



Rating Action

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**PACRA ASSIGNS RATINGS TO ENGRO CORPORATION LIMITED
(FORMERLY ENGRO CHEMICAL PAKISTAN LIMITED)**

The Pakistan Credit Rating Agency (PACRA) has assigned a long-term and short-term rating of “AA” (Double A) and “A1+” (A One Plus) respectively to Engro Corporation Limited (ECL). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect ECL’s articulated corporate center mandate aimed at creating value in excess of the sum of its parts. The salient features of this mandate include development of a central pool of executive management capable of managing independent businesses, designation of a group CEO, strengthening of the governance framework with independent directors, and a comprehensive framework for monitoring the performance of subsidiaries. The ratings incorporate ECL’s diversified investment portfolio including a stable, indeed growing, fertilizer presence, wherein business risk is low. Although some of the company’s subsidiaries are currently in the growth phase, a sustained dividend stream from established enterprises supplements ECL’s financial profile.

About the Company: Incorporated in 1965, Engro Chemicals Pakistan Limited was renamed as Engro Corporation Limited on January 01, 2010, following a demerger of the fertilizer business to Engro Fertilizer Limited. Engro Corporation, listed on all three stock exchanges of the country, is now a holding company mainly responsible for overseeing and managing the performance of its subsidiaries and associates. ECL’s investment book encompasses business interests in fertilizers, food and commodities, energy, chemicals, and storage sectors. Dawood Group holds a majority stake (~48%) in ECL.

ECL has a thirteen member board. The chairman of the board is Mr. Hussain Dawood, a well known entrepreneurial veteran. The CEO, Mr. Asad Umar, an MBA with significant professional experience, has been associated with the company for long. Apart from the CEO, there is equal representation on the board: four members from the Dawood Group, four from the company’s management and four independent directors.

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