



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000,
Phones: 111-001-122

PSX/N-857

NOTICE

July 11, 2019

LISTING OF PRIVATELY PLACED, RATED AND SECURED ISLAMIC SUKUK CERTIFICATES ISSUE OF PKR 8,750 MILLION OF ENGRO POLYMER & CHEMICALS LIMITED

The Pakistan Stock Exchange is pleased to notify the listing of the Privately Placed, Rated and Secured Sukuk Certificates of PKR 8,750 million of Engro Polymer & Chemicals Limited under its Privately Placed Debt Securities' Listing Regulations, relating to listing of Debt Securities issued to Qualified Institutional Buyers (QIBs) through Private Placement.

The said Sukuk Certificates will be listed on the Exchange w.e.f. **Friday, July 12, 2019** and trading in the Sukuk Certificates will commence from Monday, July 15, 2019 through Bond Automated Trading System (BATS) and will be settled through National Clearing Settlement System (NCSS) on T+1 settlement basis, as required under 5C.13 of the Regulations.

The eligible investors, who qualify the criteria of **Qualified Institutional Buyers (QIBs)**, as defined under Regulation No. 5C.2.1.(viii) of Privately Placed Debt Securities' Listing Regulations, are allowed to trade in the Sukuk Certificates of the Company. The Market Lot will be one certificate of face value of Rs.100,000/- each.

The National Clearing Company of Pakistan Limited vide its letter No. NCCPL/CS/193/19 dated May 29, 2019 has assigned the Security Symbol "**EPCLSC**" to the Sukuk Certificates of the Company.

Arif Habib Limited has been appointed as the Market Maker to the Issue, who will provide two-way quotes on daily basis with a maximum spread of 10% for the Sukuk Certificates, through BATS.

The Registrar of the Sukuk Certificates of the Company is **Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi -74400.**

- Tel No: **021-111-111-500**
- Fax: **(92-21) 34326031**
- email: info@cdcpak.com

A brief about the Privately Placed Sukuk Certificates (Term Sheet of the Issue) is attached for information.

Asmaa Saleem Malik
Asmaa Saleem Malik
Deputy General Manager
Listing Department

Copy to:

Executive Director (SM), SECP [E-mail: smd.notices@secp.gov.pk]
Head of Operations – Central Depository Company of Pakistan Limited
National Clearing Company of Pakistan Limited
Notice Board / PSX Website
Engro Polymer & Chemicals Limited
Arif Habib Limited

Engro Polymer & Chemicals Limited
 Rated, Secured, Privately Placed, Islamic Certificates Issue of PKR 8,750 million (inclusive of a Green Shoe Option of PKR 4,750 million)

Term Sheet

Issuer	Engro Polymer & Chemicals Limited ("EPCL" or the "Issuer"). EPCL is a subsidiary of Engro Corporation Limited and its principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Caustic Soda and other related chemicals
Advisor & Arranger	Arif Habib Limited ("AHL")
Transaction / Instrument / Issue	Rated, Secured, Privately Placed, Islamic Certificates (the "Sukuk" or the "Issue") issued as Instrument of Redeemable Capital under Section 66 of the Companies Act, 2017, and as conferred in Pakistan Stock Exchange's Privately Placed Debt Securities Listing Regulations, 2018 and in Sukuk (Privately Placed) Regulations, 2017,
Issue Amount	Up to PKR 8,750 million (Pak Rupees Eight Billion Seven Hundred Fifty Million Only) inclusive of a Green Shoe Option of PKR 4,750 million (Pak Rupees Four Billion Seven Hundred Fifty Million Only)
Tenor	Seven years and six months (7.5 years) starting from the Issue Date inclusive of grace period of five years (5 years)
Face Value	The Face Value of each Sukuk certificate will be PKR 100,000 /- (Pak Rupees Hundred Thousand Only)
Issue Date	The date on which the entire Issue Amount will be disbursed i.e. January 11, 2019
Maturity Date	Seventh and half anniversary from the Issue Date i.e. July 11, 2026
Purpose	The proceeds of the Issue will be utilized for consolidation and prepayment of existing long term debt of EPCL into a single instrument and term out scheduled loan
Profit Rate	<p>3 Months KIBOR (Base Rate) + 90 bps</p> <p>The Base Rate is defined as Karachi Inter-Bank Offered Rate ("KIBOR") prevailing on the Base Rate setting date. The Base Rate will be set for the first coupon on the Issue date and subsequently on the immediately preceding day before the start of each profit payment period.</p> <p>The KIBOR rates used for reference will be taken from Reuters page "KIBOR" as published at 11:30 a.m. PST by the Financial Markets Association ("FMA"). For the purpose of this Issue the daily average of the "3 MONTHS ASK" rate will be used. In the event that this rate is not published on Reuters on the rate fixing date or if less than 8 banks provide their rates for the</p>

