DO ACQUIRERS ENGAGE IN EARNINGS MANAGEMENT? EVIDENCE FROM PAKISTAN

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Abstract

Mergers and acquisitions (M&A) are very significant corporate events for acquirers and the quality of accounting data play an important role in the decisions of M&A. Managers act on behalf of shareholders and seek out their self-interests. Managers have motives to manage reported earnings before M&A to enhance the stock price and to decrease the costs of a deal as a result to make high return for shareholders and for their selves. Moreover, manage earnings to avoid litigation from creditors and investors and to protect their selves from job dismissal. Consistent with this point of view, researchers investigates that whether acquirers manage earnings around M&A. This study investigates the involvement of M&A firms in earnings management (EM) activities for firms listed on Pakistan Stock Exchange (PSX). Though, limited research has been carried out on the topic of M&A in the context of Pakistan from the perspective of EM. Thus, this study attempts to bridge the gap by providing evidence of EM practice in M&A in the context of Pakistan. The sample of the study is taken from PSX of all listed non-financial M&A firms from the period 1996-2017. Data taken three years pre- M&A. For EM, the study used Discretionary Revenue Model (DRM). The results show that earnings are managed prior to M&A and significantly positive earnings during M&A.

Keywords: *Mergers & Acquisitions, Earnings Management, Discretionary Revenue Model, Pakistan stock Exchange, Acquirers.*

Introduction

After the event of accounting scandals like Enron, WorldCom and Xerox which lesson the investors trust about the accuracy of financial information issued by the corporations (see e.g., Kassem & Higson, 2012; Bhasin, 2013). In addition to this, these scandals makes the securities regulators more concerned and took some serious decisions in order to prevent fraud in due course (Ronen & Yaari, 2008). There is lack of transparency in financial information and the motives behind the manipulation of accounting information. There are many reasons for the deficiency of transparency in financial statements but among those the most significant one is the earnings management (EM) activities which is applied by managers (Ardekani, Younesi, & Hashemijoo, 2012). For instance, Ajward and Taakehara (2011) report that the level of information improves with the reduction in information failure. In addition to this, higher information asymmetry means earnings are managed or financial statements are manipulated (Cheng, 2006) and can be called as EM (Leuz, Nanda, & Wysocki, 2003). EM can be explained as

"When management use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting numbers" (Healy & Wahlen, 1999, p.368).

Undoubtedly, the implementation of EM tools by managers to manipulate accounting information for the achievement of their personal goals or to expropriate shareholders' wealth (Arya, Glover, & Sunder, 1998, Leuz et al., 2003). Sometimes the executives of the company manipulate reported earnings before Mergers and Acquisitions (M&A) deal (Erickson & Wang, 1999; Botsari & Meeks, 2008), Management Buyout (MBO) (Perry & Williams, 1994) and initial public offering (IPO) (Teoh, Welch, & Wong, 1998; Premti, 2013) in order to decrease its costs. Furthermore, acting as shareholders agents, managers may be motivated to earnings manipulation and boost their earnings before M&A to rise the value of a deal for investors (Moeller, Schlingemann, & Stulz, 2004; Antoniou, Arbour, & Zhao, 2008). Additionally, other motives of the managers can be achievement of personal gain such as increased golden parachutes, stock appreciation, cash bonuses, CEO board membership in the merged and acquired firm (Hartzell, Ofek, & Yermack, 2004). Hence, based on the above arguments this research aims to investigate that whether there is any EM of accounting data via discretionary revenue used by companies in the period earlier to the declaration of M&A in Pakistan.

Several studies investigates EM in M&A firms specifically in developed countries (Erickson & Wang, 1999; Shen, 2005; Udawatte, 2007; Botsari & Meeks, 2008; Anilowski, Macias, & Sanchez, 2009; Alsharairi & Ahmad, 2012; Anagnostopoulou & Tsekrekos, 2013; Anagnostopoulou & Tsekrekos, 2015; Katsigianni & Κατσιγιάννη, 2017; Beekhuis, 2017). However, there is no study in developing countries such as Pakistan. Thus, this study is based on the premise that M&As are significant corporate events for target and bidding firms together. The decisions of M&A depend on the quality of public accounting information. Therefore, managers have strong motives to manage reported earnings prior to M&A in order to increase stock price and to make higher gains for investors and also to raise capital for M&A.[1] In congruous with this view, most of the authors have devoted much effort in investigating whether acquirers manage earnings around M&A deal. Thus, the purpose of this study is to provide evidence on whether acquirers involve in EM prior to M&A of firms listed on Pakistan Stock Exchange (PSX).

