

**Independent Auditor's Report
on
IPO Proceeds Utilization Statement
of
Navana Pharmaceuticals PLC.
for the quarter ended
30 September 2024**



Since -1967

K. M. ALAM & CO.

CHARTERED ACCOUNTANTS



Independent Auditors' Report To Navana Pharmaceuticals PLC. and Bangladesh Securities and Exchange Commission Report on the Audit of IPO (Initial Public Offering) Proceeds Utilization Statement

Opinion

We have audited the annexed IPO (Initial Public Offering) proceeds utilization statement of Navana Pharmaceuticals PLC for the quarter ended 30 September 2024 ("utilization statement").

In our Opinion, the IPO (Initial Public Offering) proceeds utilization statement of Navana Pharmaceuticals PLC ("the Company") for the quarter ended 30 September 2024 is prepared, in all material respects, in accordance with Bangladesh Securities and Exchange Commission (BSEC) Rules 2022, conditions laid down in the clause 3 & 4 of PART-D of the consent letter BSEC/CI/IPO-323/2022/853 Dated June 19, 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the IPO (Initial Public Offering) proceeds utilization statement section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the utilization statement in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion in above paragraph, we would like to draw attention of the users of this report to the following Footnotes:

i) No. 5 of the IPO proceeds utilization statements for the quarter under audit which denotes that an amount of Tk. 31,668,761 in the IPO Proceed utilization report involved advance payment. Out of which unadjusted advance from previous period is Tk. 27,268,761.

ii) No. 6 of the IPO proceeds utilization statements for the quarter under audit denotes that no payment was made to any related parties (As per definition of IAS 24) of the company during the quarter.

Other Matters - Basis of Preparation and Restriction on Distribution

The utilization statement is prepared to assist the Company to meet the requirements of Bangladesh Securities and Exchange Commission ("BSEC"). As a result, the utilization statement may not be suitable for another purpose. Our report is intended solely for the Company and the BSEC and should not be distributed to parties other than the Company or the BSEC.

Responsibilities of Management and Those Charged with Governance for the IPO (Initial Public Offering) Proceeds Utilization Statement

Management is responsible for the preparation and fair presentation of the IPO (Initial Public Offering) proceeds utilization statement prepared in accordance with Bangladesh Securities and Exchange Commission (BSEC) Rules 2022, condition laid down in the clause 3 & 4 of PART-D of the consent letter BSEC/CI/IPO-323/2022/853 dated June 19,2022 and with other applicable laws and regulations.

In preparing the utilization statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the IPO (Initial Public Offering) Proceeds Utilization Statement

Our objectives are to obtain reasonable assurance about whether the IPO (Initial Public Offering) proceeds utilization statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this utilization statement.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the IPO (Initial Public Offering) proceeds utilization statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the utilization statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kazi Ahmed Monowar, FCA
Managing Partner
Enrolment Number: 822
K M Alam & Co.
Chartered Accountants

Place: Dhaka
Date: 15 October 2024



K. M. ALAM & CO.
CHARTERED ACCOUNTANTS


IPO Proceeds Utilization Statement
For the quarter ended 30 September 2024

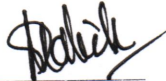
Name of the Company Navana Pharmaceuticals PLC.
Capital Raised through IPO BDT 750,000,000
(Book building method)
Proceeds Receiving Date Eligible Investors & Employees on 19 July 2022 (BDT 19,61,50,200) and General Public on 04 October 2022 (BDT 55,38,49,800)
Subscription Closing Date 19-Sep-22
Last date of full utilization fund as per prospectus 3-Oct-25


Sl. No.	Name of the projects	Estimated cost of project implementation (in BDT)	Estimated time for completion	Fund utilization during the period from October 01 2022- September 30, 2023		Fund utilization during the period from October 01 2023- June 30, 2024		Fund utilization during the period from July 01 2024- September 30, 2024		Variance	Unutilized	Remarks
				BDT	%	BDT	%	BDT	%	BDT	%	
1	Construction of New Generic Production Unit	131,185,000	Within 36 month after receiving IPO proceeds	-	0.00%	53,500,000	40.78%		40.78%	77,685,000	59.22%	
2	Modernization and expansion of General liquid facility with dispensing area	46,815,000	Within 36 month after receiving IPO proceeds	-	0.00%	46,320,133	98.94%		0.00%	494,867	1.06%	Running advances of total BDT 79,40,274 have been made to some suppliers based on project progress.
3	Modernization and expansion of Animal health facility	54,400,000	Within 36 month after receiving IPO proceeds	-		15,965,737	29.35%	4,400,000	8.09%	34,034,263	62.56%	LC Margin BDT 9,917,000
4	Construction of new utility and engineering building	97,300,000	Within 36 month after receiving IPO proceeds	77,916,378	80.08%	19,292,876	19.83%	-	0.00%	90,745	0.09%	Running advances of total BDT 1,37,06,000 have been made to some suppliers based on project progress.
5	Refurbishment of cephalosporin unit	178,500,000	Within 36 month after receiving IPO proceeds	144,439,969	80.92%	34,057,791	19.08%	-	0.00%	2,240	0.00%	Running advances of total BDT 1,05,487 have been made to some suppliers based on project progress.
6	Partial loan repayment	211,800,000	Within 06 month after receiving IPO proceeds	211,800,000	100.00%	-		-	0.00%	-	0.00%	
7	IPO expenses	30,000,000	N/A	29,969,243	99.90%	-	0.00%	-	0.00%	30,757	0.10%	
8	Other expenses (*Charges directly deducted by bank)	0	N/A	58,664		59,585		100		(118,349)	0.00%	
Total IPO Proceeds		750,000,000		464,184,254	61.89%	169,196,122	22.56%	4,400,100	0.59%	112,219,523	14.96%	


Footnotes:


- *Excise Duty of BDT 100,000, bank charge of BDT 1,939, certificate charge of BDT 200, VAT of BDT 2,140.12, RTGS charge of BDT 1,169.88, cheque issuance charge of BDT 12,000 and accounts maintenance charge of BDT 900 had been debited from IPO Bank account;
- The utilization statement was approved and authorized for issue by the Board of Directors on 15 October 2024 and signed for and on behalf of the Board.
- The shareholders of the company have approved change in the use of proceeds Tk. 23.24 Cr. (31%) of the total IPO proceeds of Tk. 75 Cr. for construction of new general production building and replace it with modernization and expansion of existing facilities in its 6th EGM held on 31.07.23. The costs of modernization and expansion of existing facilities that were initiated as normal business plan of the company were paid after obtaining approval at EGM.
- The shareholders of the company have approved change in the use of proceeds Tk. 13.12 Cr. (17.49%) of the total IPO proceeds of Tk. 75 Cr. kept for Modernization and Expansion of SVPO Facility and replace it with Construction of New Generic Production Unit (Sl. No. 1 of the above table) in its 7th EGM held on May 07, 2024. The shareholders also extended the deadline to utilize the IPO proceeds from 3 October 2024 to 3 October 2025 at the EGM.
- The total utilization of the IPO Proceeds stands at Tk. 637,780,477 as on 30.09.2024 out of which an amount of Tk. 31,668,761 involves advance payment. The unadjusted advance paid in previous quarters has been reported at Tk. 27,268,761.
- No payment was made to any related parties (as per definition of IAS 24) of the Company during the reported quarter.


Chief Financial Officer
Navana Pharmaceuticals PLC.


Company Secretary
Navana Pharmaceuticals PLC.


Acting Managing Director
Navana Pharmaceuticals PLC.


Chairman
Navana Pharmaceuticals PLC.


Kazi Ahmed Monowar, FCA
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