

INFORMATION MEMORANDUM

Unsecured, Coupon bearing bond with 60% conversion feature

for

Navana Pharmaceuticals PLC

 **NAVANA PHARMA**

Corporate Office: Plot 99, Road 04, Block B, Banani, Dhaka 1213

Trustee: Prime Bank Investment Limited

Name of the Bond: Navana Pharmaceuticals Partial Convertible Bond

Type of Security: Unsecured, Coupon bearing bond with 60% conversion feature

Total Face Value: BDT 1,500,000,000

Face Value of Each Bond: BDT 100,000

Minimum Investment: BDT 1,000,000

Number of Securities: 15,000 Nos

Tenor: 5 years

Coupon Rate: SMART+ 2% Margin;

Coupon Ceiling: 10.0% p.a. (Semi-annual Ceiling: 5.0%);

Coupon Floor: 8.0% p.a. (Semi-annual Floor: 4.0%)

IM Issue Date: XXXXX

Credit Rating Status			
Credit Rating by	National Credit Ratings Limited		
Rating	Entity Rating		Bond Rating
	Long-Term	Short Term	
		AA	ST-2
Outlook	Stable		
Expiry Date	31.07.2024		31.07.2024

Fund Arranger: City Bank Capital Resources Limited



"IF YOU HAVE ANY QUERY ABOUT THIS DOCUMENT, YOU MAY CONSULT THE ISSUER OR ORIGINATOR, ISSUE MANAGER AND THE TRUSTEE."

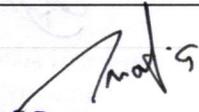
Acronyms, or Elaborations:


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

A	
AIUB	American International University, Bangladesh
ANVISA	The Brazilian Health Regulatory Agency
AGM	Annual General Meeting
API	Active Pharmaceutical Ingredients
ATB	Alternative Trading Board
B	
BAB	Bangladesh Accreditation Board
BDT	Bangladeshi Taka
BO A/C	Beneficiary Owner's Account
BSEC	Bangladesh Securities and Exchange Commission
C	
CCFP	Certification of the College of Family Physicians
CDBL	Central Depository Bangladesh Limited
CFO	Chief Financial Officer
CIB	Credit Information Bureau
CAGR	Compound Annual Growth Rate
Commission	Bangladesh Securities and Exchange Commission
CS	Company Secretary
D	
DGDA	Directorate General of Drug Administration & Licensing Authority (Drugs)
DMC	Dhaka Medical College
DSE	Dhaka Stock Exchange Limited
E	
EI	Eligible Investor
E-Mail	Electronic Mail
EPS	Earnings Per Share
Exchanges	Stock Exchanges
EU	European Union
F	
FCFP	Fellow of the College of Family Physicians
FDR	Fixed Deposit Receipt
FY	Fiscal Year
FX risk	Foreign Exchange risk
I	
ICDDR, B	International Centre for Diarrhoeal Disease Research, Bangladesh
ICT	Information Communication Technology
IM	Information Memorandum
M	
MBBS	Medicine, Bachelor of Surgery
N	
NAV	Net Asset Value
NOCFPS	Net Operating Cash Flow Per Share
NPL	Navana Pharmaceuticals PLC
P	
PBIL	Prime Bank Investment Ltd
R	
RJSC	Registrar of Joint Stock Companies and Firms
R & D	Research & Development
Registered Office	Head Office of the Company
S	
SDU	Solid Dosage Unit
SMART	Six Months Moving Average Rate of Treasury Bill
SVP	Small Volume Parenteral (a Drop and Injectable unit of the Company)


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T	
TGA	Therapeutic Goods Administration
U	
UKMHRA	Medicine and Healthcare Products Regulatory Agency of United Kingdom
UN	United Nation
UNDP	United Nation Development Program
USD	United States Dollar
V	
VAT	Value Added Tax
W	
WHO	World Health Organization


