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Effect of privatization on fertilizer sector: (real world case study) (disinvestment in PAK Saudi fertilizer and its effect on FAUJI FERTILIZER COMPANY)

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Abstract: *In this research paper I have tried to find out the effect of privatization on Pakistan's corporations. Government has privatized PAKSAUDI fertilizer; which was a huge asset for Pakistan's fertilizer industry. This industry has millions of tons of production capacity and was earning huge million dollar capital income for economic progression of country. During 2001-2002 PAKSAUDI fertilizer was purchased by FFC's subsidiary and consequences occurred which had never been repaired. In my research report I tried to show the effect of this acquisition on BIN QASIM plant. I also try to show that in Pakistan certain private entities manipulate to purchase national organization for their own benefits this has caused a huge loss to not only our nation but also to whole economy. In short this report is associated to huge macroeconomic perspective of privatization and its effect on our economy. After purchasing PAKSAUDI plant FFC has effectively reduced its debt share so that operating profit of firm has increased because PAK Saudi fertilizer has capacity of production of million tons of fertilizer as per need of consumption, targeting this industry has led FFC to better growth of operating profit. Operating profit is generally defined as profit that a firm has gained from its operations, so after purchasing operations of FFC has increased thereby greater the operation with les cost greater will be the operating profit margin. with archeological perspective and eagle eye view point of a analyzer I can only say that in 2004 firm has enough resource to be used in future operations but if we place an eagle eye's view on 2001 picture there was very disappointing situation of operation.*

I. Introduction:

1.1 How FFC BIN QASIM limited has gained momentum in profit earning after purchasing PAK SAUDI fertilizer plant through privatization:? A complementary question that has not now remain unanswered but here I have raised certain ascetic questions (1)

Another suspense has revealed regarding privatizing and disinvestment of 90% GOP shares of PAK Saudi fertilizer limited , FAUJI fertilizer has submitted the highest bid of 135 per share for 54 million share and thus government has sold this huge profitable industry for only 7 .334 billion rupees (2) , another clue has revealed the true aspect of this whole espionage action that during 1996 ENGRO chemical and DAUD Hercules offered surprising bid of more than 100 per share but in 2001-2 their offer has suddenly diminished when dollar price was appreciated (2) .It appeared to me that only certain magical hands played their game behind doors and our innocent privatizing committee has no work but to applaud on their this effort. In 1996 there were not there low price of dollar as compared to 2001 biding competition. In 2001 they have made a bid of 66.7 by ENGRO chemical and 70 per share by DAUD Hercules when dollar price was very much high as compared to last decade, my question here is that why and what on earth has disrupted their financial advisor and asset allocation team to diverge from their original bid price of 1996 when dollar was very much low as compared to upcoming value. (2)

Pak Saudi acquisition is also very much profitable for FFC subsidiary FFC Jordon which was under burden of bankruptcy and only wanted to acquire PAK Saudi to maximize its shareholder's wealth moreover if FFC has to set up a new fertilizer plant in order to get its subsidiary back to life it has to invest more than 400 million dollars which translate into 24 motor on the very next year as I have shown in my report through projected graphs.

Another small assumption that most of researchers have given that if this PSFL was privatized in 1993 , both organization ENGRO AND DAUD Hercules have courage and much potential that to increase its production capacity from 555000 tones to approximately 700000 tones , would there be any shortage of production of fertilizer exist if that deal mature with all its financial benefits? , after that privatization commission has hatched another ambiguous uncouth and unprincipled deal by giving such a huge revenue making industry to bankrupt fertilizer plant just to satiate their ambition of lust and master every resource as is within their reach , that privatization commission has shown explicit scene of gore by making scenarios of dumping and ineligible traditional approach. (2)

Now after acquisition, FFC is going to multi square its investment; how this all has happened? , answer of this question is written below.

According to certain report published by KASB, FFC has invested huge amount in long term bonds and debentures , US bonds and PIBs (3), and national saving certificates now FFC BIN QASIM was not be able to launch extensive approach of funding their remaining operation through equity financing ,they are in pitfall of debt and losses (3), so they have borrowed more amount in order to finance their multi approaches of other activities through 50 percent debt and 50 percent equity, by acquiring PAK SAUDI fertilizer plant ,it has merged their FFC Jordon with this plant and newly enacted firm now is known as FFC BIN QASIM limited which is now very much profitable as I have shown in below graphs. (3)

II. Methodology and research concept:

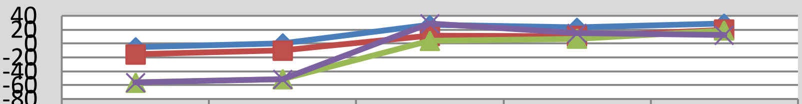
In my research report I generally want to show the scenery that how private entities get major benefits during privatization schemes and effect of such schemes on their financial reports. FFC BIN QASIM plant was very much benefitted after purchasing PAKSAUDI fertilizer. Before purchasing its gross profit was indicating a negative sign and right after purchasing PAKSAUDI whole BIN QASIM fertilizer unit begin to display positive scenarios and profitability ratios. In this report I have gather a huge spectrum of data from 2000-2005 financial statements of BIN-QASIM and then compare them with financial statement that corporation has displayed after purchasing this PAKSAUDI fertilizer. Ratio figures move towards boom in a rocket speed. This will only be possible with any organization if it will purchase huge fertilizer plant machinery matched with professional staff, technical assistance and other million dollar raw material. But scenario was different here this has happened by purchasing profitable public sector organization and very next year they were billionaires.

For my research report I have taken financial statements of FFC BINQASIM plant and then compare its performance right after and before purchasing PAKSAUDI.

I have also taken certain type of determinants for financial calculations and financial statement ratios in order to strength my analysis.

2.1 Operating activities:

Graph plotted for FFC BIN QASIM limited:



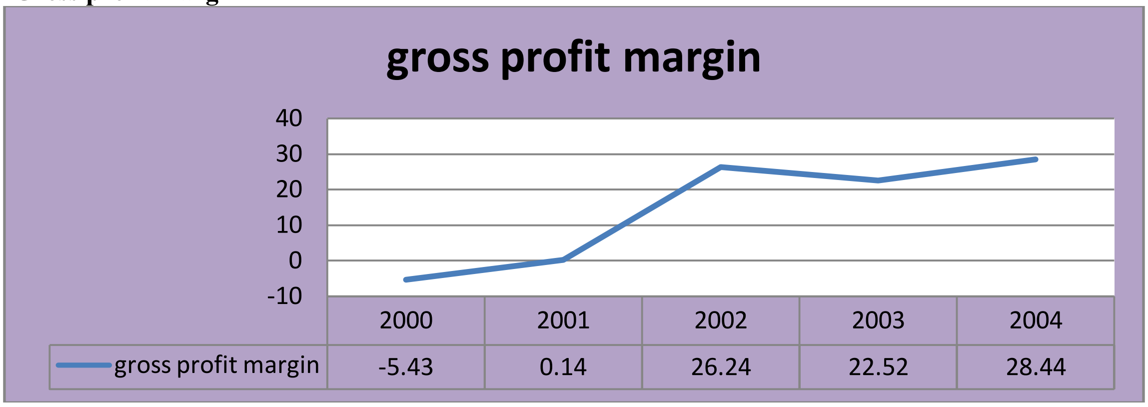
	2000	2001	2002	2003	2004
gross profit	-5.43	0.14	26.24	22.52	28.44
operating profit	-15.98	-10.6	11	10.1	19.48
pre tax margin	-56.09	-51.05	3.84	7.05	18.74
margin from ordinary activities	-56.58	-51.55	28.62	14.44	12