Literature Review

The shareholders wealth maximization to an increasing extent become the most significant corporate management objective, particularly the growing power of institutional investors and in the era of aggressive corporate acquisitions (Blair, 1995). Hence, the company's management have a motive to present financial statements as good as likely for shareholder value. Based on the financial statements, the potential investors and creditors make decisions about an investment or lending the money to the company. Managers may tend to expropriate shareholders wealth in order to hide firm performance (Burgstahler & Eames, 1998). Moreover, for the achievement of personal goals managers implement EM tools to manipulate accounting information which leads to shareholders wealth expropriation. Consequently, the company managers may manage the company earnings to make financial statements look good than the actual picture of the company for the achievement of their financial targets.

Moreover, firm's manager use M&A as a means to accomplish their interest of expropriation which may not create the value of shareholders (Nazir, Haque, & Ali, 2009).Thus, increase in expropriation and private benefits of control leads to earnings management. Managers manage earnings because they have some motives behind it. For instance, in a stock swap M&A deal, if the share price of acquirers is high prior to M&A, then the acquirer will issue a small number

[1] See for e.g., Shleifer and Vishny (2003) and Antoniou, Arbour and Zhao (2008).

of shares for deal payment. It means the deal cost is cheaper from the acquirer's perspective (Louis, 2004; Botsari & Meeks, 2008). Hence, the acquirers have a financial motive in EM involvement for increasing their share price before M&A. The overestimation of the company's stock may be an investor's unsound valuation of the firm's future forecasts and the managers intentionally mislead the investors through EM (Pungaliya & Vijh, 2009). Moreover, bidding firms find a significant higher discretionary accrual in acquisitions backed by shares (there is motivation to exaggerate firm shares price) rather than in cash financed acquisitions (Baik, Kang, & Morton, 2007; Udawatte, 2007; Botsari & Meeks, 2008). Therefore, the researchers conclude that stock financed acquisitions are led by EM.

In addition to this, Gong, Louis and Sun (2008) report that companies lessens their earnings prior to stock repurchases for getting low stock price. While, the study of Entwistle, Feltham, and Mbagwu (2006) shows that managers use these tactics for manipulation in accounting reports to exaggerate their earnings for the achievement of high firm stock price and to fulfill their personal goals through it. Thus, EM is the practice of taking decisions by managers on behalf of shareholders, managers exercise discretion in company's earnings to mislead investors and to expropriate shareholders' wealth (Hassan & Ahmed, 2012). Furthermore, acting in the shareholders' interest, managers encourages to manage earnings and indirectly to escalate the deal price for shareholders and perhaps seek to manage earnings before M&A in order to fulfill their personal benefits which has been taken out from a deal in the form of cash bonuses, better golden parachutes, top management posts and board membership in the M&A firm (see e.g., Shleifer & Vishny, 2003; Hartzell et al., 2004).

Hypotheses Development and Research Method

Prior studies present evidence about the companies that use multiple EM strategies (such as, accruals and real-activities) (For instance, Roychowdhury, 2006; Cohen & Zarowin, 2010; Kothari, Mizik & Roychowdhury, 2012; Zang, 2012). By this mean firms as overstate their reported earnings (Graham, Harvey, & Raigopal, 2005). In the context of M&A, the significance of earnings in valuation of stock motivates the bidders to manage earnings pursuing to affect short term performance of shares before M&A (Shleifer & Vishny, 2003). Managers perform for the shareholders interest and can be driven to manage earnings to high level before the M&A deal in order to maximize the deal price for shareholders (see e.g., Moeller, Schlingemann & Stulz, 2005; Antoniou, Arbour & Zhao, 2008). Furthermore, managers may choose to merge for their personal benefits such as cash bonuses, increased

golden parachutes, stock appreciation, CEO membership in board and CEO position in the merged firm (Hartzell et al., 2004; Besanko, Dranove, Shanley & Schaefer, 2009). Thus, their aim to manipulate earnings for the rise in stock price and ultimately the deal price.

