



engro polymer & chemicals

March 5, 2025

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

**Subject: Notice of the Annual General Meeting –
Engro Polymer & Chemicals Limited (the “Company”)**

Dear Sir/Madam,

We enclose herewith the Notice of the Annual General Meeting (the “AGM”) of the Company.

The AGM of the Company will be held on Wednesday, March 26, 2025, at 02:30 p.m. at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi-74800.

Kindly share this notice with the TRE Certificate Holders of the Exchange accordingly.

Best Regards,

For and on behalf of
Engro Polymer & Chemicals Limited

Saqib Rafique, FCA
Company Secretary

Engro Polymer & Chemicals Limited

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

UAN: 92 (21) 111-411-411 **FAX:** 92 (21) 35166865

www.engropolymer.com



engro polymer & chemicals

Notice of Annual General Meeting

Notice is hereby given that the Twenty Seventh Annual General Meeting ("AGM") of the members of Engro Polymer & Chemicals Limited (the "Company") will be held at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi - 74800 on Wednesday, March 26, 2025, at 02:30 p.m. to transact the following businesses:

Members are encouraged to attend the AGM through a video conference facility managed by the Company
(please see the notes section for details).

A) ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2024, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

As required under section 223(6) of the Companies Act 2017 (the "**Act**"), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

<https://www.engropolymer.com/shareholder-information/#financial>



2. To appoint Auditors for the year 2025 and fix their remuneration.

B) SPECIAL BUSINESS

3. To consider and if deemed fit, pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

"RESOLVED that, approval be and is hereby accorded to recommend to the members of Engro Polymer & Chemicals Limited ("the Company") for their approval by way of special resolution (in accordance with section 199 of the Companies Act 2017) at the next annual general meeting of the Company, to be held on March 26, 2025, the following:

- A. Approval for extension of intercompany loan to its holding company, Engro Corporation Limited, an aggregate amount of up to PKR Five billion (PKR 5,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.
- B. Approval for extension of intercompany loan to its associated company Engro Fertilizers Limited, an aggregate amount of up to PKR Five billion (PKR 5,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.

FURTHER RESOLVED that, the Board certifies that both entities, being under common control, have been assessed based on their financial positions and it has been determined that they possess the capability to repay the loan in accordance with the terms and conditions outlined in the agreement for this facility."

FURTHER RESOLVED that, the Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized, any two jointly, to do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolutions.”

By Order of the Board

Karachi
Dated: March 5, 2025

SAQIB RAFIQUE, FCA
Company Secretary

NOTES

1. Prohibition on grant of gifts to Shareholders

The Securities and Exchange Commission of Pakistan (the “SECP”), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

2. Participation in the AGM proceeding via video conferencing facility

Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

All Shareholders/Members interested in attending the AGM, either physically or through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC/Passport number at <https://forms.office.com/r/sBaaCZBBVL>. Confirmation email for physical meeting or video link and login credentials will be shared with only those Shareholders whose registration are received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm.epcl@engro.com.

3. Electronic transmission of Annual Report 2024

In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2024 through email to Shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, Shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited if the member hold shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

4. Closure of Share transfer Book

The Share Transfer Book of the Company will be closed from Wednesday, March 19, 2025 to Wednesday, March 26, 2025 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (03:00 p.m.) on Tuesday, March 18, 2025 will be treated in time for purpose of determining entitlement to attend and vote at the meeting.

5. Requirements for appointing Proxies

A Member entitled to attend and vote at the AGM 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 all such rights in respect of attending, speaking and voting at the AGM as 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 holder may not need to be a member of the Company.

- a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- b) The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his/her valid original CNIC or original passport at the time of the AGM.
- e) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

6. Right to cast Vote and appointment of scrutinizer

Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s A. F. Ferguson & Co., a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

7. Unclaimed Dividend

As per the provision of section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years were sent to Shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

8. Conversion of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Act, which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all Shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages – safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The Shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Share Registration Services (Private) Limited for the conversion of physical shares into book-entry form.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of AGM of the Company.

Agenda Item 3

To approve intercompany loan to the associated companies:

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as follows:

(a) Disclosure regarding associated companies and/or associate companies.

