



NADEEM TEXTILE MILLS LIMITED

Statement under section 160 (1) (b) of the Companies Ordinance, 1984

1) Related Party Transactions (RPTs)

The related party transactions conducted with associated companies had to be approved by the Board duly recommended by the Audit Committee on quarterly basis pursuant to clause (c) of the Code of Corporate Governance, 2012.

However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, these transactions have to be approved by the shareholders in the General Meeting. It may be noted that Nadeem Power Generation (Pvt.) Ltd. (NPGL) manufactures Power. Nadeem International (Pvt.) Ltd. (NIPL), carries out trading of textile merchandise, fabric and other etc.

The transactions with all related parties are entered into on arm's length basis as per policy approved by the Board. The associated company NPGL holds 23.08% shareholding in the Company.

The common directors have the following shareholding in the associated companies:

S.No.	Name of Directors	NPGL	NIPL
		No. of Shares	No. of Shares
1	Mr. Zahid Mazhar	125,550	161,877
2	Mr. Omer Bin Zahid	74,650	161,877
3	Mr. Hassan Bin Zahid	74,650	161,877
4	Mrs. Naila Zahid	74,650	161,877
	Total	93.63%	100%

The following transactions are being placed before the shareholders for final approval/ratification.

Nadeem International (Pvt.) Ltd.

	Rs.
Reprocessing income	1,057,986
Loan received	205,100,000
Loan repaid	122,285,000
Loan outstanding	327,450,000

Nadeem Power Generation (Pvt.) Ltd.

Electricity purchased	208,290,312
Loan outstanding	43,056,284
Issue of 3,604,500 Ordinary shares at Rs.40/= per share including premium at Rs.30 per shares in part settlement of standing loan.	144,180,000

The Directors are interested in the resolution to the extent of their common directorships and shareholding in the associated companies.

2) Authorization to the company for related party transactions (RPTs)

The company shall be conducting related party transactions (RPTs) with associated companies during the year ended June 30, 2017 in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore these transactions with associated companies have to be approved by the shareholders.

In order to ensure smooth supply during the year, the shareholders are requested to authorize the company to approve transactions with associated companies on case to case basis for the year ending June 30, 2017. The nature and scope of RPTs is explained under No.1 above. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and shareholding in the associated companies.

For NADEEM TEXTILE MILLS LTD.,


Company Secretary.