The present study examines EM practices in M&A firms listed on PSX. Prior literature shows mix findings of EM activities and M&A. Botsari and Meeks (2008) examine that firms manage earnings ahead of share for share M&A deal. Additionally, Vasilescu (2014) and Shen and Chih (2007) demonstrate that target firms manage earnings prior to M&A. In addition, Rahman and Bakar (2002) reveals that acquiring firms manage earnings upward prior to the acquisition. Similarly, Katsigianni and Κατσιγιάννη (2017) report that companies manage earnings upward in the year before the announcement of merger. However, Pungaliya and Vijh (2009) and Goodwin (2009) conclude that EM and M&A are not associated at all. Similarly, Beekhuis (2017) reveal that any type of M&A is insignificantly related to the proxy for EM. Therefore, on the basis of these findings in prior literature the following hypothesis is developed.

H1: Firms do not engage in earnings management prior to mergers and acquisitions.

All listed non-financial merged and acquired companies are the population of the study. There is total 49 non-financial M&A occurred in the period of 1996-2017. The study period is from 1996-2017. Furthermore, which companies' data was not available that were excluded from the sample thus the sample reduced to 45 non-financial companies listed at Pakistan stock exchange (PSX).[2] Three- year pre-M&A data has been collected of each acquirer company. The data used in this study is panel and secondary in nature. Additionally, the data are collected from different sources. Data for the study are obtained from annual reports of the companies available at their respective websites, open doors website, balance sheet data analysis (BSA), financial statement analysis available at State Bank of Pakistan (SBP) and PSX historical data. The study proposes the following multivariate regression model to investigate the EM in M&A firms.

[2] The distribution of the acquiring companies and the year of merger are shown in the table given in appendix-A.

Discretionary Revenue Model (DRM)

Prior studies indicate that DRM is the current model for detection of EM. The noisy nature of accrual models and it create biasness in discretionary estimates are the shortcomings in accruals models. Though, DRM provides more reliable and accurate results than accruals models. In addition, the revenues are a rational first step in investigating specific components of earnings. Furthermore, Stubben (2010) examines the power of identification of DRM and accruals model, and the findings reveals that DRM is well specified, lacking biasness and stronger in identifying practices of EM than accrual models. He analysed these models and employ simulation technique for models' similarities or dissimilarities. The findings show that this method gives reliable and conclusive measurements than earlier employed models. Moreover, the author claims that the DRM also identify expense and revenue manipulation (Stubben, 2010). The following is the DRM:

$$\Delta AR_{it} = \beta 0 + \beta 1 \Delta R_{it} + \beta 2 \Delta R_{it} * Size_{it} + \beta 3 \Delta R_{it} * Age_{it} + \beta 4 \Delta R_{it} * AgeSq_{it} + \beta 5 \Delta R_{it} * GRRP_{it} + \beta 6 \Delta R_{it} * GRRN_{it} + \beta 7 \Delta R_{it} * GRM_{it} + \beta 8 \Delta R_{it} * GRMSq_{it} + \varepsilon_{it}$$

where:

ΔAR_{it} is accounts receivable variation of firm i at period t.

ΔR_{it} is the revenue difference of firm i at period t.

$\Delta R_{it}*Size_{it}$ is the outcome of revenue difference and size difference of firm i at period t.

$\Delta R_{it}*Age_{it}$ is the outcome of revenue difference and age difference of firm i at term t.

$\Delta R_{it}*GRRP_{it}$ is the outcome of revenue difference and industry-median-adjusted revenue growth difference (1 if positive) of firm i at term t.

$\Delta R_{it}*GRRN_{it}$ is the outcome of revenue difference and industry-median-adjusted revenue growth difference (1 if negative) of firm i at term t.

$\Delta R_{it}*GRM_{it}$ is the outcome of revenue difference and industry-median-adjusted gross margin difference of firm i at term t.