Analysis:

After purchasing PAKSAUDI plant FFC has effectively reduced its debt share so that operating profit of firm has increased because PAK Saudi fertilizer has capacity of production of million tons of fertilizer as per need of consumption , targeting this industry has led FFC to better growth of operating profit . Operating profit is generally defined as profit that a firm has gained from its operations, so after purchasing operations of FFC has increased thereby greater the operation with les cost greater will be the operating profit margin. with archeological perspective and eagle eye view point of a analyzer I can only say that in 2004 firm has enough resource to be used in future operations but if we place and eagle eye's view on 2001 picture there was very disappointing situation of operations . this all scenario was showing a mismatch pitfall that can only be fulfilled with mud of profit once such firm labeled with bankruptcy charges, debts and mud of bad operations would purchase extra profitable firm that can not only employ thousands of employees in its own lap of prosperity but also a profitable future ahead, this FFC has done through privatization scheme. Gross profit margin of FFC BIN

QASIM limited is totally increasing after purchasing PAK Saudi fertilizer that shows that PAK Saudi was a very much beneficial asset for this organization so this graph is increasing after third year as it is showing in picture. So in year 2004 firm has enough profit margin ratios to back by its most of expenses in a monumental way, so firm has now improved its gushing level of loss statement as it was depicting in 2000 with a negative point.

2.2 Gross profit margin

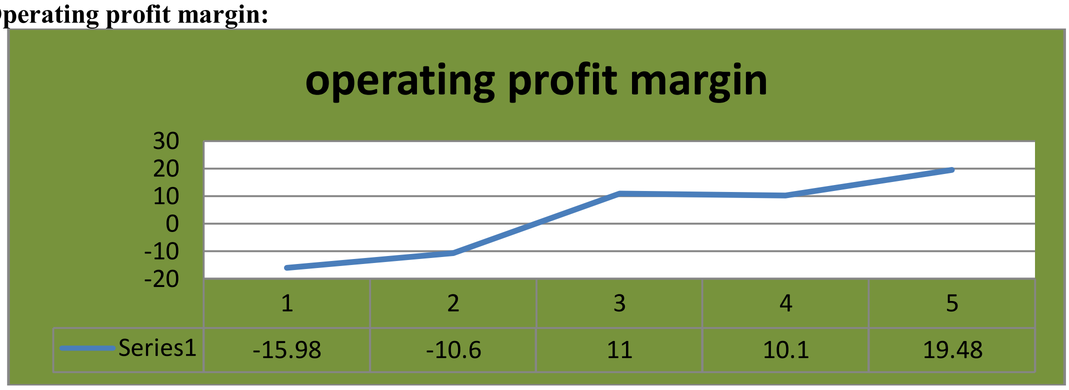


Analysis: Graph plotted for FFC BIN QASIM limited:

$$\text{Gross Profit Margin} = \frac{\text{Revenue - COGS}}{\text{Revenue}}$$

Most of firms generally need extra certain revenues to regain their certain expenses in future, so they will have to save optimal amount of profit for their future concerns and expenses as we all are seeing in this example that gross profit margin of FFC BIN QASIM limited is totally increasing after purchasing PAK Saudi fertilizer that shows that PAK Saudi was a very much beneficial asset for this organization so this graph is increasing after third year as it is showing in picture. So in year 2004 firm has enough profit margin ratios to back by its most of expenses in a monumental way, so firm has now improved its gushing level of loss statement as it was depicting in 2000 with a negative point.

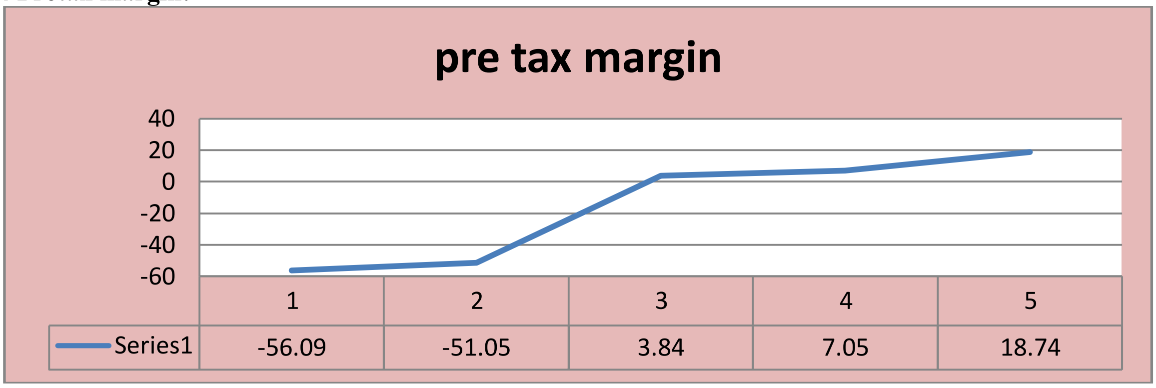
2.3 Operating profit margin:



Analysis: Graph plotted for FFC BIN QASIM limited:

Operating profit margin has also increased of FFC BIN QASIM limited after purchasing PAK SAUDI fertilizer plant as they have utilized that amount on certain future expenses ,FFC has purchased PAK SAUDI in order to level the amount of leverage and extra ordinary contingent loss accrued in history because of certain events or loss of sales , that's why here it is proved that FFC has purchased one of the profitable organization of Pakistan's asset and a very reliable firm performing duties under ministry of production unit to level and diminish their own amount of debt . After purchasing PAK SAUDI plant FFC has effectively reduced its debt share so that operating profit of firm has increased because PAK Saudi fertilizer has capacity of production of million tons of fertilizer as per need of consumption , targeting this industry has led ffc to better growth of operating profit . Operating profit is generally defined as profit that a firm has gained from its operations, so after purchasing operations of FFC has increased thereby greater the operation with les cost greater will be the operating profit margin.

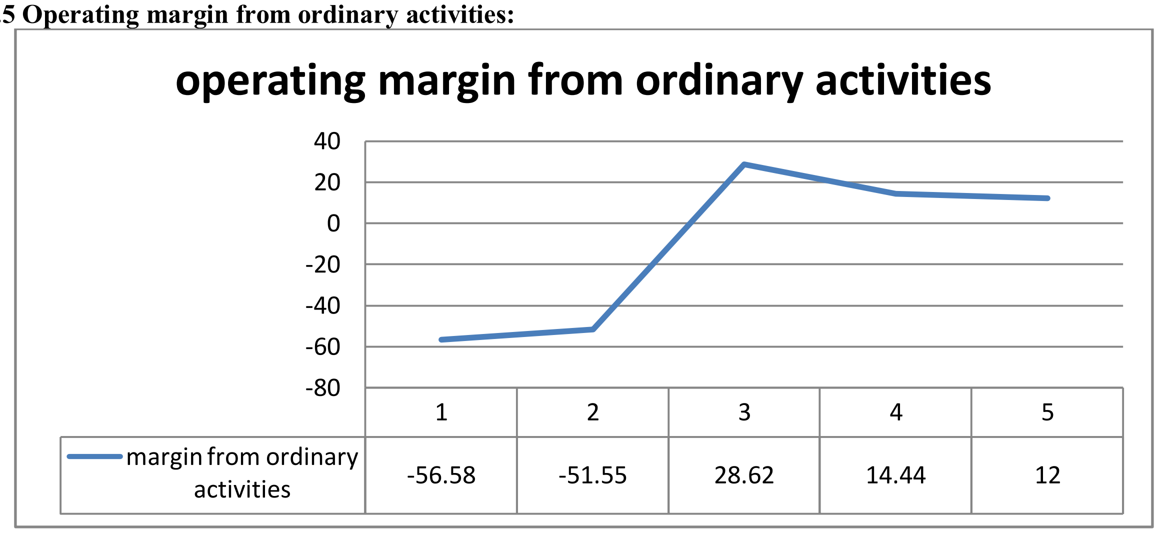
2.4 Pretax margin:



Analysis: Graph plotted for FFC BIN QASIM limited:

Pretax profit margin is also indicating the symbol toward the profitability of a firm, here this ratio shows that the firm has joined its voyage towards maximization of profits, as here merger has done lot of wonders because a firm which has negative sign of pretax margin just became one of the profitable firms of fertilizer field after purchasing a single plant of NFC. That clearly showed a complete hierarchal paradigm of skill full fencer dueling against clumsy cudgel of a street fighter; here FFC BIN QASIM has joined the list of profitable organization by purchasing PAK SAUDI in just a single year.

