



March 14, 2018

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

**NOTICE OF THE FIFTY- SECOND ANNUAL GENERAL
MEETING OF ENGRO CORPORATION LIMITED**

Dear Sir,

We are enclosing herewith the Notice of the Fifty-Second Annual General Meeting of Engro Corporation Limited to be held on Tuesday, April 24, 2018 at 10:00 a.m. at Marriott Hotel, Karachi for circulation amongst the TRE Certificate Holders of the Exchange.

Thank you,

A handwritten signature in black ink, appearing to read "Faiz Chapra", is written over the typed name.

FAIZ CHAPRA
General Counsel and Company Secretary

Encl: As above.

ENGRO CORPORATION LIMITED
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Second Annual General Meeting of Engro Corporation Limited will be held at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi on Tuesday, April 24, 2018 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, 2017 and the Directors' and Auditors' Reports thereon.
- (2) To declare a final dividend at the rate of PKR 2.00 (20%) for the year ended December 31, 2017.
- (3) To appoint Auditors and fix their remuneration.
- (4) To elect Nine directors in accordance with the Companies Act, 2017. The retiring Directors are M/s Hussain Dawood, Abdul Samad Dawood, Shahzada Dawood, Muneer Kamal, M.A Aleem, Waqar Malik, Inam-ur-Rahman, Muhammad Imran Sayeed and Ms. Henna Inam.

B) SPECIAL BUSINESS

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

“RESOLVED THAT the consent of the Company in General Meeting be and is hereby accorded to lend/provide to the following associated companies, short term funded and unfunded financing facilities / security of upto the amounts stated below in respect of each. The facilities will initially be for a period of one year, but renewal of the same for four further periods of one year each be and is also hereby approved.

- Engro Fertilizers Limited – PKR 9 billion
- Engro Polymer & Chemicals Limited – PKR 6 billion
- Engro Vopak Terminal Limited – PKR 1 billion
- Elengy Terminal Pakistan Limited – PKR 1 billion
- Engro Elengy Terminal Pvt. Limited – PKR 2 billion
- Engro Powergen Qadirpur Limited – PKR 2 billion

- (6) To approve amendments in the Articles of Association of the Company, and to consider and if though fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED that Article, 89 of the Articles of Association of the Company be and is hereby amended to read as follows:

“The Directors may elect a Chairman and Vice Chairman of their meetings and determine the period for which the Chairman and Vice Chairman are to hold office; but if no such Chairman or Vice Chairman is elected, or if at any meeting the Chairman or Vice Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose of their number to be the Chairman of the meeting.’

N.B.

- (1) The Directors of the Company have fixed, under sub-section (1) of Section 159 of the Companies Act, 2017, the number of elected directors of the Company at Nine.
- (2) The Share Transfer Books of the Company will be closed from Tuesday, April 17, 2018 to Tuesday, April 24, 2018 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Associates (Private) Limited, 8-F, Near 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) Monday, April 16, 2018 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.
- (3) 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.
- (4) In accordance with the provisions of Section 242 of the Companies Act, 2017 and Circular No. 18/2017, a listed company, is required to pay cash dividend to the shareholders **ONLY** through electronic mode directly into the bank account designated by the entitled shareholders. In compliance with the said law, in order to receive your future dividends directly in your Bank account, you are required to provide the information mentioned on the Form placed on the Company’s website and send the same to your brokers/ the Central Depository Company Ltd. if the shares are held in electronic form or to the Company’s Shares Registrar if the shares are held in paper certificate form.
- (5) 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 2017, 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 constrained under Section 243(3) of the Companies Act, 2017 to withhold dividend warrants of such shareholders.

- (6) 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 20% 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.
- (7) 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.
- (8) Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar Office of the Company i.e. Messrs. FAMCO ASSOCIATES (PRIVATE) LIMITED, 8-F, near Hotel Faran, Nursery, Block 6, PECHS, Shahrah-e-

Faisal, Karachi PABX Nos (+9221) 34380101-5 and email info.shares@famco.com.pk.

I/We, of being a member of Engro Corporation Limited holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City)

Signature of member

(9) **E-Voting**

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

Statement under Section 134(3) of the Companies Act, 2017.

This Statement is annexed to the Notice of the Fifty-Second Annual General Meeting of Engro Corporation Limited (Engro Corp / the Company) to be held on Tuesday, April 24, 2018, 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 (5) OF THE AGENDA

The previous approval for Group Liquidity Management was obtained in the AGM dated April 15, 2016, for the purpose of short-term liquidity management across the group.

In order to further optimize this Group Liquidity Management facility and to account for the changes in the group structure since the previous resolution, the Company is proposing a revised resolution.