(i) Name of associated companies:

S. No.	Name of Associated Companies
1	Engro Corporation Limited
2	Engro Fertilizers Limited

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Engro Corporation Limited	Engro Corporation Limited holds 56.19% shareholding in Engro Polymer & Chemicals Limited	-
Engro Fertilizers Limited	Engro Polymer & Chemicals Limited and Engro Fertilizers Limited are under common control of Engro Corporation Limited and have one common director	-

(iii) Basic Earnings Per Share for the last three years:

(Rupees)

Basic Earnings Per Share	2023	2022	2021
Engro Corporation Limited	32.26	36.79	32.14
Engro Fertilizers Limited	19.23	11.54	15.78

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

(Rupees)

Break-Up Value Per Share	31 December 2023
Engro Corporation Limited	133.124
Engro Fertilizers Limited	33.72

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

Financial year ended December 31, 2023, standalone audited accounts of **Engro Corporation Limited:**

(Amount in thousands)

Assets

Property, plant and equipment	1,697,803
Right-of-use assets	928,849
Intangible assets	132,583
Long term investments	50,835,194
Long term loans and advances	6,274
Deferred taxation	-
Loans, advances, deposits and prepayments	9,180,594
Receivables	2,041,529
Short term investments	23,870,113
Cash and bank balances	122,905
Total Assets	88,815,844

Liabilities

Retirement and other service benefit obligations	24,566
Lease liabilities	880,901
Deferred taxation	167,431
Trade and other payables	5,494,425
Current portion of lease liabilities	321,813
Taxation – provision less payments	10,255,244
Unclaimed dividends	233,673
Total Liabilities	17,378,053
Total Equity	71,437,791

Income Statement

Dividend income	21,517,861
Royalty income	2,300,860
Profit before Tax	23,965,068
Profit after Tax	17,566,235

Financial year ended December 31, 2023, standalone audited accounts of **Engro Fertilizers Limited:**

(Amount in thousands)

Assets

Property, plant and equipment	78,440,081
Intangible assets	5,184,192
Investment in subsidiary	100
Long-term investments	101,067
Long-term loans, advances and deposits	209,806
Stores, spares and loose tools	8,729,523



Stock-in-trade	5,364,420
Trade debts	2,069,174
Other receivables	14,301,939
Loans, advances, deposits and prepayments	2,691,814
Working capital loan to subsidiary	1,552,107
Accrued income	518,468
Short-term investments	23,601,793
Cash and bank balances	3,436,825
Assets classified as held for sale	1,525,396
Total Assets	147,726,705

Liabilities

Borrowings	3,267,427
Government grant	721,334
Deferred taxation	10,401,710
Deferred liabilities	232,130
Trade and other payables	64,725,828
Accrued interest / mark-up	72,526
Taxation – net	337,052
Current portion of:	
- borrowings	2,715,014
- government grant	235,755
- deferred liabilities	62,356
- provision for GIDC	19,558,031
Short-term borrowings	322,899
Unclaimed dividend	48,299

Total Liabilities 102,700,361

Total Equity 45,026,344

Income Statement

Revenue	161,666,127
Profit Before Tax	44,984,752
Profit after Tax	25,678,418

- (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 Associated Company	Amount in PKR
Engro Corporation Limited	5 billion
Engro Fertilizers Limited	5 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 when/if it has access to excess funds/banking lines/ security, and the associated companies require the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders. The period of investment is one (1) year.



- (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 Company intends to use excess liquidity/banking lines/security available to it to provide the requisite financing to the aforementioned associated companies. Additionally, if the Company has un-utilized overdraft lines, it may opt to avail such lines to provide the required financing. For this, the Company's responses to the queries raised are as follows:

- (I) Justification - the associated companies will pay a mark-up rate which is not lower than the borrowing cost of the Company;
- (II) Security - the Company secures its overdraft lines by providing a ranking charge over movable asset (excluding long term investments); and
- (III) Cost benefit analysis - the Company will charge the associated companies a mutually agreed markup 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, each financing facility will be provided on an arm's length basis.