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Contact Details

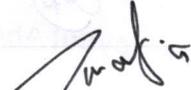
Table 1: Contact Details

Name & Address	Telephone & Fax Number, E-mail, Website	Contact Person
ISSUER		
<p>Navana Pharmaceuticals PLC Registered Office: 125/A, Motijheel C/A, Dhaka Corporate Office: Plot 99, Road 04, Block B, Banani, Dhaka 1213 Factory: Rupshi, Rupganj, Narayanganj</p>	<p>Tel: +880-2-55033580-3 Fax: +880-2-55033579 Email: cs@navanapharma.com Web: www.navanapharma.com</p>	<p>Joynul Abedin, ACS Company Secretary</p>
TRUSTEE		
<p>Prime Bank Investment Limited Tajwar Centre (5th Floor) House# 34, Road# 19/A, Block# E, Banani, Dhaka-1213</p>	<p>Tel: +88 02 48810315 Cell: +88 01730031810 Fax: +88 02 48810314 E-mail: raihaan@pbil.com.bd Web: www.pbil.com.bd</p>	<p>Khandoker Raihan Ali FCA Chief Operating Officer</p>
	<p>Tel: +88 02 48810315 Fax: +88 02 48810314 E-mail: info@pbil.com.bd Web: www.pbil.com.bd</p>	<p>Syed M Omar Tayub Managing Director & CEO</p>
LEAD ARRANGER		
<p>City Bank Capital Resources Limited Shanta Wester Tower, Level 14 Bir Uttam Mir Shawkat Road 186 Tejgaon I/A, Dhaka, 1208, Bangladesh</p>	<p>Phone: +88-02 9565911, +88-02 9575880 Email: info@cbcril.com</p>	<p>Ershad Hossain Managing Director & CEO</p>

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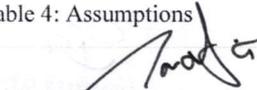

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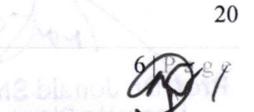

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Section 2: Risk factors and Management Perception About the Risks:

In the normal course of business operations, Navana Pharmaceuticals PLC would subject to macroeconomic risks (external factors), sectoral risks (risk of a typical nature for similar pharmaceutical companies), and company-specific risks (internal factors). The majority of these risks can be mitigated effectively. Before making any investment decision, Investors should take the risk factors into consideration. Such major risk factors are described in brief as under:

(a) Interest rate risks

Interest rate risk arises from swinging interest rates in the market. An increase in the interest rate in the market may impact the value of fixed income debt securities.

The more a company has floating rate debt, the greater is the risk associated with a rise in interest rates. Products or services whose prices depend on interest rates may also expose a company to interest rate risk. Interest rate movement also impacts the return on and value of investment in debt securities or FDR. Monetary policy stance, company specific factors (I.e., changes in the credit rating), and external shocks (I.e., exchange rate movement) are the primary sources of effective finance cost fluctuation.

Management Perception-

The coupon rate on this partially convertible bond is floating between 8.0% p.a. to 10.0% p.a. and referenced to the yield on Six Months Moving Average Rate of Treasury Bill (SMART). A fixed margin of 2% per annum will be added to mentioned reference rate. The Coupon rate can never go beyond 10.0%p.a. This feature will protect the investors from the adverse movement in interest rate. On other hand, efficient financial strategies and options will help the company to reduce the exposure of its finance cost to adverse movement in interest rate.

(b) Foreign exchange risks with risk mitigation policy

Foreign Exchange Risk, also known as currency risk or exchange rate risk, refers to the risk of experiencing financial loss due to an unfavorable change in the settlement value of a transaction entered in a currency other than the base currency (here, BDT). Appreciation of the base currency (investors' domestic currency) may impact the return on the bond denominated in a foreign currency.

Company can be exposed to translation loss, transaction loss, and economic loss due to movement in the exchange rate. Loan in foreign currency, investment in foreign currency/instruments denominated in foreign currency, and foreign trade (import of raw material and export of final goods) are primary source of exposure of the company to the FX risk. Currency swaps, risk-sharing agreements, production facility diversification, hedging, and currency flow matching etc techniques can be used to mitigate foreign exchange risk.

Management Perception-

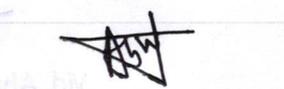
The bond is denominated in Bangladeshi Taka. So, there is no exchange risk for local investors as investors will receive the interest and principal back in Bangladeshi Taka. The company has no long-term loan denominated in foreign currency which wipes out the risk of translation loss. On the other hand, export of pharmaceuticals products will help to reduce the exposure to forex risk at raw material import stage to some extent. The industrywide ability to pass-through increased raw marital sourcing cost also minimizes the risk to some extent.

(c) Non-repayment risks

The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. Analysis of credit worthiness (credit history, capacity to repay, leverage level, capital, the loan's conditions, and associated collateral) and future prospects can provide appropriate idea about the potential non-repayment risk.



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Management Perception-

The growth story, growth prospects, loan repayment history, leverage level, and governance rating are the evidence of the high credit worthiness of the company. These factors along with the resilience of the company over the last 3 years of global crisis indicate that the company has willingness to repay its debt obligation regularly. Moreover, as 60% of the bond size will be converted into common stock of the company, hence non-repayment risk is limited.