$\Delta R_{it} * GRMSq_{it}$ is the outcome of revenue difference and square of industry- median-adjusted gross margin difference of firm i at term t.

ε_{it} is error term.

This model employs the industry-median-adjusted revenue growth rate (both positive and negative) and industry-median-adjusted of gross margin. Moreover, the researcher reveals that the revenue growth rate is measured by the changes in the revenue growth rate of firm and industry-median-adjusted revenue growth rate. Similarly, the industry-median-adjusted gross margin is measured by the changes between companies' gross margin and the industry median adjusted gross margin (Stubben, 2010). Furthermore, Xiaoqi (2013) stated the measures of industry adjusted median such as the difference in company and industry-median-adjusted variable.

Merger and Acquisition Evaluation Period

There are three steps related to M&A announcements. The first step is the negotiation of the deal terms which is called the announcement date. The second step is arrived to an agreement called the agreement date. Lastly, the third step is the method of payment completion selected for the takeover accomplishment and it is called the completion date. For all the non-financial firms included in sample, the year of completion date of M&A is considered to be year 0 (T). The first-year lead to year 0 is considered as year T-1 and the second-year lead to year 0 is considered as year T-2 etc. Hence, this period is also called pre-M&A period. Prior studies find that acquirers increase their earnings before the M&A deal (T). Thus, firms are probably to be engaged in the EM activities from year T-3 up to year T. Year T+1 is called post- M&A period. In addition, after one year of completion date (T+1) there is likelihood of reduction in EM trying to reverse the manipulation in earnings undertaken in before M&A period (Udawatte, 2007).

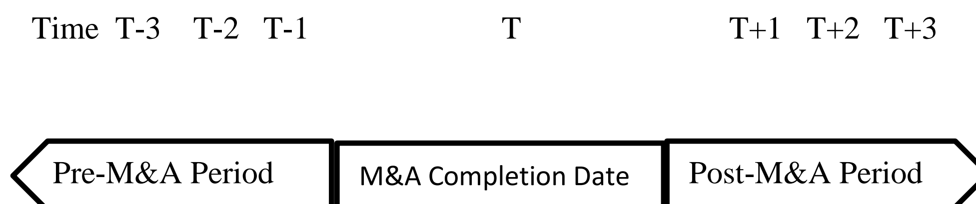

Figure 1: The years pre and post M&A deal

Results and Discussion

Descriptive Statistics of the Study

Descriptive statistics describe the type and different attributes of the data. The descriptive statistics of each variable employed in this analysis is presented in table 1. Table 1 illustrates descriptive statistics of the study and reports the nature and distinct attributes of the data (Pornupatham, 2006; Roychowdhury, 2006; Habbash, 2010; Xiaoqi, 2013). Table 1 reports the pre periods of acquirers (three years pre to M&A) in Panel A, characteristics of the EM proxy.

Table 1: Descriptive Statistics of the Study

Variables	Mean	Median	Std. Dev	Minimum	Maximum	Skewness	kurtosis
Panel A	Earnings management proxy						
Year T-3	-0.02	-0.48	1.58	-3.52	4.76	1.63	3.23
Year T-2	-0.22	-0.16	0.47	-1.53	1.25	0.02	1.95
Year T-1	0.19	0.27	0.94	-2.47	2.01	-0.36	0.20
Year T	0.16	0.05	0.61	-0.87	1.94	0.44	0.18

Note: Variables presented in table 1 are described in section research methodology of this study. Data is employed from the period 1996-2017. Moreover, EM (DRM) is utilized as explanatory variable in the present study. Year T-1, year T-2 and year T-3 are first, second and third years with earnings before M&A. Year T is the year of M&A.

