

**TRADING CORPORATION OF PAKISTAN  
(PRIVATE) LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

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**TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED  
AUDITORS' REVIEW REPORT TO THE MEMBERS ON  
REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Trading Corporation of Pakistan (Private) Limited** (the Company) as at December 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statement for the six months period then ended (*here-in-after referred to as the "condensed interim financial statement"*). The management of the Company is responsible for the preparation and presentation of these condensed interim financial statement in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statement based on our review. The figures of the condensed interim statement of profit or loss account and other comprehensive income for the quarter ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**Basis for Qualification**

- a) Trade debts includes receivables of Rs. 10,406.63 million from various government institutions. In the absence of sufficient and appropriate underlying evidences and no movement / recoveries for more than six years, we were unable to satisfy ourselves as to its completeness, ageing and recoverability out of which we were unable to satisfy ourselves as to the existence of other receivable amounting to Rs. 99.41 million.
- b) Other receivables include Rs. 11,928.88 million (including accrued mark-up and other charges of Rs. 9,549.26 million till December 31, 2022) from sugar mills on account of sugar not supplied by them under the contractual terms. The Company had initiated legal action and also referred the matter to National Accountability Bureau (NAB). In the absence of management objective evaluation of probable outcome of the said legal action, we are unable to satisfy ourselves as to the recoverability of receivables from sugar mills under the head prepayment and other receivables.
- c) The Company has pending litigations and open tax assessments against the company aggregating to Rs. 11,260.21 million. The ultimate outcome of these litigations cannot presently be determined, and no provision that may result, has been made in the financial statements.

**Conclusion**

Based on our review, except for the matters referred in the above paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at December 31, 2022 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Aqeel Ashraf Tabani**.

*Amir V*

*Baker Tilly Mehmood Idrees Qamar*  
**Baker Tilly Mehmood Idrees Qamar**  
Chartered Accountants

Karachi.


Date: September 13, 2023

UDIN: RR202210542UYNXeET53

TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022

	December 2022 (Un-audited)	June 2022 (Audited)
Note	Rupees in 000	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	4 453,586	444,090
Intangible asset	2,612	2,964
Long-term investments	10,319,628	10,201,408
Long-term loans	5 73,528	76,704
Long-term deposits	15,603	13,841
	10,864,957	10,739,007
<b>CURRENT ASSETS</b>		
Stock-in-trade held on behalf of Government of Pakistan	60,559,785	19,191,874
Due from Government of Pakistan	88,099,895	81,116,980
Trade debts	6 97,801,772	66,285,735
Loans and advances	7 20,338	22,724
Accrued interest	10,456	8,225
Prepayments and other receivables	16,734,082	15,902,892
Sales tax adjustable	7,099,446	6,988,665
Short-term investments	12,698,631	7,723,559
Cash and bank balances	1,720,799	9,547,889
	284,745,204	206,788,543
<b>TOTAL ASSETS</b>	<b>295,610,161</b>	<b>217,527,550</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised Share Capital	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	1,000,000	1,000,000
Reserves	18,366,318	16,909,618
	19,366,318	17,909,618
<b>NON-CURRENT LIABILITIES</b>		
Long-term loan	16,649	16,649
Deferred liabilities - staff compensated absences	111,784	91,588
	128,433	108,237
<b>CURRENT LIABILITIES</b>		
Trade and other payables	8 89,536,126	20,591,252
Commodity finance under markup arrangements	179,599,810	172,374,248
Interest accrued	5,430,124	5,159,896
Taxation - net	1,549,350	1,384,299
	276,115,410	199,509,695
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>295,610,161</b>	<b>217,527,550</b>
<b>CONTINGENCIES</b>	<b>9</b>	

The annexed notes from 1 to 14 form an integral part of this condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer


