



July 11, 2018

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

Subject: Disclosure of Material Information

Dear Sirs,

In accordance with Section 96 and 131 of the Securities Act, 2015, and Clause 5.6.1 of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey that the Pakistan Credit Rating Agency Limited (PACRA) has upgraded the Long-Term entity rating of Engro Corporation Limited to AA+ (Double A Plus) from AA (Double A).

A copy of the Press Release issued by PACRA is attached.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Faiz Chapra", is written over a horizontal line.

Faiz Chapra
General Counsel & Company Secretary

Engro Corporation Limited

8th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi 75600 Pakistan

T 00 92 (21) 35297501 -10 F 00 92 (21) 35810663

engro.com



DISCLOSURE FORM

IN TERMS OF SECTIONS 96 AND 131 OF THE SECURITIES ACT, 2015

Name & Address of Company:	Engro Corporation Limited The Harbour Front Building, HC-3 Marine Drive, Clifton, Karachi
Date of Report:	July 11, 2018
Contact Information:	Faiz Chapra General Counsel & Company Secretary Engro Corporation Limited 8 th Floor, The Harbour Front Building, HC-3, Marine Drive, Clifton, Karachi Tell Number: 021-35297501-10 Fax Number: 021-35810669 Email Address: fchapra@engro.com
Disclosure of Material Information:	The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the Long-Term entity rating of Engro Corporation Limited to AA+ (Double A Plus) from AA (Double A).

For and on behalf of
Engro Corporation Limited

Faiz Chapra
General Counsel & Company Secretary
Dated: July 11, 2018

Engro Corporation Limited

8th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi 75600 Pakistan

T 00 92 (21) 35297501 -10 F 00 92 (21) 35810663

engro.com

**Date**

27-Jun-2018

AnalystMuhammad Shahzad Saleem
shahzad@pacra.com+92-42-35869504
www.pacra.com**Applicable Criteria**

- Methodology | Corporate Rating Methodology (Jun 17) [\[View\]](#)
- Methodology | Correlation between long-term and short-term rating scale (Jun 17) [\[View\]](#)
- Methodology | Criteria Modifiers (Jun 17) [\[View\]](#)
- Methodology | Holding Companies (Jun 17) [\[View\]](#)

Related Research

- Sector Study | Holding Company (Jun 17) [\[View\]](#)

PACRA Upgrades Entity Ratings of Engro Corporation Limited

Rating Type	Entity	
	Current (27-Jun-2018)	Previous (17-May-2017)
Action.	Upgrade	Maintain
Long Term	AA+	AA
Short Term	A1+	A1+
Outlook	Stable	Stable
Rating Watch	-	-

The ratings reflect Engro Corporation's ('Engro Corp') very strong risk profile. The HoldCo's diverse pool of investments previously under its three strategic pillars i.e. fertilizer, consumer goods and energy have been re-aligned to four strategic pillars i.e. agri-solutions, consumer, energy infrastructure and petrochemicals. Significant liquid resources post divestment of sizable stake in Efoods and EFert allow Engro Corp to explore various investment avenues.

Engro Corp's existing portfolio has shown significant growth. While, EFert and EVopak continue as stable cash producers, EPolymer and Elengy have also joined the ranks. This has added the much needed diversity to the HoldCo's revenue streams which would further strengthen with increase in dividends.

Of late EPolymer has made a major turnaround owing to fundamental changes in the international industry dynamics compounded by operational efficiencies. Given the strong demand in the local markets and the company's fortified position in the PVC industry, EPolymer is past its difficult times and is expected to reap full benefits of its planned expansion. Engro Corp has sizeable investment in energy chain through Engro Energy. Here coal mining along with coal based power plant are the key projects. These are nearing harvest and should add to dividend flow in the medium-term.

At a financial risk level, Engro Corp is operating at a modest leverage. Its strategy to limit debt levels to fifty percent of its equity(excluding sovereign linked debt) at group level give comfort to its current ratings.

Ratings recognize the HoldCo's re-alignment of its organizational structure which allows greater control over the strategic direction of its subsidiaries. Positive structural adjustments have been made to improve performance monitoring, HR deployment, strategy setting, and capital allocation.

The ratings reflect the company's ability to execute its envisaged strategy of growth and expansion. Sustainability in the performance of subsidiaries as envisaged along with effective management of financial profile on a group-wide basis remains important.

About the Entity

Engro Corporation Limited is a listed Holding company. Engro Corporation Limited has expanded its footings in diversified business avenues with sizable portfolio of strategic investments. The group's business portfolio spans across various sectors including fertilizers, PVC, food, power generation, coal mining, LNG storage. Dawood family holds 45% stake in Engro Corp majority of which is through its corporates, whereas less than 1% is owned through individuals of Dawood family. The group has a strong presence on the board as well. Mr Hussain Dawood chairs the Board of Directors whereas Mr Ghias Khan is President and CEO of Engro Corp.

About the Instrument

Engro Islamic Rupaya Certificates-II are listed and secured Ijarattul Musha and Murahaba Sukuk certificates of PKR 1,000 mln issued during 'Jul-14. These are secured against first ranking parri passu floating charge with mark-up of 13.5% p.a paid semi-annually. Principal repayment will be at the end of the tenor of 5 years in Jul '19 or early through put option available to Sukuk holders.

Disclaimer

This press release is being transmitted for the sole dissemination through print media. The press release is in full or in part without changing the meaning or context thereof with due credit to PACRA

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.