

ٹریڈنگ کارپوریشن آف پاکستان پرائیویٹ لمیٹڈ

Trading Corporation of Pakistan (Pvt) Limited

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4<sup>th</sup> & 5<sup>th</sup> Floor.  
Finance & Trade Centre.  
Sharea Faisal,  
Karachi. 75530 (Pakistan)

No. TCP (HR)/14-56/2016

August 5, 2016

**OFFICE ORDER**

The Board of Directors in its 305<sup>th</sup> meeting held on 25-06-2016 has approved following proposals submitted by Finance Division, for investment of surplus funds of the Corporation with effect from 25-06-2016: -

- i) Deposits (including TDRs, DPA/foreign currency accounts and other investments) shall not be placed in banks having credit rating A- and below
- ii) The limit of deposits (including TDRs, DPA/foreign currency accounts and other investments) in banks having credit rating A and above (except National Bank of Pakistan) shall not exceed 10% of the Net assets of the bank as per their latest audited accounts plus the total COF financing availed from the bank, provided that deposits in a single bank shall not exceed 50% of the total deposits.
- iii) Up to 50% of the total deposits (including TDRs, DPA/foreign currency accounts and other investment) can be placed with National bank of Pakistan being the Government Guaranteed bank besides being AAA rated.

2- The above BoD decision is hereby notified for the compliance of all concerned as well as Members of the Investment Committee constituted by BoD in its 249<sup>th</sup> meeting and Finance Committee vide office order No. TCP(HR)/14-56/2011 dated 25-04-2011 which comprises as under: -

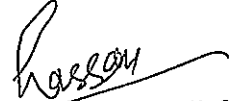
**Members of Investment Committee:**

- i) Chairman TCP
- ii) Director Finance TCP

**Members of Finance Committee:**

- |                                 |   |          |
|---------------------------------|---|----------|
| i) Director Finance             | - | Convener |
| ii) General Manager (Finance)   | - | Member   |
| iii) General Manager (Accounts) | - | Member   |
| iv) General Manager (GA & HR)   | - | Member   |

3- This issues with approval of the Chairman.

  
(Saiyyed Hassan Imam Jafferie)  
General Manager (GA & HR)

**Distribution: -**

- 1- Staff Officer to Chairman
- 2- Secretary to Director-I
- 3- Secretary to Director-II
- 4- Secretary to Director Finance
- 5- Company Secretary
- 6- All General Managers/D.G.M. Incharges, P.O.Karachi
- 7- Members of the Investment Committee and Finance Committee
- 8- Personal files of the members of Investment Committee and Finance Committee



**SUBJECT: WORKING PAPER ON AMENDMENT IN INVESTMENT POLICY**

**Background Information:**

486. The primary role of Trading Corporation of Pakistan (TCP) is to undertake commodity business on behalf of Government of Pakistan through the directives received through Economic Coordination Committee (ECC) the objective of price stabilization. TCP earns commission on such transactions that reflects on the Profit and Loss Account. However, during the times when there are no commodity operations, TCP earns income from investment of surplus Funds. TCPs Board of Directors in its 305<sup>th</sup> meeting held on June 25, 2016 has approved an Investment Policy which was notified vide Office Order no. TCP(HR)/14-56/2016 dated August 5, 2016. (Copy attached at Annexure "A"). This policy was updated by BOD in its 324<sup>th</sup> meeting held on 24-12-2018 to include Pakistan Investment Bonds. The decision of BOD is enclosed as Annexure "B".

**Issue under consideration:**


487. During recent visit to TCP of Advisor to PM for Commerce, Textile, Industries, Production and Investment on 22.08.2019, directed in principal to review the investment policy of TCP and to restrict the use of surplus funds to exclude day to day administrative expenses (salary and non-salary). Further, he also directed that the amount may not be surrendered to government or allocated/shared with any other corporate entity in case of merger and same was approved by BOD in its 329<sup>th</sup> meeting held on 20.09.2019 (Copy attached at Annexure "C").

**Proposal for Board of Director:**

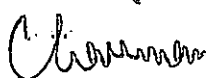
488. BRC in its 2<sup>nd</sup> meeting of restructuring committee held on 02.09.2019 recommended following investment policy to the Board for subsequent approval of the general meeting.

- i. "Deposits (including TDRs, DPA/foreign currency accounts and other investments) shall not be placed in banks having credit A- and below.
- ii. The limit of deposits (including TDRs, DPA/foreign currency accounts and other investments) in banks having credit rating A and above (except National Bank of Pakistan) shall not exceed 10% of Net assets of the bank as per their latest audited accounts plus the total COF financing availed from the bank, provided that deposits in a single bank shall not exceed 50% of the total deposits.
- iii. Up to 50% of the total deposits (including TDRs, DPA/foreign currency accounts and other investments) can be placed with National Bank of Pakistan being the Government Guaranteed bank besides being AAA rated.
- iv. In addition to deposits (including TDRs, DPA/foreign currency accounts and other investments), the funds can also be invested in Pakistan Investment Bonds (PIBs).
- v. The amount of surplus fund in TDRs/PIBs cannot be utilized to meet administrative expenses (salary and non-salary). They may not be surrendered to government or shared with any corporate entity in case of merger."

489. In view of the above, approval is solicited to place the working paper before forthcoming Annual General Meeting.

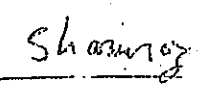
  
(Sohail Rajani)  
CFO/G.M (Finance)

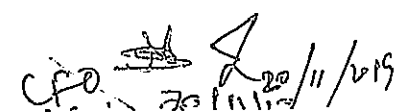
490. Executive Director (Finance)



RIAZ AHMED KHAN  
Chairman

  
18/11/2019



  
CFO  
20/11/2019