According to the means of DRM of acquirer firms which is estimated for three years pre (Panel A), the mean in a year prior to M&A announcement (Year T-3) is -0.02 and in year T-2 is -0.22 less than one year prior to M&A (Year T-1) and the mean value is 0.19. The mean in the year of M&A (Year T) is 0.16. Furthermore, the means from year T-3 to year T-1 have an ascending trend. Also, the maximum value of DRM indicate that the maximum value of DRM in Year T-1 is more than year T-3 and year T-2. This result is consistent with prior studies like Erickson and Wang (1999), Shivakumar (2000), Heron and Lie (2002), Rahman and Bakar (2002), Louis (2004) and Ardekani et al. (2012) who report that acquirer firms manage earnings at least one year before M&A deal. The results indicate that acquirer firms manage revenues upward one year preceding to M&A. This result is consistent with prior studies of (Erickson & Wang, 1999; Louis, 2004; Ben-Amar & Missonier-Piera, 2008; Botsari & Meeks, 2008; Fairfield, Kitching & Tang, 2008; Ardekani et al., 2012; Higgins, 2013). The reason behind the findings is that the acquirer firms engaged in manipulation of earnings upward prior to M&A to boost their firms' share value in order to decrease costs of M&A deal. In addition, through upward EM, acquirer firm acquired target firm with less shares than their own shares. Thus, it

is inferred that these observations are not extremely scattered from the value of a mean. This explanation is backed by the values of maximum and minimum of EM since these values indicate little variances. Furthermore, as reported in table 1 that the skewness and kurtosis values indicate that the data of all variables are normally distributed. These statistics show that the variables are normally distributed.

Univariate Analyses

One Sample T Test

In order to test M&A firms, whether they manage their earnings or not, the one sample Test for acquirer's discretionary revenue is conducted pre-M&A. one sample t-test is used for comparison of means of EM within three years prior M&A. Table 2 presents the results of these t-tests for means of EM. For acquirers, in year T-3, the means of EM derived from Discretionary Revenue Model (DRM) is negative and insignificant. The means of EM in year T-2 is negative and significant at the 5% level (0.003). In year T-1 and year T-3 the means of discretionary revenue are not significant.

Table 2: One sample test for Pre-Earnings Management in Merger and Acquisition Firms

Period	T	Sig.(2 tailed)	Mean Difference	95%Confidence Interval of the Difference	
				Lower	Upper
Year T-3	-.102	.919	-.02403	-.5002	.4522
Year T-2	-3.157	.003	-.22475	-.3682	-.0813
Year T-1	1.364	.179	.19255	-.0919	.4770
Year T	1.775	.083	.16391	-.0221	.3500

Note: Variables presented in table 1 are described in section research methodology of this study. Data is employed from the period 1996-2017. Year T-1, year T-2 and year T-3 are first, second and third years with earnings before M&A. Year T is the year of M&A.

In year T EM is positive and statistically significant. The results are in line with the studies of Erickson and Wang (1999), Louis (2004) and Baik et al. (2007) who find increase in earnings before merger announcement. Moreover, Ben-Amar and Missonier-Piera (2008) find that targets firms' manager in Switzerland involved in EM downwards prior to the deal. Similarly, Jeong and Bae (2013) also provide evidence that acquirers manage earnings downward before merger for a stock-for-stock merger. In addition, Zhang (2015) report that discretionary expenses and abnormal cash flows are negative and statistically significant before a stock-for-

stock merger deal.[3] These outcomes are in congruous with the hypotheses (H1), which means that acquirers are engaged in the management of earnings in the year prior to M&A. One of the reasons could be that firms manage earnings upward to increase their share price and to decrease the deal cost. Another reason is the managers may achieve their personal benefits, to secure their job and to reduce tax.

Conclusion

After many accounting scandals and business failures such as Xerox, WorldCom, Enron and the Asian Financial Crisis (AFC) and Global Financial Crisis (GFC) such kind of failures are as a result of inefficient governance systems, infirm regulatory systems, absence of law enforcement, discretionary choices of accounting standards and its executions and management manipulation activities. Studies conclude that such failures reduce the investors trust in these capital markets. Therefore, companies started breaking up. Managers may involve in manipulation of company's fundamental information to present performance that does not show firm real value or try to hide their personal benefits, hide loss in a particular financial year, might avoid litigation from creditors and investors and to protect their selves from job dismissal. Hence, for getting private benefits, the management may engage in EM practices. Sometimes the executives of the company manipulate reported earnings before Mergers and Acquisitions (M&A) deal to decrease the costs of a deal. In addition, companies use EM tools that are accruals earnings and real activities earnings. Firm's managers use these methods to exaggerate their reported revenues. Preceding to M&A, the stocks valuation is the main motive of firms managing earnings to affect the stock performance. Managers inflate earnings before M&A to increase the value of a deal. This study investigated EM in M&A firms. The premise behind the study is that acquiring firms manage earnings before M&A for low cost of deal.