  
Director

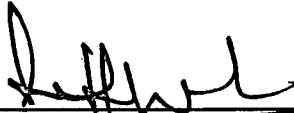
TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED  
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Quarter ended		Half year ended	
		December 2022	December 2021	December 2022	December 2021
		Rupees in 000		Rupees in 000	
Commission income		407,847	660,856	1,084,994	788,141
Administrative expenses	10	(401,423)	(309,005)	(683,299)	(548,572)
		6,424	351,851	401,695	239,569
Other income - net	11	1,230,120	523,489	2,080,662	1,227,063
<b>Profit before taxation</b>		<b>1,236,544</b>	<b>875,340</b>	<b>2,482,357</b>	<b>1,466,632</b>
Taxation		(464,371)	(119,904)	(825,657)	(368,411)
<b>Profit after taxation</b>		<b>772,173</b>	<b>755,436</b>	<b>1,656,700</b>	<b>1,098,221</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified to profit and loss					
Remeasurement loss / profit on staff compensated absences					
<b>Total comprehensive income for the period</b>		<b>772,173</b>	<b>755,436</b>	<b>1,656,700</b>	<b>1,098,221</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial statements.

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 Chief Financial Officer

  
 Chief Executive Officer

  
 Director

TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	December 2022	December 2021
Note	----- Rupees in 000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,482,357	1,466,632
<b>Adjustments of non cash and other items</b>		
Depreciation on property and equipment	13,182	11,020
Interest income on PIBs	(626,687)	(613,067)
Amortisation on intangible asset	352	352
Interest on investments	(437,753)	(97,981)
Subsidy to be reimbursed	(6,982,915)	(4,129,203)
Gain on disposal of property, plant and equipment	(1,575)	-
Provision for staff retirement gratuity and compensated absences	102,714	76,158
	(7,932,682)	(4,752,721)
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade held on behalf of Government of Pakistan	(41,367,911)	(24,683,164)
Trade debts	(31,516,037)	(26,525,321)
Loans and advances	2,386	5,686
Prepayments and other receivables	(831,190)	(333,481)
Sales tax refundable	(110,781)	(133,954)
	(73,823,533)	(51,670,234)
<b>Increase in current liabilities</b>		
Trade and other payables	68,876,048	41,736,166
Interest accrued	270,228	407,841
	69,146,276	42,144,007
<b>Cash used in operations</b>	<b>(10,127,582)</b>	<b>(12,812,316)</b>
Income tax paid	(660,605)	(283,159)
Staff gratuity and compensated absences paid	(13,693)	(59,884)
	(674,298)	(343,043)
<b>Net cash used in operating activities</b>	<b>(10,801,880)</b>	<b>(13,155,359)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(22,724)	(3,785)
Sale proceeds from disposal of property and equipment	1,621	-
Interest received on TDR and savings account	435,522	97,332
Addition in short term investment	(4,975,072)	(409,005)
Addition in long term deposits	(1,762)	(500)
Interest received on PIB	508,467	510,743
Long-term loans recovered - net	3,176	2,159
<b>Net cash (used in) / inflow from investing activities</b>	<b>(4,050,772)</b>	<b>196,944</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(200,000)	-
<b>Net cash used in financing activities</b>	<b>(200,000)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(15,052,652)</b>	<b>(12,958,415)</b>
Cash and cash equivalents at beginning of the period	(162,826,359)	(138,584,134)
Cash and cash equivalents at end of the period	12 <u>(177,879,011)</u>	<u>(151,542,549)</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial statements.

  
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Chief Financial Officer

  
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Chief Executive Officer

  
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Director

TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED  
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)  
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

