

**CREDIT RATING REPORT
ON
NAVANA PHARMACEUTICALS PLC.**

RATING REPORT CONTENTS

Detailed Report:

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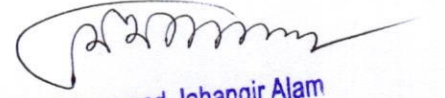
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[FORM-IX]
[Rule 10(8) A(g)]

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Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd.

EXECUTIVE SUMMERY
12TH SURVEILLANCE RATINGS
OF
NAVANA PHARMACEUTICALS PLC.

Declaration Date	01.12.2025	02.12.2024
Long Term Entity Rating	AA (Double A)	AA (Double A)
Short Term Entity Rating	ST-2	ST-2
Outlook	Stable	Stable
Expiry Date	30.11.2026	01.12.2025

Bank Loan Ratings ^a	
Short Term	ST-2
Long Term	AA

Note: The Company is availing funded and non-funded facilities from Al-Arafah Islami Bank PLC. (VIP Road Branch), Dhaka Bank PLC. (Banani Branch), Shimanto Bank PLC. (Corporate Head Office), Community Bank Bangladesh PLC. (Head Office), Bengal Commercial Bank PLC. (Dilkusha Islami Banking Branch), Standard Chartered Bank PLC. (Gulshan Branch), Prime Bank PLC. (Gulshan Branch), The City Bank PLC. (Head Office), IPDC Finance PLC. (Head Office, Dhaka), and IDLC Finance PLC. (Gulshan Branch)

^aBLR is valid for one year for long term loan and for short term loan up to 365 days or according to the tenure of the loan whichever is earlier.

PERFORMANCE HIGHLIGHTS

Particulars	FY 2024-25	FY 2023-24
Total Assets (TK in Million)	11,472.31	11,303.70
Total Equity (TK in Million)	4,864.92	4,561.10
Net Revenue (TK in Million)	8,842.91	6,898.22
Net Profit (TK in Million)	487.81	404.63
Operating Margin (%)	16.73	14.75
Net Profit Margin (%)	5.52	5.87
EBITDA (TK in Million)	1,733.11	1,178.65
ROA (%)	4.28	3.87
ROE (%)	10.35	9.06
Current Ratio (X)	0.86	0.87
DSCR (X)	1.99	2.09
Debt to Total Capital (%)	48.86	54.10

STRENGTHS

- Experience of the promoters in the related business
- Owned manufacturing unit with adequate production capacity
- Satisfactory turnover, net profit & EBITDA
- Augmented equity & asset base
- Adequate coverage indicator
- Sound banking transaction
- Sound export-import performance

CHALLENGES

- Ensuring best quality products with highest customer satisfaction
- Reducing dependency on external financing
- Maintaining adequate liquidity position
- Improving asset utilization capacity
- Maintaining optimal capital structure
- Minimizing exchange rate risk


Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd.

Declaration Date	01.12.2025
Long Term Entity Rating	AA (Double A)
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Bank Loan Ratings^a	
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RATING BASIS

Ratings are based on five years **audited** financial statements up to **June 30, 2025** along with the other relevant Quantitative as well as Qualitative information provided by the Client & Bank up to the Date of Rating Declaration. NCR has followed Corporate Rating and Bank Loan Rating Methodology published in its website.

RATING DEFINITION

AA (Double A) rating indicates very strong credit quality.

ST-2 rating indicates above average ability to meet short term financial commitments.

DEFINITION OF OUTLOOK

Stable indicates that rating may remain unchanged as existing fundamentals may remain unchanged in near future.

Mohammad Jahangir Alam
 Chief Executive Officer (CEO)
 National Credit Ratings Ltd.

Reference: NCRL/2025/84

RATING RATIONALE

Navana Pharmaceuticals PLC. has been reassigned with the above-mentioned ratings in short term and long term with stable outlook. While assigning the ratings, the rating committee has considered both financial and non-financial parameters to measure the efficiency, performance, financial soundness and future prospects of the company. Moreover, the ratings have also highlighted qualified BoD, adequate experience of the promoters, skilled management team, strong presence of the company in competitive market along with existing rich customer base around the globe. Moreover, increased turnover, satisfactory EPS, improved ROA & ROE, increased EBITDA & net profit, adequate coverage indicator, along with increased total asset & equity base have also been considered duly by the rating committee while assigning the surveillance ratings of the company.