2.5 Operating margin from ordinary activities:



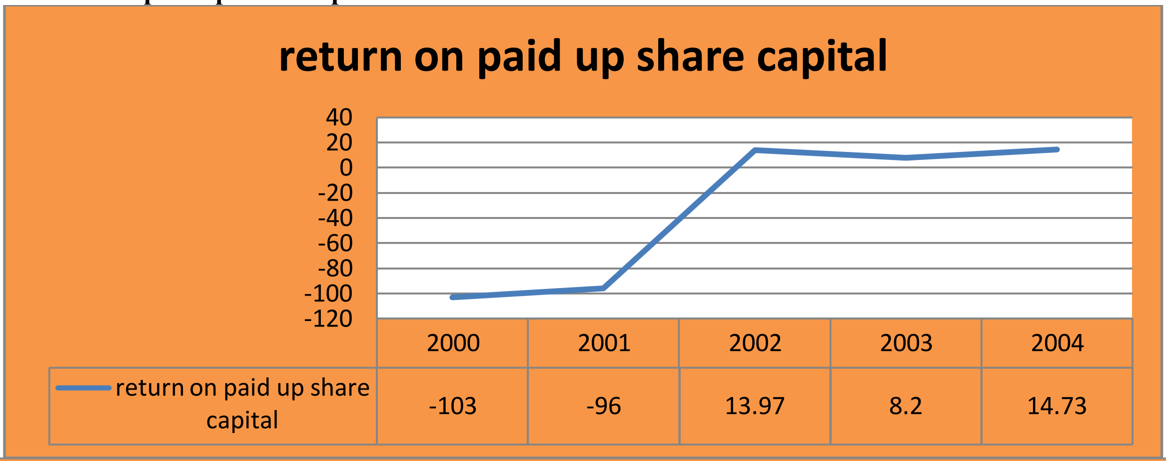
Analysis: Graph plotted for FFC BIN QASIM limited:

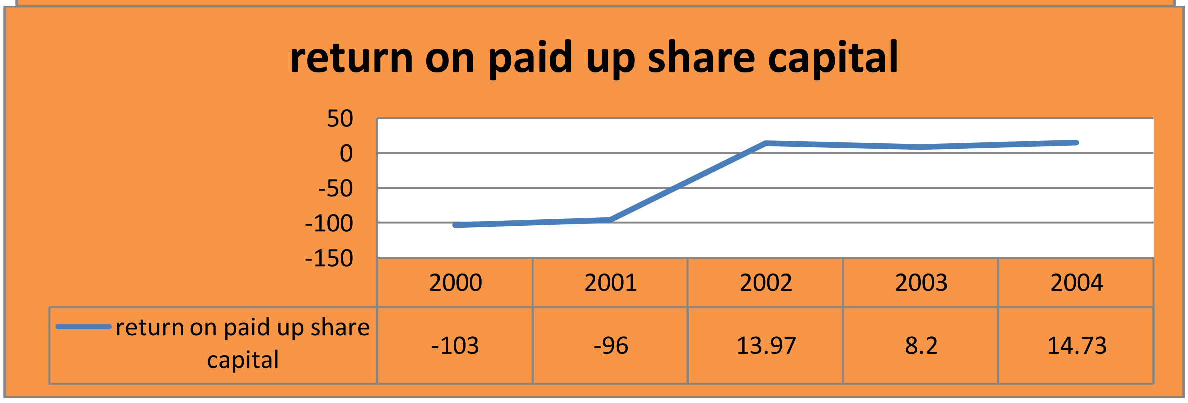
$$\text{Operating Margin} = \frac{\text{Operating Income}}{\text{Net Sales}}$$

Operating income for FFC BIN QASIM limited has also been increasing because of a efficient purchase in relevant years of production , operating profit of this firm in year 2004 and 2003 depicted that firm has performed it's all operations in a very specific way , with archeological perspective and eagle eye view point of a analyzer I can only say that in 2004 firm has enough resource to be used in future operations but if we got our eye ball in 2001 picture there was very disappointing situation of operations . this all scenario was showing a mismatch pitfall that can only be fulfilled with mud of profit once such firm labeled with bankruptcy charges, debts and mud of bad operations would purchase extra profitable firm that can not only employ thousands of employees in its own lap of prosperity but also a profitable future ahead, this FFC has done through privatization scheme.

Performance indicators:

2.6 Return on paid up share capital:

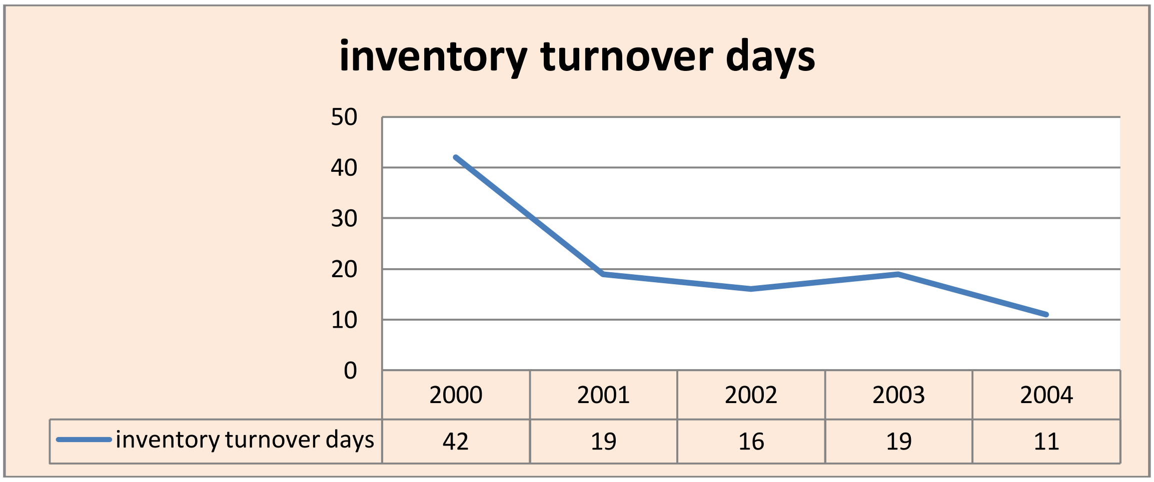




Analysis: Graph plotted for FFC bin QASIM limited:

Most of firms in this era of globalization generally generate cash through either equity financing or debt financing thus in this graph FFC is generating enough money through selling its share , this graph generally shows that FFC bin QASIM limited has gained momentum in share capital once they have purchased PAK SAUDI fertilizer , their share capital was also increasing after purchasing that plant , the value that graph was showing in negative similarly often moved toward plus positive once they have hatch out a deal for PAK SAUDI. The value that was negative in 2000 most often moved toward positive 13.97 in 2002.moreoevr this ratio also shows that equity financing of a firm is also increased beyond level , now FFC is more focusing to invest in business by investing amount gathering through selling share instead of levying debt

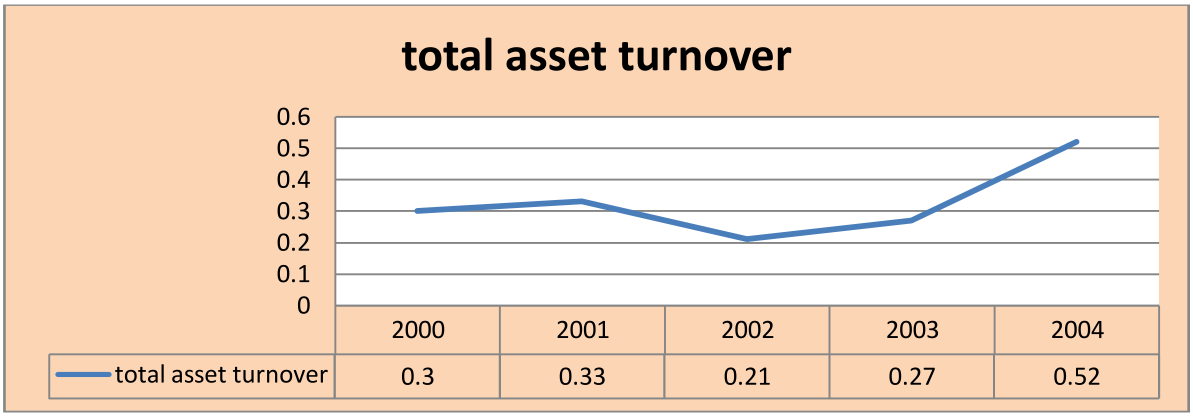
2.7 Inventory turnover days



Analysis: Graph plotted for FFC BIN QASIM limited:

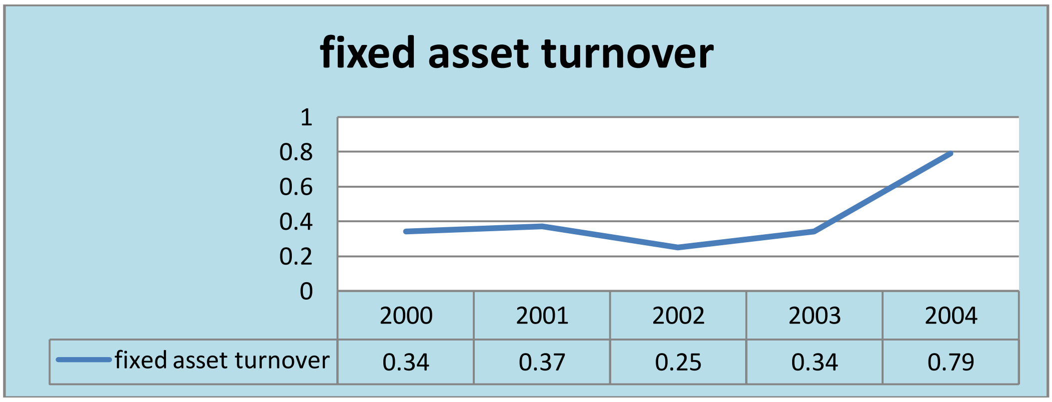
In 2000 inventory turnover days is very mush high as company is experiencing high level of holding cost associated with inventory as they have moved toward the prequel days after purchasing PAK SAUDI their inventory turnover days has also been decreased that's meant they have reduced their cost of holding enough inventory idle in their warehouse, so that's mean that their inventory management efficiency has also been increased. In 2000 it was 42, whereas keep on decreasing it has reached to 11 days. as this ratio depends upon the industry in which we are dealing but as well as fertilizer industry if turn over days are enough , that's means that there will be a mismatch between management and sales representative of fertilizer plant , but after purchasing PAK SAUDI their fertilizer turnover is also decreased to optimal level.

2.8 Total asset turnover



Analysis: Graph plotted for FFC BIN QASIM limited:

2.9 Fixed asset turnover:

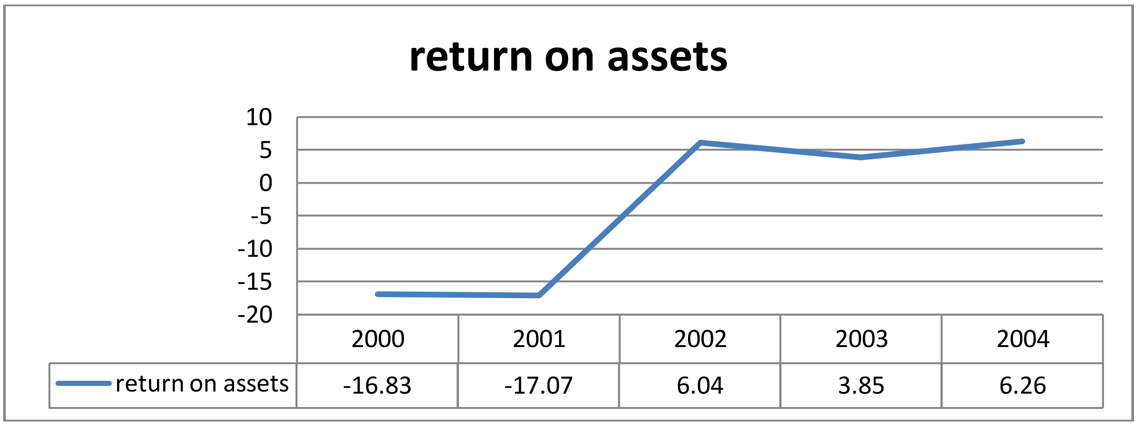


Analysis:

$$Fixed\ Asset\ Turnover = \frac{Net\ sales}{Average\ net\ fixed\ assets}$$

This ratio generally shows that how effectively a firm is utilizing its asset by comparing sales to fixed assets , most of firms has purchased fixed asset that were immovable in term of building and other infrastructures that cannot be moved from one to another place . In order to check fixed asset turnover ratio, a analyst must do certain work to check its sale corresponding with fixed asset as I have concluded this graph where line in blue depicting fixed asset turn over moving up after they have purchased PAK SAUDI. Thus fixed asset can be computed by dividing net sales with average net fixed assets.