As reported above, the study used Stubben Model (Discretionary Revenue Model) as proxy for EM. The results indicate that acquirers manage revenues preceding to M&A (year T-2), the M&A deal period (year T). The results support the view that companies inflate their earnings before M&A to boost the share value of acquirers and to decrease the deal cost. If the share price of acquirers is high prior to M&A, then the acquirer will issue a small number of shares for deal payment. The study also finds positive earnings during M&A period. This result is in line with the findings of (Erickson & Wang, 1999; Louis, 2004; Baik et al., 2007). This result

[3] As a sample, Chinese M&A studied from the year 2008 to 2010.

indicates the rejection of the null hypothesis and proves that acquirers are engaged in EM before M&A. EM is the practice of making decisions by managers on behalf of shareholders, managers exercise discretion in company's earnings to mislead investors and to expropriate shareholders' wealth. Managers use these tactics for manipulation in accounting reports in order to get their personal goals (for example, cash bonus, better golden parachute, highest ranking management posts and board membership in the M&A firm (see e.g., Hartzell et al., 2004). As private benefits are the main motive behind EM, which attract the managers to manipulate accounting information. They modify the accounting reports and mislead their shareholders as well as the stakeholders about the company financial performance and influence the deal based on financial information.

The results support the view that EM practices are used to avoid loss, companies negative return particularly hide from the credit market participants because it influences the cost of debt, managers job security, for reduction of taxes, to indicate perfect image of company's performance because managers bonuses are linked to the profitable performance and for the enhancement of managers own stock options. Further, EM has some specific motives such as capital market incentives, political and regulatory, bonuses and mergers and acquisitions. When the companies underperform, M&A is a way towards the enhancement of firm's performance, growth of the company, to obtain the synergies, to get new resources which reduces cost and increases firm's profit.

Managers may engage in EM around M&A deal to reduce the deal cost, to decrease the tax rate and to increase the share price. The results of the study indicate that firms listed on PSX engage in EM prior M&A. Hence, the companies should improve the accounting quality of firms via timely disclosures of accounting information because it is linked with decrease in EM (Iatridis, 2011). Furthermore, investors and auditors should be careful while using information and auditing financial statements regarding the announcement of M&A because returns are expected to be managed preceding to M&A.

Limitations and Future Research Recommendations

Despite its several potential contributions. Though, a number of research gaps are still required to be investigate in the investment market of Pakistan. Firstly, researchers may investigate EM through quarterly data rather than annual data because Stubben (2010) reported that as compared to the first three quarters managers manage earnings of the last quarter data.

Secondly, researchers may investigate the EM in the target companies (acquired companies) because this study concentrates merely on EM by acquirers in the M&A context. It is also recommended to study EM in financial merged & acquired companies because this study limited to non-financial companies. This research study does not include the real EM models, future research may consider the real EM in M&A firms. Furthermore, the country level study can be extended to large scale study at cross-country level.

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Appendix-A

Table 1A

List of Merged and Acquired Non-Financial Companies

Column 1 shows the year of merger, column 2 reports the pre-mergers and acquisitions data, column 3 reports the names of acquired companies and column 4 shows the names of sample companies (acquiring companies).