Despite having some affirmative factors, inadequate liquidity position, excessive financial obligations, negative working capital and weak asset utilization capacity have confined the ratings of the company. Moreover, undesirable volatility in foreign exchange rate, price fluctuation of raw materials in the international market along with the possibility of increasing cost due to obligation to retain the compliance issues have also been taken into account during assigning the ratings.

The Bank Loan Ratings (BLR) have been assigned considering the factors like utilization of credit facilities, security coverage & the recovery prospects besides the concern's potential strength to meet financial obligations, originated from currently availing facilities, besides the proprietors' strength to meet financial obligations in adverse situation of the concern.

RATING OUTLOOK

NCR, taking the historical business performance, socio-economic aspects, industry growth potential in the regional area and the concern's ability to tap the opportunity and its reflection on forthcoming years' turnover, profitability, coverage indicators, liquidity parameters and external obligation meeting capacity into consideration, judges the outlook of the concern to be "**Stable**" as the concern may be able to retain its existing fundamentals which will favor to reaffirm the rating in foreseeable future.

1.0 BUSINESS OVERVIEW

1.1 Navana Pharmaceuticals PLC. (hereinafter referred as ‘NPPLC’ or The Company) was first incorporated as a Private Limited Company on March 31, 1986 under the Company Act of 1913 which was later replaced by the Companies Act 1994. Later on December 30, 2021 the company has been transformed to Public Limited Company and has been listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on October 11 and October 12, 2022 respectively. Authorized capital of the company is TK 2,000.00 million divided by 200.00 million ordinary shares and the paid-up capital stood at 1,074.16 million as on 30 June, 2025. The company operates under the drug license from Directorate General of Drug Administration.

1.2 Navana Pharmaceuticals PLC. produces both human and animal drugs comprising Tablet, Syrup, Powder, Cream, Oral Solution, Capsule, Gel, Ointment, Drops, and Suppository of various trade names. Some of NPPLC’s products are exported to different countries like Myanmar, Vietnam, Sri Lanka, Cambodia, Togo, Georgia and Kenya. The current production capacity of the company follows:

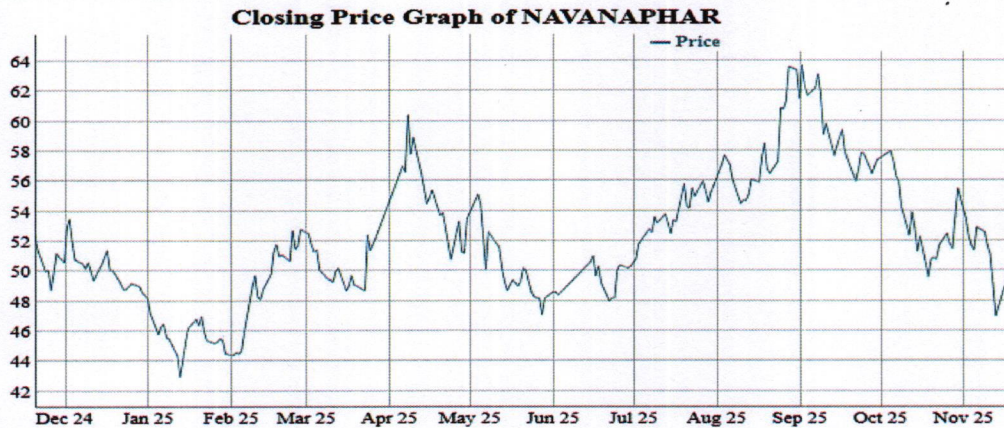
Dosage Form	UOM	Utilization	Installed Capacity	Actual Production
			Yearly	Yearly
Tablet, Capsule, Syrup, Bolus	Pcs.	99%	819,000,000	809,999,500
Liquid, PFS, Oral Solution	Bottle	85%	13,960,800	11,848,405
Powder	Container/Sachet	58%	8,820,000	5,125,287
Nasal Drops, Nasal Spray, Eye Drops	Dropper	60%	1,411,200	846,968
Ointment, Cream	tube	99%	4,536,000	4,490,640
Injection	Vial	56%	3,906,000	2,196,167
Total			851,634,000	834506967