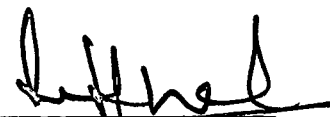
	Issued, subscribed and paid-up capital	Reserves				Unappropriated profit	Total Reserves	Total Equity
		General reserve	Building reserve	Reserve for contingencies	Revenue reserves			
Rupees in 000								
Balance at July 01, 2021	1,000,000	7,500,000	1,680,000	100,000	239,000	5,024,628	14,543,629	15,543,629
Profit for the period	-	-	-	-	-	1,098,221	1,098,221	1,098,221
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,098,221	1,098,221	1,098,221
<b>Transaction with the owners:</b>								
Interim dividend for the year ended June 30, 2021	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2021</b>	<b>1,000,000</b>	<b>7,500,000</b>	<b>1,680,000</b>	<b>100,000</b>	<b>239,000</b>	<b>6,122,849</b>	<b>15,641,850</b>	<b>16,641,850</b>
Balance at July 01, 2022	1,000,000	7,500,000	1,680,000	100,000	239,000	7,390,618	16,909,618	17,909,618
Profit for the period	-	-	-	-	-	1,656,700	1,656,700	1,656,700
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,656,700	1,656,700	1,656,700
<b>Transaction with the owners:</b>								
Final dividend for the year ended June 30, 2022 @ Rs. 2 per share	-	-	-	-	-	(200,000)	(200,000)	(200,000)
<b>Balance at December 31, 2022</b>	<b>1,000,000</b>	<b>7,500,000</b>	<b>1,680,000</b>	<b>100,000</b>	<b>239,000</b>	<b>8,847,318</b>	<b>18,366,318</b>	<b>19,366,318</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial statements.


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Chief Financial Officer



Chief Executive Officer



Director

**TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Trading Corporation of Pakistan (Private) Limited (the Company) was incorporated in Pakistan on July 28, 1967 as a private limited company under the repealed Companies Act, 1913 (now Companies Act, 2017). It is wholly owned by the Federal Government and operates under the administrative control of the Ministry of Commerce (MoC), Government of Pakistan (GoP). The registered office of the Company is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The principal activity of the Company is to facilitate imports and trading of different commodities on behalf of GoP. The Company acts as an agent in those transactions and is entitled to commission on services rendered and does not carry any risks and rewards related to those transactions as such and therefore, the sales and cost of sales relating to those transactions are not presented in the profit and loss account of the Company.

**1.2** Cotton Exchange Corporation of Pakistan (Private) Limited (CEC) and Rice Export Corporation of Pakistan (Private) Limited (RECP) were merged with and into the Company in 2001 under an order of Sindh High Court dated January 19, 2001. Further, Cotton Trading Corporation of Pakistan (Private) Limited (CTC) was merged with and into the Company in 2008 by another order of the Sindh High Court. As a result of these orders, the assets and liabilities of these defunct companies were transferred to the Company without any subsidiary records.

**2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting'.

These condensed interim financial statements comprise the statement of financial position as at December 31, 2022 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flow for the half year ended December 31, 2022.

**3. ACCOUNTING POLICIES AND COMPUTATION METHOD**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial statements are the same as applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2022.

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		Un-Audited December 2022	Audited June 2022
		----- Rupees in 000 -----	
<b>4. PROPERTY AND EQUIPMENT</b>	<b>Note</b>		
Opening balance - NBV		444,090	439,484
Additions		22,724	28,732
<b>Disposal</b>			
Cost		(1,925)	-
Accumulated depreciation		1,879	-
		(46)	
Depreciation charged for the period / year		(13,182)	(24,126)
		<b>453,586</b>	<b>444,090</b>
<b>5. LONG-TERM LOANS</b>			
<b>Loans - secured and considered good</b>			
Employees		90,779	94,125
Current portion shown under current assets		(17,251)	(17,421)
		<b>73,528</b>	<b>76,704</b>
<b>6. TRADE DEBTS</b>			
Unsecured - Considered good		97,801,772	66,285,735
Unsecured - Considered doubtful		25,252	25,252
		97,827,024	66,310,987
Less: Provision for doubtful debts		(25,252)	(25,252)
		<b>97,801,772</b>	<b>66,285,735</b>
<b>7. LOANS AND ADVANCES</b>			
Current portion of long term loans	5	17,251	20,130
<b>Advances - unsecured</b>			
<b>Considered good</b>			
Employees		1,960	1,647
Sundry advances		1,127	947
		3,087	2,594
<b>Considered doubtful</b>			
Suppliers		9,625	9,625
Contractors		560	560
Employees		364	364
Export agents		41	41
Others		1,373	1,373
		11,963	11,963
		32,301	34,687
Less: Provision against doubtful advances		(11,963)	(11,963)
		<b>20,338</b>	<b>22,724</b>

