

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

Name of Company: Nagina Cotton Mills Limited

Year ended: June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are ten as per the following:
 - a) Male: Nine
 - b) Female: One
2. The composition of the Board of Directors is as follows:

Category	Names
i. Independent Directors	Mr. Shafiq ur Rehman Ms. Tosheeba Sarwar Mr. Naweed Akhtar Sharif
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Hasan Ahmad Mr. Shafqat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iii. Executive Directors	Mr. Shaukat Ellahi Shaikh Mr. Amin Ellahi Shaikh
iv. Female Director	Ms. Tosheeba Sarwar

** The Company has three independent directors out of ten directors. Fractional requirement for Independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of the ten directors, nine have obtained Directors Training Program (DTP) certification. The one director who did not complete the training has over 30 years of experience and qualifies for an exemption. The Board is considered compliant with the requirement.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:-
 - a. **Audit Committee**
 - Mr. Shafiq ur Rehman, Chairman
 - Mr. Raza Ellahi Shaikh, Member
 - Mr. Haroon Shahzada Ellahi Shaikh, Member
 - b. **Human Resource and Remuneration (HR & R) Committee**
 - Mr. Shafiq ur Rehman, Chairman
 - Mr. Amin Ellahi Shaikh, Member
 - Mr. Haroon Shahzada Ellahi Shaikh, Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committees were as per following:

Committee	No. of meetings
Audit Committee	04 quarterly meetings
HR and Remuneration Committee	01 annual meeting

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation as required under the Regulations is mentioned below:

19. Explanation for requirements other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S #	Requirement	Regulation No.	Explanation of Non-compliance
1.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances	29	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed, so a separate committee is not considered to be necessary.
2.	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.
4.	Directors Training Program for Female Executive and Head of Departments It is encouraged to obtain DTP certification for female executive and one head of department every year starting from July 2020 and July 2022 respectively.	19 (3)	Female executive and head of department has not obtained the DTP certification yet. DTP will be arranged as and when needed.
5.	Independent Evaluation of the Board's Performance It is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body.	10.3	The Company is in the process of developing and implementing a mechanism to comply with this requirement.
6.	Sustainability Committee It is encouraged that the board establish a sustainability committee with at least one female director or assign such responsibilities to an existing committee, with annual reporting on sustainability integration, DE&I practices, and compliance with applicable laws.	10A.5(3)	Currently such responsibility is dealt at Board level, however, the Board will consider it upcoming meeting to establish a separate committee.
7.	Directors' Report on Sustainability risks It is encouraged that the directors' report include disclosures on sustainability risks, their management or mitigation, and measures undertaken to promote DE&I in the company.	10A.6(3)	Board has considered the sustainability related risks and opportunities and related mitigation and measures. We will ensure inclusion of such disclosures in the upcoming directors report.

On behalf of the Board



Amin Ellahi Shaikh
Chief Executive Officer



Shahzada Ellahi Shaikh
Chairman

September 30, 2025



Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT **To the Members of Nagina Cotton Mills Limited**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

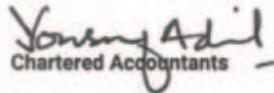
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Nagina Cotton Mills Limited** (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.


Chartered Accountants

Place: Karachi
Date: October 02, 2025
UDIN: CR202510186Mq0iW8zrf