1.3 Veterinary Division of NPPLC started operation in the year 2002. The division produces various range of Veterinary Products which includes Poultry, Large Animal and Aqua. These products are sold in the local market. The division is working as international partner of following companies: LAPROVET (France), Novus International Pte. Ltd. (USA), Polymix B. V. (Holland), Anpario PLC (UK), BASF (Germany), AJINOMOTO (China), CJBIO (Korea), ew nutrition (Germany), Morningbio (Korea), Alphatech (France), Zenex (India), Tech Agro (Greece), Sanzyme (India), Bewital Agni (Germany).

1.4 Corporate office of the company is located at House 99, Road 4, Block B, Banani Dhaka -1213, while the manufacturing plant is established at 1071, 1073, North Rupshi, Tarabo Municipality, Rugganj, Narayanganj on 834.00 decimals own land constructed as per standard of WHO-cGMP, clean room technology, segregate air-handling system and safe engineering technology.

1.5 Shares of the company are traded under “A” category in both the stock exchange. Face value of each share is TK 10.00. Last Annual General Meeting of the company held on December 31, 2024 and upcoming Annual General Meeting will be held on December 31, 2025. The Board has recommended 14% Cash Dividend only general shareholders for the year ended June 30, 2025. The Company has also reported EPS is TK 4.54, NAV per share is TK 45.29 and NOCFPS of TK is TK 16.90 for the year ended on June 30, 2025 against reported EPS is TK 3.77, NAV per share is TK 42.46 and NOCFPS of TK is TK 6.58 respectively for the same period of the previous year. The following graph reveals the closing price of NPPLC’s stock at DSE over a period of last one year:

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2.0 INDUSTRY OVERVIEW

2.1 Pharmaceutical is one of the most flourishing and promising sectors of Bangladesh. Since the promulgation of drug control ordinance in 1982, the sector has been booming. In the last five years (2017-18 to 2021-22), the sector has grown at a CAGR of 5.65 percent. Currently, the size of the industry is USD 2.92 billion. Brief overview of pharmaceutical industry along with market size and growth trend is given below:

Particulars	Details
Market Size	USD 2.92 billion
Local Demand Met by the Industry	98% (Approx.)
GDP Contribution	1.83%
Export (FY 2024-25)	USD 213.16 million
Contribution to Total Export (FY 2024-25)	0.44%
CAGR of Export (FY 2018-19 to FY 2024-25)	5.65%
Pharmaceutical Export Destinations	Over 160 countries
Registered Pharmaceutical Companies	307 registered, of which around 150 are actively producing medicines
No. of Allopathic Manufacturers	295
No. of Registered Drugs (Allopathic)	34,690
No. of Unani Manufacturers	284
No. of Registered Drugs (Unani)	8,181
No. of Ayurvedic Manufacturers	205
No. of Registered Drugs (Ayurvedic)	4,962
No. of Herbal Manufacturers	31
No. of Registered Drugs (Herbal)	838
No. of Homeopathic Manufacturers	71
Major Market Players	Square Pharmaceuticals, Incepta Pharmaceuticals, Beximco Pharmaceuticals, Healthcare Pharmaceuticals, Renata PLC etc.

Source: Bangladesh Association of Pharmaceutical Industry (BAPI), The Business Standard' Date: 21.04.2025 and 29.10.2025 and; Directorate General of Drug Administration (DGDA), Export Promotion Bureau (EPB)

2.2 Increased per capita income, health consciousness among people, unconditional tax holiday to all APIs and laboratory reagents producers, waivers on Advance Income Tax (AIT) and Tax Deducted at Source (TDS), waivers on VAT, 20% cash incentive for producers who add at least 20% value, 12-year tenure of term loans for factories and equipment, priority in getting land at the industrial parks and economic zones are the impetuses which have been helping the pharmaceutical industry to have such growth. Currently, the industry can meet 98 percent of local demand. Remaining 2 percent imported drugs are mainly vaccines, anti-cancer products and hormone drugs. 80% of the drugs produced in Bangladesh are generic drugs, rest