIONS

Profit Before Tax	2782.062	-1910.000	-1620.926	538.598
Taxes	662.000	39.740	186.490	313.983
Profit After Tax	2120.062	-1949.740	-1807.416	224.615

OVERALL FOR NEGATIVE TAXES FOR CORPORATIONS

Profit Before Tax	0.000	-1.902	0.000	0.000
Taxes	0.000	-3.835	0.000	0.000
Profit After Tax	0.000	1.933	0.000	0.000

OVERALL FOR POSITIVE PROFIT AFTER TAX FOR CORPORATIONS

Profit Before Tax	2825.117	286.092	691.777	920.065
Taxes	662.000	35.905	186.490	313.983
Profit After Tax	2163.117	250.187	505.287	606.082

OVERALL FOR NEGATIVE PROFIT AFTER TAX FOR CORPORATIONS

Profit Before Tax	-43.055	-2197.994	-2312.703	-381.467
Taxes	0.000	0.000	0.000	0.000
Profit After Tax	-43.055	-2197.994	-2312.703	-381.467

OVERALL TOTAL FOR SUBSIDIARIES

Profit Before Tax	2707.067	-1309.027	-1675.319	605.878
Taxes	905.095	314.245	550.719	856.925
Profit After Tax	1801.972	-1623.272	-2226.038	-251.047

OVERALL FOR POSITIVE PROFIT BEFORE TAX FOR SUBSIDIARIES

Profit Before Tax	3165.935	1043.054	1303.064	1594.605
Taxes	909.521	332.642	552.634	856.925
Profit After Tax	2256.414	710.412	750.430	737.680

OVERALL FOR NEGATIVE PROFIT BEFORE TAX FOR SUBSIDIARIES

Profit Before Tax	-458.868	-2352.081	-2978.383	-988.727
Taxes	-4.426	-18.397	-1.915	0.000
Profit After Tax	-454.442	-2333.684	-2976.468	-988.727

OVERALL FOR POSITIVE TAXES FOR SUBSIDIARIES

Profit Before Tax	2766.086	-1452.789	-1847.245	332.978
Taxes	913.855	332.722	552.634	856.925
Profit After Tax	1852.231	-1785.511	-2399.879	-523.947

OVERALL FOR NEGATIVE TAXES FOR SUBSIDIARIES

Profit Before Tax	-92.828	-87.589	-8.974	0.000
Taxes	-8.760	-18.477	-1.915	0.000
Profit After Tax	-84.068	-69.112	-7.059	0.000

OVERALL FOR POSITIVE PROFIT AFTER TAX FOR SUBSIDIARIES

Profit Before Tax	3165.935	1043.054	1285.127	1594.605
Taxes	909.521	332.642	533.271	856.925
Profit After Tax	2256.414	710.412	751.856	737.680

OVERALL FOR NEGATIVE PROFIT AFTER TAX FOR SUBSIDIARIES

Profit Before Tax	-458.868	-2352.081	-2960.446	-988.727
Taxes	-4.426	-18.397	17.448	0.000
Profit After Tax	-454.442	-2333.684	-2977.894	-988.727

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