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	Un-Audited December 2022	Audited June 2022
	----- Rupees in 000-----	
<b>8. TRADE AND OTHER PAYABLES</b>		
Trade creditors and bills payable - local	87,902,687	19,195,936
Trade creditors - foreign	-	-
Payable to Ministry of Finance under JICS	387,508	387,508
Payable to GoP related to gift of rice	1,952	1,952
<b>Deposits</b>		
Security deposit	575,604	554,324
Retention money	46,156	46,156
	621,760	600,480
<b>Accrued liabilities</b>		
Payable to staff retirement gratuity fund	140,429	71,603
Accrued expenses	56,812	56,385
	197,241	127,988
<b>Taxes</b>		
Excise duty	5,450	5,451
Withholding tax	141,256	87,218
	146,706	92,669
<b>Advances</b>		
Advances	95,779	92,217
Rent received in advance	7,209	7,209
Advance from GoP for payment to growers	17,533	17,533
	120,521	116,959
<b>Other payables</b>		
Karachi Dock Labor Board (KDLB) cess payable	258	258
Others	157,493	67,503
	157,751	67,761
	<b>89,536,126</b>	<b>20,591,252</b>

**9. CONTINGENCIES**

There has been no significant change in the status of contingencies as reported in the financial statements for the year ended June 30, 2022.

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	Un-Audited December 2022	Un-Audited December 2021
	----- Rupees in 000 -----	
<b>10. ADMINISTRATIVE EXPENSES</b>		
Salaries, allowances and other benefits	562,838	473,566
Repairs and maintenance	17,858	17,948
Computer and software maintenance	2,241	1,194
Vehicles running	8,324	2,984
Travelling and conveyance	10,157	4,972
Legal and professional	9,839	3,736
Utilities	5,279	2,522
Security service charges	13,916	8,483
Advertising and publicity	3,930	1,521
Fees and subscriptions	1,453	892
Entertainment	334	86
Depreciation on operating fixed assets	13,182	11,020
Amortisation	352	352
Rent, rates and taxes	5,907	7,062
Indirect expenses - godowns	5,236	197
Communication	3,677	1,902
Printing and stationery	1,699	850
Insurance	2,590	173
Donations	1,193	
Bank charges	2,368	74
Others	10,926	9,038
	<b>683,299</b>	<b>548,571</b>
<b>11. OTHER INCOME - NET</b>		
<b>Income from financial assets</b>		
Return on:		
Term deposit receipts and saving accounts	437,753	97,981
Pakistan Investment Bonds	626,687	613,067
Market Treasury Bills	530,174	275,381
<b>Income from non financial assets</b>		
Rental income from godowns given on rent	275,160	145,566
Rice inspection fee	14,076	26,176
Gain on disposal of assets	1,575	-
Sales of tender and purchase order forms	302	566
Exchange (loss) / gain - net	77,374	66,614
Others	117,561	1,712
	<b>2,080,662</b>	<b>1,227,063</b>
<b>12. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,720,799	11,795,092
Commodity finance under markup arrangements	(179,599,810)	(163,337,641)
	<b>(177,879,011)</b>	<b>(151,542,549)</b>

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**13. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue on 26 JUN 2023 by the Board of Directors of the Company.

**14. GENERAL**

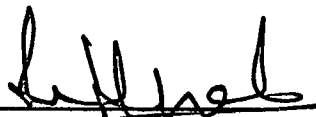
14.1 The figures in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

14.2 Corresponding figures have been reclassified, wherever necessary, for the purpose of better presentation.

*Shahid*



Chief Financial Officer



Chief Executive Officer



Director