	KIBOR fixing, the same would be replaced with a relevant rate of a similar nature or an alternate basis would be agreed upon for determining the Base Rate																																																			
Profit Payment Frequency	Profit will be payable quarterly in arrears calculated on a 365 day year basis on the outstanding Principal amount. The first such profit payment will fall due three (03) months from the Issue date and subsequently every three (03) months thereafter																																																			
Principal Redemption	Semi Annual Principal Redemption shall commence from sixth year of the Issue Date in five equal installments and shall continue till the maturity of the Instrument																																																			
Principal Repayment Schedule	<table border="1"> <thead> <tr> <th>Month End</th> <th>Principal Repayment (%)</th> <th>Principal Repayment (PKR mn)</th> </tr> </thead> <tbody> <tr><td>6</td><td>0.00%</td><td>-</td></tr> <tr><td>12</td><td>0.00%</td><td>-</td></tr> <tr><td>18</td><td>0.00%</td><td>-</td></tr> <tr><td>24</td><td>0.00%</td><td>-</td></tr> <tr><td>30</td><td>0.00%</td><td>-</td></tr> <tr><td>36</td><td>0.00%</td><td>-</td></tr> <tr><td>42</td><td>0.00%</td><td>-</td></tr> <tr><td>48</td><td>0.00%</td><td>-</td></tr> <tr><td>54</td><td>0.00%</td><td>-</td></tr> <tr><td>60</td><td>0.00%</td><td>-</td></tr> <tr><td>66</td><td>20.00%</td><td>1,750</td></tr> <tr><td>72</td><td>20.00%</td><td>1,750</td></tr> <tr><td>78</td><td>20.00%</td><td>1,750</td></tr> <tr><td>84</td><td>20.00%</td><td>1,750</td></tr> <tr><td>90</td><td>20.00%</td><td>1,750</td></tr> <tr><td>Total</td><td>100.00%</td><td>8,750</td></tr> </tbody> </table>	Month End	Principal Repayment (%)	Principal Repayment (PKR mn)	6	0.00%	-	12	0.00%	-	18	0.00%	-	24	0.00%	-	30	0.00%	-	36	0.00%	-	42	0.00%	-	48	0.00%	-	54	0.00%	-	60	0.00%	-	66	20.00%	1,750	72	20.00%	1,750	78	20.00%	1,750	84	20.00%	1,750	90	20.00%	1,750	Total	100.00%	8,750
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Sukuk Structure	Diminishing Musharakah																																																			
Security	<p>The underlying instrument will be secured by hypothecation charge over all present and future movable fixed assets with a minimum 20% margin.</p> <p>Initially ranking charge would be created which would be upgraded into pari-passu within 120 days of Issue date</p>																																																			
Debt Service Reserve Account	<p>The Issuer shall maintain and efficiently manage Debt Service Reserve Account ("DSRA") under lien of the Security Trustee whereby the installments (Principal plus Profit) are being made regularly prior to due date.</p> <p>EPCL shall provide 1/3rd of upcoming quarterly Profit installment in DSRA on monthly basis and shall maintain 1/3rd of the Principal repayment in the DSRA, 90 days prior to the Principal</p>																																																			