The information required under S.R.O. 1240 (I) 2017 for loans and advances is provided below:

(A) Regarding associated company or associated undertaking,-

(i) Name of associated company or associated undertaking;;

S. #	Name of Associate
1	Engro Fertilizers Limited
2	Engro Polymer and Chemicals Limited
3	Engro Vopak Terminal Limited
4	Elengy Terminal Pakistan Limited
5	Engro Elengy Terminal (Private) Limited
6	Engro Powergen Qadirpur Limited

(ii) Basis of relationship;

Name of Associate	Relationship	Effective Holding %
Engro Fertilizers Limited	Subsidiary of Engro Corporation Limited	56.3%
Engro Polymer and Chemicals Limited	Subsidiary of Engro Corporation Limited	56.2%
Engro Vopak Terminal Limited	Joint Venture of Engro Corporation Limited with Royal Vopak of the Netherlands	50%
Elengy Terminal Pakistan Limited	Subsidiary of Engro Corporation Limited	80%
Engro Elengy Terminal (Private) Limited	Subsidiary of Engro Corporation Limited	80%
Engro Powergen Qadirpur Limited	Subsidiary of Engro Corporation Limited	68.9%

(iii) Earnings Per Share for the last three years;

Earnings Per Share	2017	2016	2015
Engro Fertilizer Limited	7.60	6.72	11.28
Engro Polymer and Chemicals Limited	3.09	0.99	(0.98)
Engro Vopak Terminal Limited	25.16	23.21	17.49
Elengy Terminal Pakistan Limited	18.14	(0.51)	(9.10)
Engro Elengy Terminal Private Limited	609.19	499.20	616.08
Engro Powergen Qadirpur Limited	7.38	5.52	5.55

(iv) Break-Up value per share, based on latest audited financial statements;

Break-Up Value Per Share - 31 December 2017	
Engro Fertilizer Limited	30.73
Engro Polymer and Chemicals Limited	11.64
Engro Vopak Terminal Limited	30.11
Elengy Terminal Pakistan Limited	15.45
Engro Elengy Terminal Private Limited	1,522.24
Engro Powergen Qadirpur Limited	30.30

(v) Financial position, including main items of the statement of financial position and profit and loss account, on the basis of its latest financial statements;

Full year ended December 31, 2017, audited accounts of Engro Fertilizers Limited:

	Amount in thousands
Assets	
Property, plant and equipment	68,923,195
Investments	560,416
Stores, spares and loose tools	5,279,794
Stock-in-trade	3,528,439
Other Assets	28,040,982
Total Assets	106,332,826
Liabilities	
Borrowings	30,903,878
Trade and other payables	21,585,098
Other Liabilities	12,831,078
Total Liabilities	65,320,054
Total Equity	41,012,772
Income Statement	
Revenue	63,010,060
Profit Before Tax	14,995,090
Profit after Tax	10,136,549

Full year ended December 31, 2017, audited accounts of Engro Polymer and Chemicals Limited:

	Amount in thousands
Assets	
Property, plant and equipment	16,011,070
Investments	50,000
Stores, spares and loose tools	1,602,387
Stock-in-trade	3,681,162
Other Assets	2,970,544
Total Assets	24,315,163
Liabilities	
Borrowings	8,750,000
Trade and other payables	4,513,369
Other Liabilities	3,331,409
Total Liabilities	16,594,778
Total Equity	7,720,385

Income Statement

Revenue	27,730,736
Profit Before Tax	3,109,255
Profit after Tax	2,049,134

Full year ended December 31, 2017, audited accounts of Engro Vopak Terminal Limited:

Amount in thousands**Assets**

Property, plant and equipment	2,593,822
Stores, spares and loose tools	102,021
Other Assets	459,883
Total Assets	3,155,726

Liabilities

Trade and other payables	401,961
Other Liabilities	43,428
Total Liabilities	445,389
Total Equity	2,710,337

Income Statement

Revenue	3,214,907
Profit Before Tax	2,552,954
Profit after Tax	2,264,168

Full year ended December 31, 2017, audited accounts of Elengy Terminal Pakistan Limited:

Amount in thousands**Assets**

Investments	3,090,100
Other Assets	2,012,745
Total Assets	5,102,845

Liabilities

Subordinated Loan (from holding company)	896,542
Accrued and Other Liabilities	1,074,231
Total Liabilities	1,970,773
Total Equity	3,132,072

Income Statement

Revenue	3,744,310
Profit Before Tax	3,677,094
Profit after Tax	3,677,094

Full year ended December 31, 2017, audited accounts of Engro Elengy Terminal Pvt. Limited:

	Amount in thousands
Assets	
Property, plant and equipment	8,749,936
Direct Cost of Floating, Storage and Regasification Unit	1,052,609
Receivable From Sui Southern Gas Company Limited	1,037,487
Trade Debts	1,903,275
Other assets	1,762,156
Total Assets	14,505,463
Liabilities	
Borrowings	6,589,254
Trade and other payables	2,321,933
Other Liabilities	875,476
Total Liabilities	9,786,663
Total Equity	4,718,800
Income Statement	
Revenue	10,464,041
Profit Before Tax	2,016,292
Profit after Tax	1,888,438

Full year ended December 31, 2017, audited accounts of Engro Powergen Qadirpur Limited:

	Amount in thousands
Assets	
Property, plant and equipment	13,169,212
Trade Debts	5,571,570
Loans, advances, deposits, prepayments and other receivables	1,427,680
Other Assets	1,122,100
Total Assets	21,290,562
Liabilities	
Borrowings	4,871,233
Trade and other payables	3,366,958
Short term borrowings	3,208,672
Other liabilities	30,942

Total Liabilities	11,477,805
Total Equity	9,812,757

Income Statement

Revenue	11,589,512
Profit Before Tax	2,391,142
Profit after Tax	2,390,645

(vi) in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-

None

(B) General disclosures

(i) Maximum amount of investment to be made;

Name of Associate	Amount in PKR
Engro Fertilizers Limited	9 billion
Engro Polymer & Chemicals Limited	6 billion
Engro Vopak Terminal Limited	1 billion
Elengy Terminal Pakistan Limited	1 billion
Engro Elengy Terminal Pvt. Limited	2 billion
Engro Powergen Qadirpur Limited	2 billion

(ii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;

This will enable the Company to lend to its associated companies during the times it has access to funds / Banking lines / security and / or the associated companies require funds / Banking lines / security for business purposes. This will be done in such a way as to benefit Company's shareholders.

(iii) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, (I) Justification of investment through borrowings from where loans or advances will be given (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds;and (III) Cost benefit analysis

The intent is generally only to lend to the associated companies when Engro Corp has excess liquidity / Banking lines / security. However, there may be circumstances where Engro Corp may have overdraft lines un-utilized and may still lend to its associated companies by utilizing such lines where the associated companies require such financing. If this is done the answers to the queries are that (I) it will be justified by the associated companies paying a mark up rate better than the rate payable by Engro Corp and (II) Engro Corp secures its overdraft lines by providing a ranking charge over movable assets (excluding long term investments) and pledging shares of its investments in listed subsidiaries and (III) the Company will charge the associated companies a rate which will improve the profitability of the Company

- (iv) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;

As detailed above.

- (v) 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 Directors of Engro Corp have no personal interest in the matter, however some directors of Engro Corp's Board are also directors of the associated companies' and own shares in the associated companies as follows:

Engro Fertilizer Limited	Engro Polymer and Chemicals Limited
Ghias Khan	Ghias Khan
Abdul Samad Dawood	

- (vi) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/ justification for any impairment or write offs;

The following loan has been given to an associated company and the repayment is expected in 2018. No impairment or write offs.

Name of Associate	Facility Type	Amount in PKR
Elengy Terminal Pakistan Limited	Short term subordinated loan	0.6 billion

- (vii) any other important details necessary for the members to understand the transaction;

None.

(C) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided above are,-

- (i) Category-wise amount of investment;

For the short term funded and unfunded financing facilities / security, following are the associated company wise limits;

Name of Associate	Amount in PKR
Engro Fertilizers Limited	9 billion
Engro Polymer & Chemicals Limited	6 billion
Engro Vopak Terminal Limited	1 billion
Elengy Terminal Pakistan Limited	1 billion
Engro Elengy Terminal Pvt. Limited	2 billion
Engro Powergen Qadirpur Limited	2 billion

- (ii) Average borrowing cost of the investing company, the Karachi Interbank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;

Engro Corp did not have any short term borrowings as at December 31, 2017. The 3 month KIBOR as at December 31, 2017 was 6.16%. For unfunded facilities, bank rates are in the range of 0.7% to 1.0% per annum.

- (iii) Rate of interest, mark up, profit, fees or commission etc. to be charged by the investing company;

The rate of interest, mark up, profit, fees or commission to be charged will be greater than or equal to what Engro Corporation must pay on its borrowings of the like or similar facilities. Where it has no such facilities, the associated companies will be charged at greater than or equal to market rates of such facilities.

- (iv) Particulars of collateral or security to be obtained in relation to the proposed investment;

Normally no security is to be obtained since Engro Corp is the largest shareholder / joint venture partner in the associated companies. Engro Corp and its associated companies are confident that any financing arrangement will be repaid.

- (v) If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and

No conversion feature.

- (vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.;

Facility granted for a period of one year, renewable for four further periods of one year each. The other terms are mentioned above.

ITEM (6) OF THE AGENDA

The amendment in the Articles is proposed to enable the creation of the position of Vice Chairman to support the Chairman on various initiatives and to be able to officiate in certain matters in the Chairman's absence.

UPDATE UNDER RULE 4(2) OF S.R.O. 1240/I/2017

Note relating to Engro Elengy Terminal (Pvt.) Limited:

In 2017, the shareholders of the Company approved the provision of sponsor support to Engro Elengy Terminal (Pvt.) 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 has not been provided till date but work is in progress in this regard.

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. An amount of PKR 3 billion was utilized which was repaid by EPolymer during the year.

Karachi,
Dated: February 21, 2018

By Order of the Board



FAIZ CHAPRA

General Counsel &
Company Secretary