(d) Prepayment, call, or refunding risks

Prepayment risk is the risk that the actual cash flows will be different from the timing set in the loan agreements due to borrower's willingness to repay the principal early given the contemporary interest rate level or future interest rate movement expectation. The exercise options can also expose to the prepayment risk.

Management Perception-

There is a provision to redeem (call) the Bond earlier than maturity in the structure of this bond. In such case, the issuer will provide 1% premium on the early redemption amount to bondholder.

(e) Security risks

Here, security means collateral or guarantee, which minimizes the risk for lenders by ensuring that the borrower keeps up with their financial obligation. The security risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. This bond is not secured by any collateral or guarantee.

Management Perception-

The full redemption of the bond is guaranteed by a Bank Guarantee from Al-Arafah Islami Bank Limited. So, the investment of the subscribers is secured.

(f) Liquidity risks

Liquidity risk is the risk of not being able to sell an asset in a given size over a given period without lowering the price to less than the fundamental value. This can happen due to non-existence of well-established secondary market, degradation in market conditions, or the lack of market participants. From, company's end, the liquidity risk may mean inability to meet period obligation due to cash flow issues.

Management Perception -

The bond is structured to yield semi-annual coupon and 40% of the total issue will be redeemed in equal instalments each year. Besides, the shares that the investors will get after conversion can be traded in the market. On other hand, the cash flow history, governance, and potentials of the company indicates the cash management efficiency.

(g) Management risks

Management risk associated with the risk of financial, ethical, reputational or other loss due to the inefficient or ineffective decision made by management, whether willingly or unwillingly. Key person risk and conflict of interest between different stakeholders are also potential source of management risk.

Management Perception-

Strong governance code and stakeholder management policy helps the company to keep the risk of conflict of interest at low level. History of success of directors in different local industries and the excellence of the top



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management in the pharmaceutical indicate efficiency of the management. The company successfully manage this risk by creating a bridge between the interest of top management with other stakeholders.

(h) Operational risks

Operational risk is the uncertainties that can either arise from internal operational issues (i.e., employee unrest, process bottlenecks, IT system breakdown, issues between the stakeholders) or external shocks that are beyond the control of the organization (i.e., weather and natural disasters, vulnerabilities of IT systems, or terrorism, regulatory change)

Management Perception-

Navana Pharmaceuticals always focus on people quality and process development through training and maximum utilization of ICT. The company promote the concept of built-in-quality in every phase of operation. Focus on human resource development, IT innovation, process reengineering, and stakeholder relation management reduces the exposure of the company to operational risk.

(i) Business risks

Business risk are related to the strategic factors, operational factors, compliance factors, and reputation factors that may adversely impact the turnover and profitability or even may cause a company to go bankrupt. Common sources of business risk are changes in the consumer behaviour, overall economic downturn, disruptive innovation, reputational issues, and changes in the regulations.

Management Perception-

The growth story and the evidence of innovation says a lot about the strategic and operational strength of the company. The management is open to innovation and very aware about its reputation and compliance requirements. The investment in R&D, awareness about strategic shift, and maintenance of good relation with the regulators reduces exposure to such risk.

(j) Industry risks

Industry risk is associated the industry specific factors, technological disruption, and regulatory changes that impact the overall industry adversely. This is a form of systematic risk that may impact the company's performance and is relatively difficult to hedge.

Management Perception –

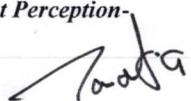
Importance of pharmaceuticals industry to the economy is increasing over time and the govt. of Bangladesh is promoting the industry through different supportive measures. Given the nature of the product offered by industry, the industry wide systematic risk is relatively low. Coping up with industry wide developments and innovations will help in reducing such exposure to such risk.

(k) Market and technology-related risks

Market risk is the risk that arises from movements in prices, interest rates, exchange rates, and commodity prices. In essence, market risk is the risk arising from changes in the markets to which an organization or an instrument has exposure.

Technology risk arises, primarily, from the information security incidents, cyber-attacks, password theft, service outages, and more. Besides, disruptive technological innovation may make existing technology used by the company outdated.

Management Perception-



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The semi-floating nature of coupon and the conversion at discount price reduce the exposure of the investors to the market risk to some extent.

The ability to pass-through increased cost of doing business and efficient financing strategy reduces the exposure of the company to the market risk. Continuous investment in technology and focus on ITC innovation will reduce the risk of cyber threat and being outdated in term of process and technology.