- (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 sponsors, majority shareholders and their relatives and directors of the Company have no interest in the matter. However, the following director on the Board of Director of the Company is also the director of the associated companies:

Engro Corporation Limited	Engro Polymer & Chemicals Limited	Engro Fertilizers Limited
Ahsan Zafar Syed	Ahsan Zafar Syed	Ahsan Zafar Syed

- (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: **None**
- (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: Financing limits for each associated company is as follows:

Name of Associated Company	Amount in PKR
Engro Corporation Limited	5 billion
Engro Fertilizers Limited	5 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:

The average borrowing cost of the Company on its short-term borrowings is 19.39%. The KIBOR rates as of December 31, 2024 for one, three, and six months were 13.35%, 12.14%, and 12.16%, respectively. The Company also has invested in Shariah-compliant instruments, with a rate of return of 8%. The company also has Shariah-compliant short-term borrowings, with a rate of return ranging from KIBOR + spread (-2.00% to 0.50%). For non-fund-based facilities, bank rates range from 0.05% to 0.4%.

- (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 by the Company will be higher than or equal to what the Company must pay if it borrows similar facilities. Where it has no such facilities, the associated companies will



be charged rates which are greater than or equal to market rates of such facilities. Each financing facility will be provided on an arm's length basis.

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

No security is obtained since the Company and its associated company are under common control of Engro Corporation Limited (holding company). The Company and its associated company 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 (1) year. The other terms are mentioned above.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

Engro Corporation Limited is the holding company and Engro Fertilizers Limited is the associated company of the Company. On March 28, 2024, the Shareholders approved extending intercompany loans / financing facilities of up to PKR 5 billion for Engro Corporation Limited and PKR 5 billion for Engro Fertilizers Limited, which were initially approved by the Shareholders of the Company on March 28, 2024 for a period of one (1) year. These intercompany loans / facilities have not been utilized to date since approval. There has been no material adverse change in the financial statements of Engro Corporation Limited and Engro Fertilizers Limited since the approval of these facilities.



Form of Proxy

I/We _____
of _____ being a member of ENGRO POLYMER & CHEMICALS LIMITED
and holder of _____

(Number of Shares)

Ordinary Shares as per share Register Folio No. _____
and/or CDC Participant I.D. No. _____ and Sub Account No. _____,
hereby appoint _____ of _____ or failing him/ her _____
_____ of _____

as my proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 26th
day of March, 2025 and at any adjournment thereof.

Signed this _____ day of _____ 2025.

WITNESSES:

1) Signature: _____
Name: _____
Address: _____

CNIC : _____
Or Passport No : _____

2) Signature: _____
Name: _____
Address: _____

CNIC No : _____
Or Passport No : _____

Signature
Signature should agree with the specimen
registered with the Company

Note:

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy holder may not need to be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.



پراکسی فارم

میں رہم _____ کی طرف _____

_____ سے _____ بجٹ اینگرو پولیمر اینڈ کیمیکلز لمیٹید کے رکن، اور _____ (حصص کی تعداد) _____ عمومی حصص یافتہ جن کی مالیت فی حصص _____

رجسٹرڈ فوئیو نمبر _____ اور / یا سی ڈی سی participant آئی ڈی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____ اپنی دانست میں _____

_____ کی طرف سے _____ کو بطور پراکسی تعینات کرتا ہوں میری / ہماری طرف سالانہ عام اجلاس میں شرکت کریں اور _____

ووٹ دیں جو بتاریخ 26 مارچ، 2025 کو منعقد کیا جائے گا

دستخط _____ مورخہ / بتاریخ _____ / 2025-

گواہان:

۱- دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

دستخط شیئر ہولڈر
دستخط کھنی میں کئے جانے والے دستخط سے نمائندہ ہوں

۲- دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

نوٹ: پراکسیوں بھیجنے کی صورت میں پراکسی فارم کھنی کو سالانہ عام اجلاس کے انعقاد سے 48 گھنٹے پہلے تک کھنی کو موصول ہو جانے چاہئیں۔ منتخب پراکسی کھنی کا ممبر نہیں ہونا چاہیے۔

سی ڈی سی شیئر ہولڈرز اور ان کی نمائندہ پراکسی کو اپنی اصل قومی شناختی کارڈ کی یا پاسپورٹ کی منظورشده کا پی اس فارم کے ساتھ کھنی کو بھیجینی ہے