



engro corp

March 1, 2017

The General Manager  
Pakistan Stock Exchange Limited,  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**NOTICE OF MEETING OF AGM – ENGRO CORPORATION LIMITED**

Dear Sir,

We are enclosing herewith the Notice of Meeting of Annual General Meeting of Engro Corporation Limited to be held on Thursday, April 6, 2017 at 10:00 a.m. at the Karachi Marriott Hotel, for circulation amongst the TRE Certificate Holders of the Exchange.

Very truly yours

**FAIZ CHAPRA**  
Company Secretary

*Encl: As above.*

**ENGRO CORPORATION LIMITED**  
**NOTICE OF MEETING**

**Notice of Meeting**

NOTICE IS HEREBY GIVEN that the Fifty-First Annual General Meeting of Engro Corporation Limited will be held at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi on Thursday, April 06, 2017 at 10:00 a.m. to transact the following business:

**A) ORDINARY BUSINESS**

- (1) To receive and consider the Audited Accounts for the year ended December 31, 2016 and the Directors' and Auditors' Reports thereon.
- (2) To declare a final dividend at the rate of PKR 4.00 (40%) for the year ended December 31, 2016
- (3) To appoint Auditors and fix their remuneration.

**B) SPECIAL BUSINESS**

- (4) To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** the Approval of the members of the Company be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for the Company to provide sponsor support to Engro Elengy Terminal (Private) Limited (EETPL) a subsidiary company, by way of guarantees to the financial institutions issuing a performance bond on behalf of EETPL in favor of Sui Southern Gas Company Limited (SSGC) for an additional amount of up to the rupee equivalent of US\$ 5 million, (total aggregating to rupee equivalent of US\$ 15 million). The guarantee to be provided for upto the remaining term of the agreement with SSGC, i.e. fourteen years.

- (5) To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED** that the Company may circulate the annual balance sheet and profit and loss account, auditor's report, directors report etc. to its members through CD/DVD/USB instead of in hardcopy at their registered addresses”.

N.B.

- (1) The Share Transfer Books of the Company will be closed from Thursday, March 30, 2017 to Thursday, April 06, 2017 (both days inclusive). Transfers received in order at

the office of our Registrar, M/s. FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Block 6, P.E.C.H.S. Shakra-e-Faisal, Karachi, PABX No. (92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m) on Wednesday, March 29, 2017 will be treated as being in time for the purposes of payment of final dividend to the transferees and to attend and vote at the meeting.

(2) A member entitled to attend and vote at this Meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A proxy need not be a member of the Company.

(3) SUBMISSION OF THE CNIC/NTN DETAILS (MANDATORY)

Pursuant to the directives of the Securities and Exchange Commission of Pakistan CNIC number of individuals is mandatorily required to be mentioned on dividend warrants and pursuant to the provisions of Finance Act 2014, the rates of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment are different for filers of Income Tax return and Non-filers of Income Tax return. In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder	Joint Shareholder (s)
			Name & CNIC No. Shareholding proportion (No. of Shares)	Name & CNIC No. Shareholding proportion (No. of Shares)

The CNIC number/NTN details is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

Individuals including all joint holders holding physical share certificates are therefore requested to submit a copy of their valid CNIC to the company or its Registrar if not already provided. For shareholders, other than individuals, the checking will be done by matching the NTN number, therefore the Corporate shareholders having CDC accounts are requested in their own interest to provide a copy of NTN certificate to check their names in the ATL before the book closure date to their respective participants/CDC, whereas corporate shareholders holding physical share certificates should send a copy of their NTN certificate to the Company or its Share Registrar. The Shareholders while sending CNIC or NTN certificates, as the case may be must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05 2012 of SECP and therefore will be

constrained under SECP Order dated July 13, 2015 under section 251(2) of the Companies Ordinance, 1984 to withhold the dispatch of dividend warrants of such shareholders. Further, all the shareholders are advised to immediately check their status on ATL and may, if required take necessary action for inclusion of their name in the ATL. The Company as per the new Law, shall apply 17.5% rate of withholding tax if the shareholder's name, with relevant details, does not appear on the ATL, available on the FBR website on the first day of book closure and deposit the same in the Government Treasury as this has to be done within the prescribed time.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to FAMCO Associates (Pvt) Ltd., by the first day of Book Closure.

#### **Statement under Section 160 of the Companies Ordinance, 1984**

This Statement is annexed to the Notice of the Fifty-First Annual General Meeting of Engro Corporation Limited (Engro Corp / the Company) to be held on Thursday, April 06, 2017, at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

#### **ITEM (4) OF THE AGENDA**

**The information required under S.R.O. 27 (1) / 2012 for loans and advances (which applies to guarantees) is provided below:**

- (i) Name of associated company or associated undertaking along with criteria based on which the associated relationship is established;**

Engro Elengy Terminal (Private) Limited (EETPL) is a fully owned subsidiary of Elengy Terminal (Private) Limited (ETPL), a subsidiary company with 80% shareholding being held by Engro Corporation Limited.