2.10 Return on assets:

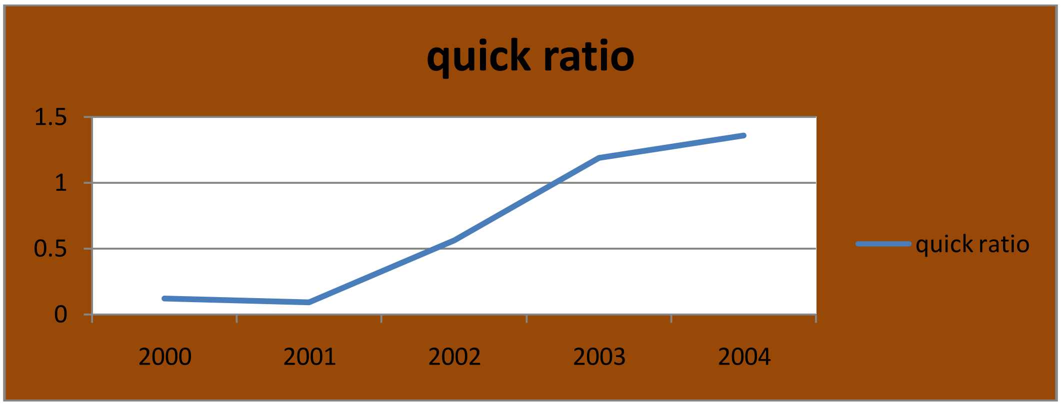


Analysis:

$$ROA = \frac{\text{Net Income}}{\text{Average Total Assets}}$$

There are generally two different type of assets that a firm has to run its basic operations, there may be tangible and intangible assets, physical assets are available to run basic need of firm that a firm must need to earn profitable index by taking them into effective way, here FFC BIN QASIM has gathered good monumental return on assets ratio as compared to 2000. Firm has invested major amount of resources in shape of dollar amount to purchase different fixed and current assets to perform profitable operation that will increase its profit margin on operation , this ratio is showing that profit generated is very much sufficiently improved after purchasing PAK SAUDI FERTILIZER. Net income is divided by average total assets that generally show that a firm is generating enough profit because of asset that firm has invested in generating profit and revenues for future; it should indicate a wholesome figure that investors can predict future and current position of a firm.

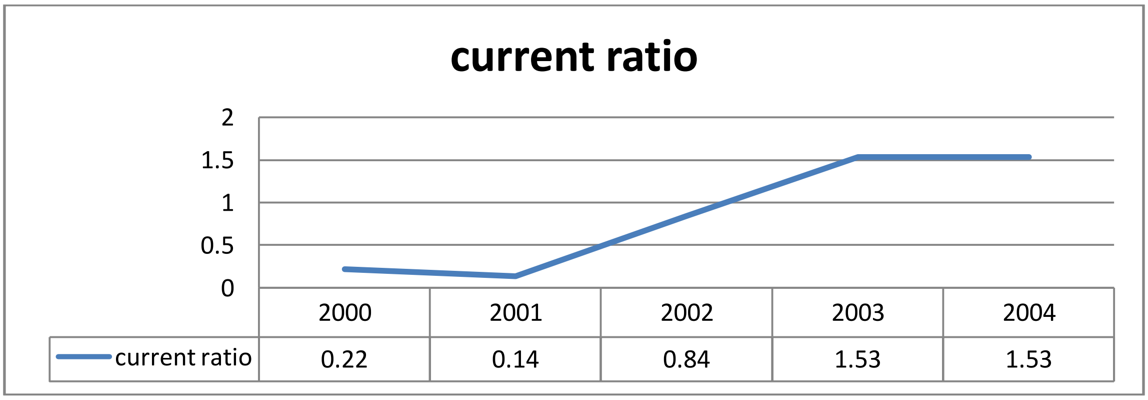
2.11 Debt equity ratio:



Analysis: Graph plotted for FFC BIN QASIM limited:

It's very much difficult for a company with a quick ratio less than 1 to pay back its current liabilities, thus in this graph FFC BIN QASIM limited has increased this ratio with time after purchasing PAK SAUDI fertilizer . it has gained ratio of above 1 after purchasing plant of PAK SAUDI fertilizer , it is generally realize that firm which has low quick ratio cannot be able to payback its liability portion because quick ratio we generally analyses those asset that can be easily converted into cash so that a firm can retire the amount of leverage or liabilities , quick ratio is further more defined as dividing cash and cash equivalents ,marketable securities and accounts receivables by current liabilities , therefore amount of liability section must be less than nominators . so now according to this graph quick ratio is greater than 1 as compared to history this ratio is lower than desired amount that has depicted poor position of that firm now it has significantly improved by purchasing PAK SAUDI.

2.12 Current ratio:

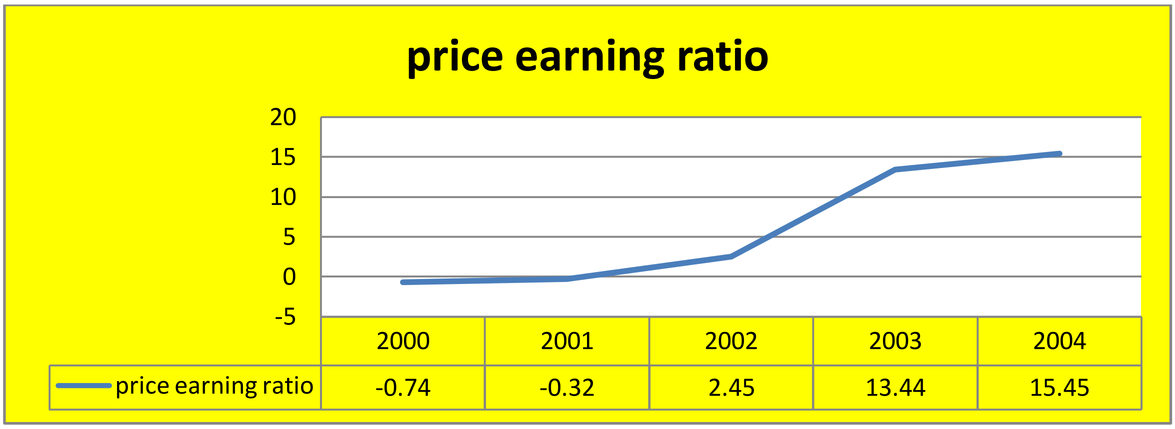


Analysis: Graph plotted for FFC BIN QASIM limited:

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Current ratio is generally computed by dividing current asset by current liabilities thus in this graph it is clearly depicting that current ration in 2000 is very much low as FFC bin QASIM cannot be able to pay back its most of liabilities because of so much large liabilities cannot be covered by less assets , thus for gaining a reputable post in analyzer's and investor's heart firm has to regain its current asset statues by managing or leveling its current liabilities to a low level thus in this way firm can deal with its short term liabilities . But if we compare era before purchasing PAK Saudi FFC bin QASIM was suffering from huge burden of debt in such regard it has very negative impact on its share vale as well as earnings ratios. Current ratio is generally considered good if stand divided between 1.5 and 3 then a firm will be assumed profitable and can manage its short term liabilities, here in this graph FFC bin QASIM limited has gained ratio of 1.53 in 2004.

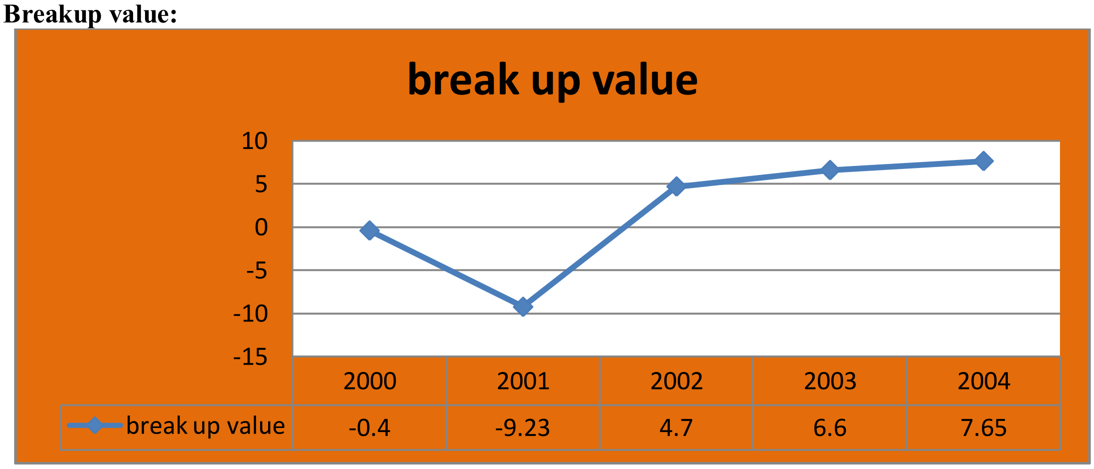
2.13 Price earnings ratio:



