



A·F·FERGUSON&CO.

The Board of Directors  
Engro Fertilizers Limited  
7<sup>th</sup> & 8<sup>th</sup> Floors, Harbour Front Building  
Plot No. HC-3, Block-4  
Scheme No.5, Clifton  
Karachi

May 2, 2018  
ASR 2471

Dear Sirs

**ENGRO FERTILIZERS LIMITED  
STATEMENT OF COMPLIANCE WITH SUKUK (PRIVATELY PLACED)  
REGULATIONS, 2017**

We are pleased to enclose our signed assurance report on the Statement of Compliance with the Sukuk (Privately Placed) Regulations, 2017.

Yours truly

encls

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
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**INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF COMPLIANCE WITH SUKUK (PRIVATELY PLACED) REGULATIONS, 2017**

**Scope of our work**

We have performed an independent assurance engagement of Engro Fertilizers Limited (the Company) to express an opinion on the annexed Statement of Compliance (the Statement) with the requirements of Sukuk (Privately Placed) Regulations, 2017 as notified by the Securities and Exchange Commission of Pakistan as of December 31, 2017.

**Applicable Criteria**

The criteria for the assurance engagement against which the underlying subject matter (Statement of Compliance for the year ended December 31, 2017) is assessed comprises of compliance with the features and Shariah requirements of Sukuk in accordance with the requirements of Sukuk (Privately Placed) Regulations, 2017. Our engagement was carried out as required under Rule 12 of Chapter V of the Sukuk (Privately Placed) Regulations, 2017 as notified by the Securities and Exchange Commission of Pakistan.

**Responsibility of Company's Management**

The responsibility for the preparation and fair presentation of the Statement (the subject matter information) and for compliance with the features and Shariah requirements of Sukuk in accordance with the requirements of Sukuk (Privately Placed) Regulations, 2017 is that of the management of the Company. The management is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant documentation/records. The management is also responsible to ensure that the personnel involved are conversant with the Criteria for the purpose of the Company's compliance.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Responsibility of Independent Assurance Provider**

Our responsibility is to express our conclusion on the Statement for the year ended December 31, 2017 based on our independent assurance engagement, performed in accordance with the International Standard on Assurance Engagements 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000). This standard requires that we plan and perform the engagement to obtain reasonable assurance about whether the annexed Statement reflects the status of the Company's compliance with the features and Shariah requirements of Sukuk in accordance with the requirements of Sukuk (Privately Placed) Regulations, 2017 and is free from material misstatement.

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The procedures selected by us for the engagement depend on our judgment, including an assessment of the risks of material non-compliances with the Criteria. In making those risk assessments; we have considered internal controls relevant to the Company's compliance with the Criteria in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Company was not materially non-compliant with the Criteria. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Our procedures applied to the selected data primarily comprised of:

- Inquiry and evaluation of the systems, procedures and practices in place with respect to the Company's compliance with the Criteria;
- Verification of Sukuk related transactions on sample basis to ensure the Company's compliance with the Criteria during the year;
- Review of Shariah structure and transaction documents, term sheet and Shariah approval letter issued by the Shariah Advisor of the Sukuk; and
- Review of the annexed Statement based on our procedures performed and conclusion reached.

We believe that the evidences we have obtained through performing our aforementioned procedures were sufficient and appropriate to provide a basis for our opinion.

#### **Conclusion**

Based on our independent assurance engagement, in our opinion, the annexed Statement for the year ended December 31, 2017 has been prepared, in all material respects, in compliance with the features and Shariah requirements of Sukuk in accordance with Sukuk (Privately Placed) Regulations, 2017.



**Chartered Accountants  
Karachi  
Date: May 2, 2018**

**Engagement Partner: Waqas A. Sheikh**