Sr No	Merger Year	Pre-M&A Data	Acquired Company	Acquiring Company
1	1995	1992-1994	Raza Textile Mills Limited	UMER FABRICS
2	1996	1993-1995	Wellcome Pakistan	Glaxo Wellcome Pak
3	1997	1994-1996	Wyeth	Cyanamid Pakistan
4	1997	1994-1996	United Woollen	United Carpets
5	1997	1994-1996	Premier Tobacco	Lakson tobacco
6	1997	1994-1996	Brooke Bond	Lever Brothers
7	1997	1994-1996	Nishat Fabrics	Nishat Mills
8	1997	1994-1996	Nishat Tek	Nishat Mills
9	1999	1996-1998	Ellahi Spinning	Taj Textile
10	1999	1996-1998	Sitara Spinning	Sitara Chemical
11	2000	1997-1999	D.G.Khan Electric	D.G.Khan Cement
12	2001	1998-2000	Dhan Fibres	Dewan Salman Fibres
13	2001	1998-2000	Maple Leaf Electric Co. Ltd.	Maple Leaf Cement
14	2001	1998-2000	R.R.P. Limited	Nimir Resins Limited
15	2002	1999-2001	A.A. Textile Limited	Ibrahim Fibres
16	2002	1999-2001	Zainab Textile Mills Limited	Ibrahim Fibres
17	2002	1999-2001	Ibrahim Energy Limited	Ibrahim Fibres
18	2002	1999-2001	Ibrahim Textile Mills Limited	Ibrahim Fibres
19	2002	1999-2001	Knoll Pharmaceuticals Ltd.	Abbott Laboratories Limited

20	2002	1999-2001	Smith, Kline & French	Glaxo Wellcome Pak. Ltd.
21	2002	1999-2001	Ellahi Electric Company Ltd.	Nagina Cotton Mills Limited
22	2002	1999-2001	Kohinoor Raiwind Mills Ltd.	Kohinoor Textile Mills Limited
23	2002	1999-2001	Kohinoor Gujar Khan Mills Ltd.	Kohinoor Textile Mills Limited
24	2003	2000-2002	Nafees Cotton Mills Limited	Legler - Nafees Denim Mills Limited
25	2003	2000-2002	PEL Appliances Limited	Pak Electron Limited
26	2004	2001-2003	Kohinoor Genertek Limited.	Khinoor Weaving Mills Limited.
27	2004	2001-2003	Dilon Limited	Dawood Lawrencepur Limited
28	2004	2001-2003	Burewala Textile Mills Limited	Dawood Lawrencepur Limited
29	2004	2001-2003	Lawrencepur Woollen & Tex. Mills Ltd.	Dawood Lawrencepur Limited
30	2004	2001-2003	Ghandhara Nissan Diesel Ltd	Ghandhara Nissan Ltd
31	2005	2002-2004	Umer Fabrics Limited	Nishat (Chunian) Ltd.
32	2005	2002-2004	Umer Fabrics Limited	Nishat Mills Ltd
33	2006	2003-2005	WORLDCALL Multimedia Ltd.	WORLDCALL Telecom Ltd.
34	2006	2003-2005	WORLDCALL Broadband Ltd.	WORLDCALL Telecom Ltd.
35	2006	2003-2005	WORLDCALL Communication Ltd.	WORLDCALL Telecom Ltd.
36	2006	2003-2005	Pakistan Papersack Corporation Ltd.	Thal Limited
37	2006	2003-2005	Colony Textile Mills Limited	Colony Mills Limited
38	2007	2004-2006	Dewan Cement Limited	Dewan Cement Limited
39	2007	2004-2006	Suzuki Motorcycles Pakistan Ltd.	Pak Suzuki Motor Company Ltd.
40	2008	2005-2007	Pakistan Slag Cement Industries Ltd	Zeal Pak Cement Factory Limited
41	2009	2006-2008	Automotive Battery Company Ltd	Exide Pakistan Limited
42	2010	2007-2009	Shaheen Cotton Mills Limited	Shahzad Textile Mills Limited
43	2012	2009-2011	Azam Textile Mills Limited	Saritow Spinning Mills Limited
44	2013	2010-2012	Mustehkam Cement Limited	Bestway Cement Company Limited
45	2014	2011-2013	Colony Mills Limited	Colony Textile Mills Limited
46	2015	2012-2014	Libaas Textile Limited	Ghani Global Glass Limited
47	2015	2012-2014	Fazal Textile Mills Limited	Gadoon Textile Mills Limited
48	2017	2014-2016	Pakcem Limited	Bestway Cement Limited
49	2017	2014-2016	Associated Services Limited	Macter International Limited