Analysis: Graph plotted for FFC BIN QASIM limited:

Increase in price earnings ratio generally means that there will be increase in earnings growth of share and therefore through evaluation of such stocks, we analyze that stock price is also increasing along with increase in earnings growth of a firm , a company with increase in stock price growth rate that means firms price earning price ratio is increasing , all those firms with increase in growth rate must has a increase in p/e ratio , thus analyzing firm past performance it generally revealed that p/e ratio is very much lower than in 2ooo as compared to 2003 . P/E ratio is also improved when FFC bin QASIM limited is merged with PAK Saudi fertilizer and one unit is formed with better capitalization and performance index. Price earnings ratio is also very much effected with any ratio of debt usually firm that were financed by larger portion of debt and smaller portion of equity can have a similarity effect on price earnings ratio, thus whenever a firm has increased its this position price earnings ratio can also be increased to optimal level, thus we can thoroughly say that ffc has improved its position of debt.

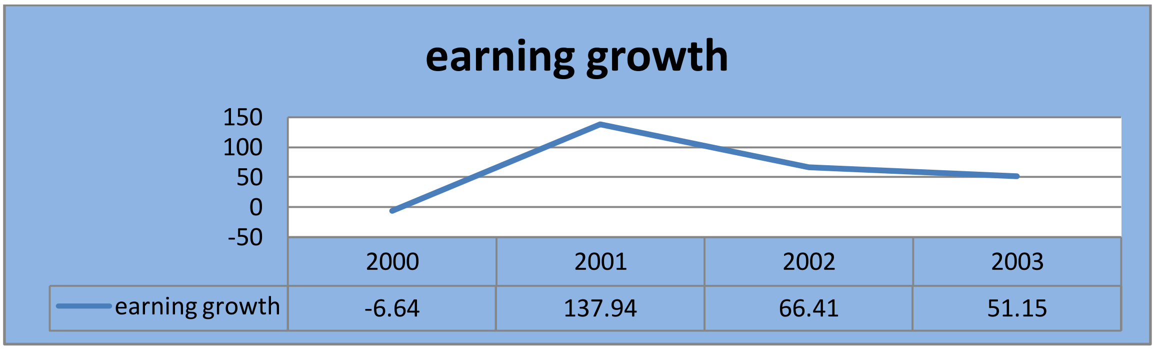
2.14 Breakup value:



Analysis: Graph plotted for FFC BIN QASIM limited:

Breakup value generally depend upon performance of a firm that how well certain organization has been performing , if there was a poor performance of certain organization then break even value could not be able to rise to optimal level. Moreover most of analyst generally compute break even value in order to check out how much potential an floor must be there in company stocks, as in this graph breakup value is continuously decreasing that showed a poor performance of FFC BIN QASIM limited but as they have purchased PAK Saudi fertilizer they have increased and made their break even value more secured and diversified.

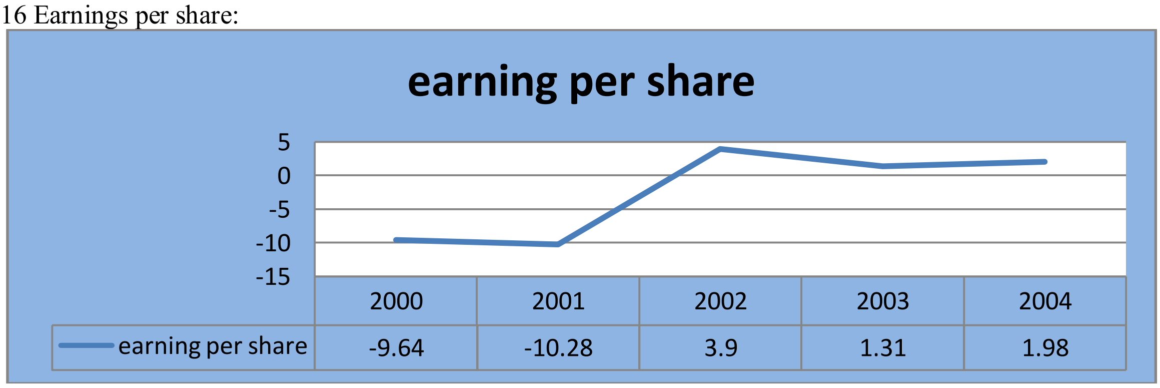
2.15 Earnings growth:



Analysis: Graph plotted for FFC BIN QASIM limited:

Analyzing the situation of -6.64 with 51.1 we can say that earnings growth has increased to optimal eve. Increase in price earnings ratio generally means that there will be increase in earnings growth of share and therefore through evaluation of such stocks, we analyze that stock price is also increasing along with increase in earnings growth of a firm , a company with increase in stock price growth rate that means firms price earning price ratio is increasing , all those firms with increase in growth rate must has a increase in p/e ratio , thus analyzing firm past performance it generally revealed that p/e ratio is very much lower than in 2ooo as compared to 2003 . Earnings growth is also improved when FFC bin QASIM limited is merged with PAK Saudi fertilizer and one unit is formed with better capitalization and performance index. Price earnings growth is also very much effected with any ratio of debt usually firm that were financed by larger portion of debt and smaller portion of equity can have a similarity effect on price earnings growth, thus whenever a firm has increased its this position price earnings ratio can also be increased to optimal level, thus we can thoroughly say that FFC has improved its position of debt

2.16 Earnings per share:

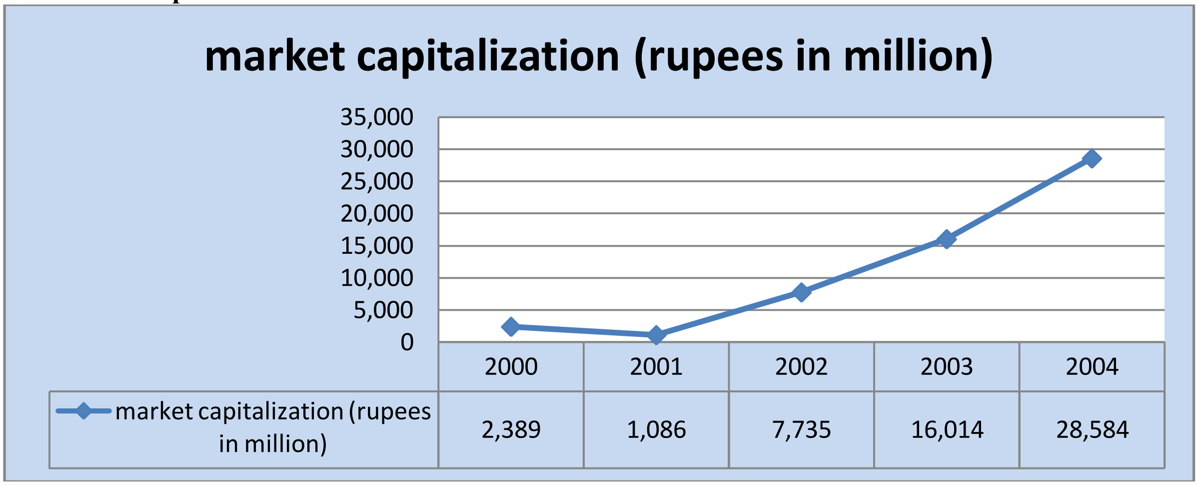


Analysis: Graph plotted for FFC BIN QASIM limited:

$$= \frac{\text{Net Income - Dividends on Preferred Stock}}{\text{Average Outstanding Shares}}$$

Earnings per share is generally profitability status of any firm , such firm in which profitability status is very strong they have better earnings per share , earning per share is generally calculated by deducting any dividend to be paid from net income and then dividing that amount by average outstanding shares, as according to 2000 earnings per share of FFC was in negative and thus company has not maintained its great financial status but whole story has been changed as company purchased PAK Saudi, next year the whole scenario was changed in a pragmatic evaluation of self respect and like espionage action story of a game . In 2002 company has earning per share ratio equalize to approximately 4 than -10 that showed a gushing performance, but truth behind this scene was somewhat different.