	repayment due date and subsequently 1/3 rd on 60 days and 30 days before the Principal repayment due date
Call Option	<p>The Issuer may at any time upon expiry of 42 (forty-two) months from the Issue Date purchase all or any of the Sukuk Certificates from the Certificate Holders at their applicable Buy Out Price (Early Purchase)</p> <p>The Issuer shall serve upon the Certificate Holders a prior written notice of at least 30 (thirty) days to exercise the Call Option and such purchase of Sukuk Certificates shall be in multiples of PKR 500 million/- (Pak Rupees Five Hundred Million) or all the Sukuk Certificates. Such purchase shall be on a Rental Payment Date ("Call Option Date").</p>
Entity Rating	<p>1. AA- (Double A Minus) for the long term and A – 1 + (A – One Plus) for the short term with stable outlook by JCR VIS</p> <p>2. AA- (Double A Minus) for the long term and A – 1 + (A – One Plus) for the short term with stable outlook by PACRA</p>
Instrument Rating	AA (Double A) for the long term with stable outlook by PACRA
Seniority of Claims	<p>The claims of the Sukuk holders will rank:</p> <ol style="list-style-type: none"> I. Superior to the claims of ordinary shareholders; and II. Pari passu without preference amongst themselves
Transaction Legal Counsel	Mohsin Tayebaly & Co.
Trustee and Issue Agent to the Issue	Pak Brunei Investment Company Ltd.
Shariah Structuring Advisor	Ehsan Shariah Advisors And Consultants (Private) Limited ("ESAAC")
Market Maker to the Issue	Arif Habib Limited
Registrar to the Issue	Central Depository Company of Pakistan Limited
Eligible Investors	Qualified Institutional Buyers (QIBs) as defined in Pakistan Stock Exchange's Privately Placed Debt Securities' Listing Regulations, 2018, and any other person notified by Securities and Exchange Commission of Pakistan under section 66 of the Companies Act, 2017 as person to whom instrument of redeemable capital can be issued
Listing	listing on Pakistan Stock Exchange ("PSX") under the PSX's Privately Placed Debt Securities Listing Regulations, 2018.

Transferability	Transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations			
Governing Law	The Instrument shall be subject to the laws of Islamic Republic of Pakistan and non-exclusive jurisdiction of the Pakistan Courts			
Address of the Registered Office of the Issuer	12 th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi			
Name and Address of the Registered Office of Registrar	Central Depository Company of Pakistan Limited Address: CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi			
Contact Details of Shariah Advisor	Organization: Ehsan Shariah Advisors And Consultants Name of contact person: Mufti Ehsan Waquar Email: ehsanwaquar@esaac.com.pk Address: Suite 114, 3 rd Floor, Pakistan Stock Exchange Building, Off I. I. Chundrigar Road, Karachi Tel: +92 21 34833944			
Name and Address of the Registered Office of Advisor & Arranger	Arif Habib Limited Address: Arif Habib Centre, 23, M.T. Khan Road Karachi-74000			
List of Participants	S.#	Name	Participation (PKR)	Percentage
	1	National Bank of Pakistan	1,750,000,000	20.00%
	2	MCB Bank Limited	1,750,000,000	20.00%
	3	Allied Bank Limited	1,600,000,000	18.29%
	4	Bank of Punjab	1,500,000,000	17.14%
	5	Askari Bank limited	638,000,000	7.29%
	6	Meezan Islamic Income Fund	300,000,000	3.43%
	7	Meezan Tahaffuz Pension Fund - (Debt Sub-Fund)	25,000,000	0.29%
	8	ABL Islamic Income Fund	250,000,000	2.86%
	9	ABL Pension Fund Debt Sub Fund	1,000,000	0.01%
	10	ABL Islamic Pension Fund Debt Sub Fund	1,000,000	0.01%
	11	Pak Qatar Family Takaful Limited	250,000,000	2.86%
	12	Dawood Family Takaful Ltd.	201,000,000	2.30%
	13	EFU Life Assurance Limited	100,000,000	1.14%
	14	CDC Trustee NAFA Islamic Income Fund	100,000,000	1.14%
	15	Feroze1888 Mills Ltd. Employees Provident Fund Trust	10,000,000	0.11%
	16	Adamjee Life Assurance Company Limited - Amaanat	30,000,000	0.34%
	17	Adamjee Life Assurance Company Limited - Mazaaf Fund	53,000,000	0.61%
	18	Adamjee Life Assurance Company Limited - Tameen Fund	7,000,000	0.08%

19	EFU General Insurance Limited	50,000,000	0.57%
20	Fatima Fertilizer Co. Ltd-Provident Fund Trust	30,000,000	0.34%
21	Arif Habib Limited	9,000,000	0.10%
22	Adamjee Insurance Co. Ltd., - Window Takaful Operations	50,000,000	0.57%
23	Pakistan Petroleum Provident Fund Trust Co. (Pvt) Ltd.	45,000,000	0.51%
	Total	8,750,000,000	100.00%

END OF TERMS AND CONDITIONS

ACCEPTED AND AGREED

Signature