- (ii) Amount of loans and advances;**

Sponsor support to EETPL, by way of guarantees to the financial institutions issuing a performance bond on behalf of EETPL in favor of Sui Southern Gas Company Limited (SSGC) for an amount of up to the rupee equivalent of US\$ 5 million.

- (iii) Purpose of loans and advances and benefits likely to accrue to the investing company and its members from such loans and advances;**

SSGC has floated a Request For Proposal (RFP) under negotiated tendering for procurement of additional regasification capacity of 200 MMCFD from existing LNG terminal of EETPL. The Performance Bond is required by SSGC under the terms of RFP.

- (iv) In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;**

- Corporate Guarantee amounting to US\$ 20.7 million to a bank against Standby Letter of Credit facility granted to EETPL;
- Sponsor support through pledging of the Company's shares in Engro Fertilizers Ltd and Engro Foods Ltd against the Letter of Guarantee provided by EETPL amounting to US\$ 10 million in favour of SSGC to guarantee the performance of the obligations under the LNG Operations and Services Agreement (LSA).

(v) **Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;**

Information as per the audited accounts of EETPL for the year ended December 31, 2016, is presented below:

	Amounts in '000s
<b>Balance Sheet</b>	
<u>Assets</u>	
Property, plant and equipment	9,258,072
Intangible assets	6,135
Stores and spares	199,850
Trade debts	1,787,844
Other assets	4,742,475
<b>Total Assets</b>	<b>15,994,376</b>
<u>Liabilities</u>	
Borrowings	7,573,292
Trade and other payables	1,139,249
Other liabilities	751,473
<b>Total Liabilities</b>	<b>9,464,014</b>
<b>Total Equity</b>	<b>6,530,362</b>
<b>Income Statement</b>	
Revenue	9,195,787
Profit before tax	2,051,680
Profit after tax	1,547,479

(vi) **Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;**

Engro Corporation does not have any short-term borrowings as at December 31, 2016. The 3 month KIBOR as at December 31, 2016 was 6.12. However, this keeps on changing,

(vii) **Rate of interest, mark up, profit, fees or commission etc. to be charged;**

The Company shall recover all costs charged to it on this account from EETPL.

(viii) **Sources of funds from where loans or advances are being granted using borrowed funds,-**

Not applicable.

- (ix) **Where loans and advances are being granted using borrowed funds,-**

Not applicable.

- (x) **Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;**

No security will be obtained since Engro Corporation is the largest shareholder in the associated company.

- (xi) **If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time the conversion may be exercisable;**

None.

- (xii) **Repayment schedule and terms of loans or advances to be given to the investee company;**

None.

- (xiii) **Salient feature of all agreements entered or to be entered with its associate company or associated undertaking with regards to the proposed investment;**

As detailed above.

- (xiv) **Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;**

The Company's directors, sponsors, majority shareholders and their relatives have no personal interest in the matter.

- (xv) **Any other important details necessary for the members to understand the transaction.**

None.

#### **ITEM (5) OF THE AGENDA.**

To give effect to the notification S.R.O 470(I)2016 of the Securities and Exchange Commission of Pakistan ("SECP"), shareholder's approval is being sought to allow the Company to circulate its Annual Report through CD/DVD/USB to all members. The Company however, shall place on its website a standard request form to enable those members requiring a hardcopy of the Annual Report instead of through CD/DVD/USB, to intimate the Company of their requirement.

UPDATE UNDER RULE 4 OF S.R.O 27/I/2012.

Note relating to Engro Polymer & Chemicals Limited:

In 2015, the shareholders of the Company approved a long-term loan to EPolymer for upto PKR 4 billion. To date, an amount of PKR 3 billion has been utilized.

Note relating to Group Liquidity:

In 2015, the shareholders of the Company approved to lend/provide short-term loans/financing facilities to the following associated companies for an initial period of one year, as well as renewal of the same for four further periods of one year each:

- (i) Engro Fertilizers Ltd – PKR 6 billion
- (ii) Engro Foods Ltd – PKR 2 billion
- (iii) Engro Polymer & Chemicals Ltd – PKR 3.75 billion
- (iv) Engro Vopak Terminal Ltd – PKR 0.30 billion
- (v) Elengy Terminal Pakistan Ltd – PKR 1 billion

During the year, Engro Fertilizers Ltd, Engro Polymer & Chemicals Ltd and Elengy Terminal Pakistan Ltd utilized these short-term facilities. As the year-end, PKR 296.5 million was outstanding from Elengy Terminal Pakistan Limited, while others were repaid / reclassified in to long-term loan. All the above financing facilities are being renewed as earlier approved by the shareholders.

By Order of the Board

Karachi,  
Dated: February 17, 2017

**FAIZ CHAPRA**  
Company Secretary