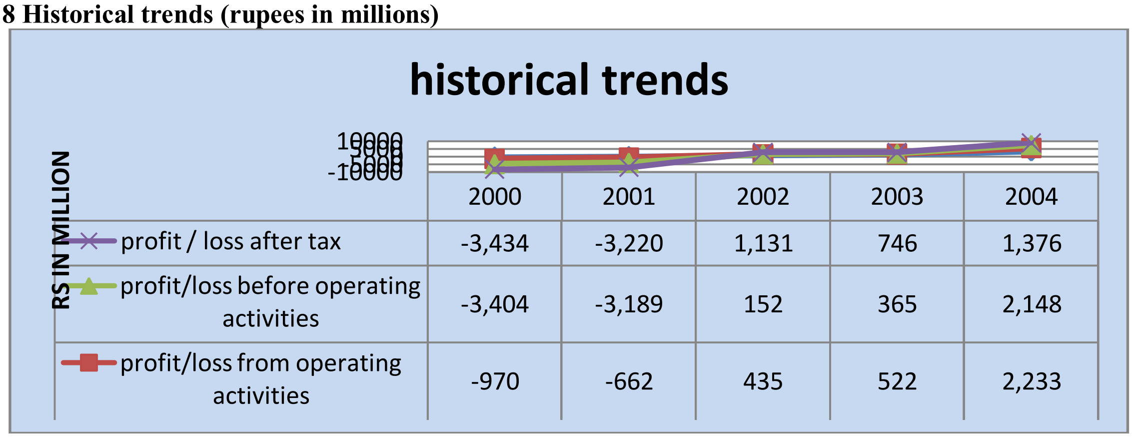
2.17 Market capitalization:

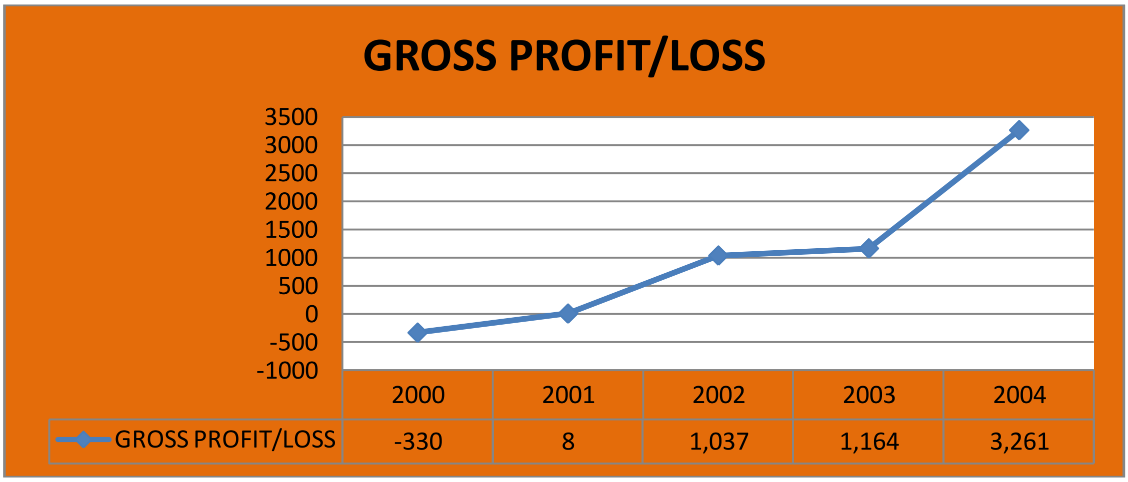


Analysis: Graph plotted for FFC bin QASIM limited:

Market capitalization is generally used to measure company size and amount of capital invested in firm in term of asset, as well as to measure the number of sales. Market capitalization can usually be derived by multiplying no of shares with market price of 1 share, here in this graph FFC has minimal market capitalization, but its size has increased beyond level and optimistically it cannot be done without achieving proper opportunist's asset. But in here FFC BIN QASIM has 28590 million "market cap" that accessed the market position and size of FFC BIN QASIM after purchasing PAK SAUDI. Starting from 2300 market capitalization amount and then reaching at more than 28000 was just a piece of true natured film that we were seeing in form of espionage action film of fantasy world. Here there are two possibilities either firm has increased its number of outstanding shares or price of single share has doubled or quadrupled but one thing that is true company has achieved its status of profitability by making a wise purchase ,

2.18 Historical trends (rupees in millions)



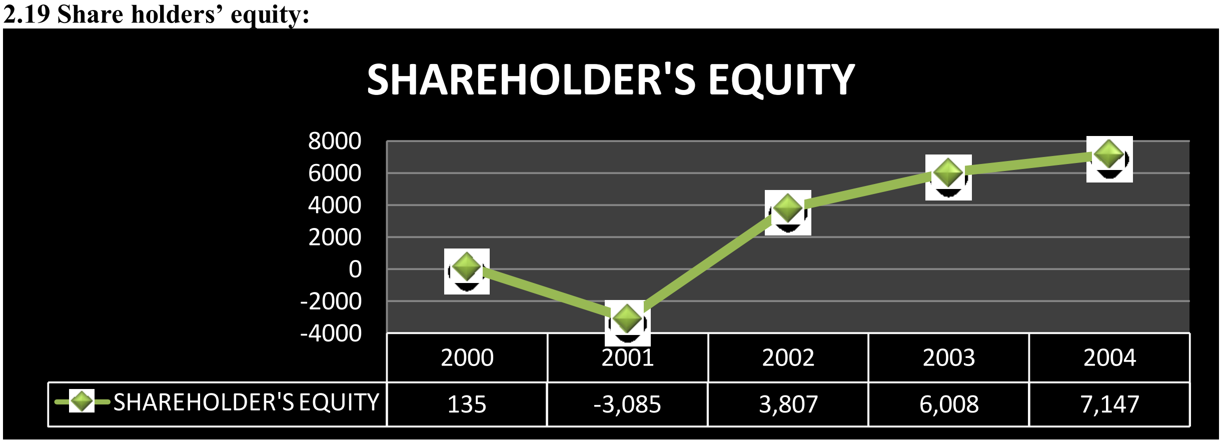


Graph plotted for FFC BIN QASIM limited:

Analysis:

Most of firms generally need extra certain revenues to regain their certain expenses in future, so they will have to save optimal amount of profit for their future concerns and expenses as we all are seeing in this example that gross profit margin of FFC bin QASIM limited is totally increasing after purchasing PAK Saudi fertilizer that shows that PAK Saudi was a very much beneficial asset for this organization so this graph is increasing after third year as it is showing in picture. So in year 2004 firm has enough profit margin ratios to back by its most of expenses in a monumental way, so firm has now improved its gushing level of loss statement as it was depicting in 2000 with a negative point.