(l) Risk related to potential or existing government regulations;

This is related to risk of a financial loss that is the result of an erroneous application of current laws and regulations or of a change in the current applicable law. The company need to continuously watch and comply with regulatory measures taken by Directorate General of Drug Administration (DGDA) under the Ministry of Health & Family Welfare, Government of the People's Republic of Bangladesh.

Management Perception –

The management maintains goods relation with regulatory bodies and industry stakeholders. The management continuously tracks regulatory and policy development and well aware of making strategic adjustments accordingly.

(m) Risk related to potential changes in global or national policies

The failure of the company to cope up with potential changes in the policy set by Government of the People's Republic of Bangladesh or highly regarded global regulators like UKMHRA, EU, US FDA, TGA Australia, ANVISA, and MOH Turkey may impact it future business prospects.

Management Perception -

The company strictly adheres to the WHO cGMP and the concept of QMS in ensuring the quality of our products. Such effort will help the company in getting approval from highly regarded global regulators like UKMHRA, EU, US FDA, TGA Australia, ANVISA, and MOH Turkey. And thus, this will create opportunity for growing in international market too. The management is aware of the necessity of complying with local and international regulatory and policy developments and is taking actions accordingly.


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Section 3: Detailed Description and Information

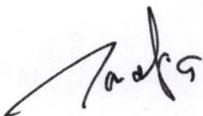
Particulars of issuer	
Name:	Navana Pharmaceuticals PLC
Legal status:	Public Limited Company
Details of contact information:	Joynul Abedin, ACS Company Secretary Tel: +880-2-55033580-3 Fax: +880-2-55033579 Email: cs@navanapharma.com Web: www.navanapharma.com Registered Office: 125/A, Motijheel C/A, Dhaka Corporate Office: Plot 99, Road 04, Block B, Banani, Dhaka 1213
Date of incorporation or registration:	31st March, 1986
Date of commencement of business	N/A
Authorized capital	2,000,000,000 [as on 31 st March, 2023]
Paid-up capital	BDT 1,074,162,170 [as on 30 th June, 2023]
Total equity:	BDT 4,372,445,072 [as on 30 th June, 2023]
Total liabilities:	BDT 5,217,299,353 [as on 30 th June, 2023]
Total financial obligations:	BDT 4,329,084,010 [as on 30 th June, 2023]
Total assets:	BDT 9,589,744,427 [as on 30 th June, 2023]
Total tangible assets:	BDT 9,589,194,427 [as on 30 th June, 2023]
Net worth:	BDT 4,372,445,072 [as on 30 th June, 2023]
Particulars of issue manager	
Not Applicable	
Particulars of the issue	
Name of the issue:	Navana Pharmaceuticals Partial Convertible Bond
Type of instruments to be issued:	Unsecured, Coupon bearing bond with 60% conversion feature
Purpose of the issue	To Refinance the Existing Bank Loans
Total size of the issue	BDT 1,500,000,000
Number of securities to be offered	15,000 Nos
Face value and Issue Price per Bond	BDT 100,000
Coupon rate	Reference Rate+ Margin Reference Rate: Six Months Moving Average Rate of Treasury Bill (SMART) Reference Rate shall be fixed 5 working days prior to the commencement of each Coupon Payment Period. Margin: 2%
Tenor or maturity:	5 years