2.19 Share holders' equity:

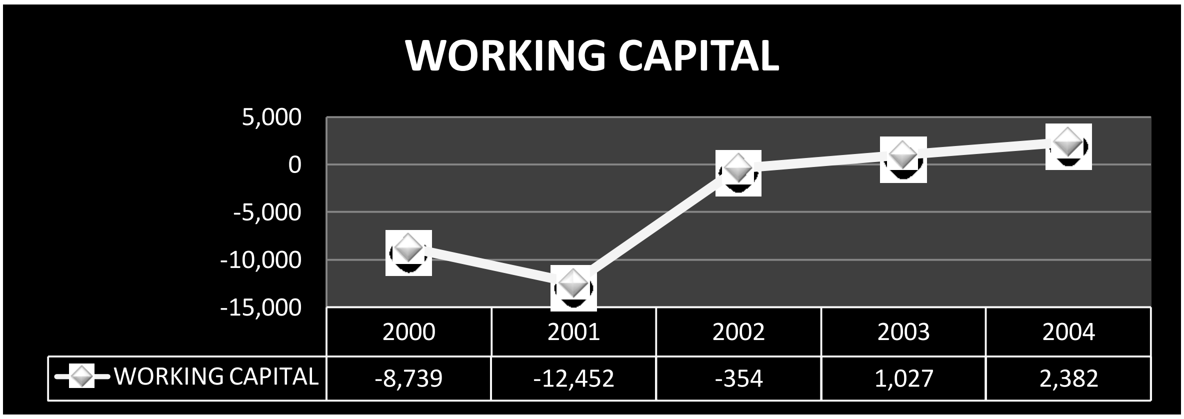


Analysis: Graph plotted for FFC BIN QASIM limited:

Shareholders' Equity = Total Assets - Total Liabilities
OR
Shareholders' Equity = Share Capital + Retained Earnings - Treasury Shares

Shareholders' equity of FFC after purchasing PAK Saudi fertilizer has also been increased in a prominent way, here in this graph shareholder equity was at 135 and -3085 but as we have seen that FFC BIN QASIM limited purchased monumental plant, their equity was increased. share equity can be evaluated by deducting current assets from current liabilities, here negative figure showed that current liabilities of FFC was greater than their current assets so its became very much difficult for FFC to retain their financial services smoothly, so they have purchased one of leading plant of NFC and assimilated all resources to muster every single material as was in their reach to disassemble economy of Pakistan. Share holder equity generally comes from two different types of sources one from original money invested in firm another basically from money that a firm has raised by selling its shares, thus these both things have improved after purchasing PAK SAUDI fertilizer.

2.20 Working capital:



ANALYSIS: Graph plotted for FFC BIN QASIM limited:

Working Capital = Current Assets - Current Liabilities

. Therefore in this graph FFC BIN QASIM limited has shown some irregular trend of working capital. Its working capital was at negative in 2000 and the whole figure has changed its trend after purchasing Pak Saudi. It is generally assumed that PAK Saudi was one of biggest profitable organization and was only source for FFC BIN QASIM limited to pay off its basic debt, so they have purchased Pak Saudi fertilizer and gain extra ordinary profit by acquiring their own bankrupt organization of FFC Jordan plant now bin QASIM limited. Many researchers generally deduce this portion in order to find out operational efficiency of a firm.

III. Conclusion:

Pak Saudi acquisition is also very much profitable for FFC subsidiary FFC Jordon which was under burden of bankruptcy and only wanted to acquire PAK Saudi to maximize its shareholder's wealth moreover if FFC has to set up a new fertilizer plant in order to get its subsidiary back to life it has to invest more than 400 million dollars which translate into 40 BILLION RUPEES on the very next year as I have shown in my report through projected graphs.

In 2000 inventory turnover days is very mush high as company is experiencing high level of holding cost associated with inventory as they have moved toward the prequel days after purchasing PAK SAUDI their inventory turnover days has also been decreased that's meant they have reduced their cost of holding enough inventory idle in their warehouse, so that's mean that their inventory management efficiency has also been increased. In 2000 it was 42, whereas keep on decreasing it has reached to 11 days. As this ratio depends upon the industry in which we are dealing but as well as fertilizer industry if turn over days are enough , that's means that there will be a mismatch between management and sales representative of fertilizer plant , but after purchasing PAK SAUDI their fertilizer turnover is also decreased to optimal level.

There are generally two different type of assets that a firm has to run its basic operations, there may be tangible and intangible assets, physical assets are available to run basic need of firm that a firm must need to earn profitable index by taking them into effective way, here FFC bin QASIM has gathered good monumental return on assets ratio as compared to 2000. Firm has invested major amount of resources in shape of dollar amount to purchase different fixed and current assets to perform profitable operation that will increase its profit margin on operation , this ratio is showing that profit generated is very much sufficiently improved after purchasing PAK SAUDI FERTILIZER. Net income is divided by average total assets that generally show that a firm is generating enough profit because of asset that firm has invested in generating profit and revenues for future; it should indicate a wholesome figure that investors can predict future and current position of a firm.
Analyzing the situation of -6.64 with 51.1 we can say that earnings growth has increased to optimal eve. Increase in price earnings ratio generally means that there will be increase in earnings growth of share and therefore through evaluation of such stocks, we analyze that stock price is also increasing along with increase in earnings growth of a firm , a company with increase in stock price growth rate that means firms price earning price ratio is increasing , all those firms with increase in growth rate must has a increase in p/e ratio , thus analyzing firm's past performance it generally revealed that p/e ratio is very much lower than in 2ooo as compared to 2003 . Earnings growth is also improved when FFC bin QASIM limited is merged with PAK Saudi fertilizer and one unit is formed with better capitalization and performance index. Price earnings growth is also very much effected with any ratio of debt usually firm that were financed by larger portion of debt and smaller portion of equity can have a similarity effect on price earnings growth, thus whenever a firm has increased its

this position price earnings ratio can also be increased to optimal level, thus we can thoroughly say that FFC has improved its position of debt.

IV. Suggestion:

Government should encourage nationalized organization to move them within this econometric cycle, moreover privatization has also proved in a very negative way to destroy all other ethnic and moral values by destroying and separating livelihood from people and increasing inflation and unemployment where already masses are living in congested environment , any further action of uncouth like policies will lead us to envy and animosity, thus there is a need to introduce certain reforms in which government has to revitalized its existing organization for better performance so that our economy will not lose any **PSFL** like organization.

Government should also introduce new reforms so that no new nationalized organization will have to be privatized thus there is a drastic need to introduce all such factors. Government should now introduce new processes of business re engineering so that now people will not be able to get pain from inflation high prices, rise in producer's prices, low and blight future job opportunities and extra burden on foreign currency for importing extra commodities.

Our education system should also work with industrial sector program so that all those people who were rejected by private organization after taking golden shake hand from these national units should be given extra infringe benefit and government should encourage their households by giving them extra jobs in other sectors as compared to ignore them as load shedding of this unwanted humanity. These all individuals move abroad where they are settled with dignity , they are well professional individual which can give much more to economy .

All private sector should be given under indemnity and immunity of PIDC so that they could be able to develop mafia cartels and price committee should be established which can have overwhelm power of judiciary in setting prices for these companies such companies should be treated as incumbent entity that can be questioned at any time ,

These organization should be restricted to eliminate all amount immediately from our country reserve banks , despite there should be certain criteria for these larger profitable organization to save certain amount in our reserve bank as a indemnity and warranty to do business in Pakistan ,

Certain laws should be developed that will change whole frame work of uncouth privatization policies in Pakistan therefore more laws should be developed to make privatization under shelter umbrella of equality and justice .

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