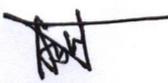

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Details of conversion/exchange option features	<p>60% of total issue size will be converted in 3 different phases starting from the end of 3rd year. In each phase, an amount equivalent to BDT 300,000,000 will be converted.</p> <p>For the purpose of conversion as stated above, the Bond shall be valued at face value.</p> <p>The conversion strike price for each conversion shall be determined at 10% discount from the last 6 (six) months' weighted average market price of Navana Pharmaceuticals PLC at Dhaka Stock Exchange Limited (DSE) prior to conversion date.</p>																																				
Mode of redemption or conversion/exchange:	<table border="1"> <thead> <tr> <th>Period</th> <th>Redemption</th> <th>Conversion</th> </tr> </thead> <tbody> <tr> <td>H-1</td> <td>-</td> <td>-</td> </tr> <tr> <td>H-2</td> <td>8% of Total Issue Size</td> <td>-</td> </tr> <tr> <td>H-3</td> <td>-</td> <td>-</td> </tr> <tr> <td>H-4</td> <td>8% of Total Issue Size</td> <td>-</td> </tr> <tr> <td>H-5</td> <td>-</td> <td>-</td> </tr> <tr> <td>H-6</td> <td>8% of Total Issue Size</td> <td>20% of Total Issue Size</td> </tr> <tr> <td>H-7</td> <td>-</td> <td>-</td> </tr> <tr> <td>H-8</td> <td>8% of Total Issue Size</td> <td>20% of Total Issue Size</td> </tr> <tr> <td>H-9</td> <td>-</td> <td>-</td> </tr> <tr> <td>H-10</td> <td>8% of Total Issue Size</td> <td>20% of Total Issue Size</td> </tr> <tr> <td>Total</td> <td>40% of Total Issue Size</td> <td>60% of Total Issue Size</td> </tr> </tbody> </table>	Period	Redemption	Conversion	H-1	-	-	H-2	8% of Total Issue Size	-	H-3	-	-	H-4	8% of Total Issue Size	-	H-5	-	-	H-6	8% of Total Issue Size	20% of Total Issue Size	H-7	-	-	H-8	8% of Total Issue Size	20% of Total Issue Size	H-9	-	-	H-10	8% of Total Issue Size	20% of Total Issue Size	Total	40% of Total Issue Size	60% of Total Issue Size
Period	Redemption	Conversion																																			
H-1	-	-																																			
H-2	8% of Total Issue Size	-																																			
H-3	-	-																																			
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H-5	-	-																																			
H-6	8% of Total Issue Size	20% of Total Issue Size																																			
H-7	-	-																																			
H-8	8% of Total Issue Size	20% of Total Issue Size																																			
H-9	-	-																																			
H-10	8% of Total Issue Size	20% of Total Issue Size																																			
Total	40% of Total Issue Size	60% of Total Issue Size																																			
Prepayment, Call, Refunding, option	<p>The issuer has the right to redeem (call) the Bond earlier than maturity @ 1% premium. However, there is no put option (sell it back to the issuer) to this issue for investors. The issuer has full discretion as to which bonds to be redeemed early, and the issuer will provide the bond holder a notice period of no less than 30 days before exercising the call option.</p>																																				
Rate of return	<p>Due to floating coupon rate and convertibility feature of the bond, the rate of return cannot calculate with certainty.</p>																																				
Applicable tax rate	<p>According to the laws of Bangladesh</p>																																				
Default protection mechanism	<p>The full redemption of the bond is guaranteed by a Bank Guarantee from Al-Arafah Islami Bank Limited as per the provision mentioned in the Trust Deed.</p> <p>If the issuer fails to repay the principal amount on due date, the Trustee within 3 working days shall notify Al-Arafah Islami Bank PLC. of such default.</p> <p>Al-Arafah Islami Bank PLC. shall pay the Redemption Amount to the respective investors within 3 working days from receiving such notice.</p>																																				
Type of collateral securities being offered, if any	<p>The bond is unsecured in nature and so there is no enforceable charge created over the Securities.</p>																																				
Status of securities holders in case of priority of payment	<p>Subordinated to the Senior Lenders</p>																																				
Period within which securities to be issued:	<p>Within 6 months from the date of consent letter</p>																																				
Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange):	<p>The bond is transferable as per conditions mentioned in Modus Operandi And may be tradable in the Alternative Trading Board if Required by BSEC via Consent Letter.</p>																																				


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.

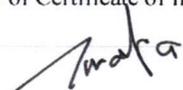

Md. Abu Hurayra FCA
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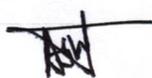

Joydul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Particulars of the trustee											
Name of the trustee:	Prime Bank Investment Limited										
Legal Status	Full Fledged Merchant Bank										
Registered Address and Telephone Number	Tajwar Centre (5 th Floor) House# 34, Road# 19/A, Block# E, Banani, Dhaka-1213										
Paid-up capital of the trustee	BDT 3,000 million (31 st December 2022)										
Net worth of the trustee	BDT 2,942.80 million (31 st December 2022)										
Name of the issue(s) where performing as trustee:	<ol style="list-style-type: none"> 1. North-West Power Generation Company Limited – 10,000 million. 2. Aamra Networks Limited – 1,000 million. 3. Midland Bank Limited – 5,060 million. 4. United Payra Power Limited – 4,000 million. 5. City Auto Rice and Dal Mills Limited-3500 million. 6. UCB Bank Limited-3000 million. 										
Particulars of the credit rating company											
Name of credit rating company	National Credit Ratings Limited (NCRBD)										
Credit rating status of the issuer	Long Term- AA Short Term- ST-2 Status- Stable										
Credit rating status of the bond	Long Term- AA-										
Date and validity of rating along with surveillance rating issuer	Expiry Date: 31.07.2024										
Date and validity of rating along with surveillance rating issue	Declaration Date: 01.08.2023 Validity Date: 31.07.2024										
Latest default rate of the credit rating company:	0.00%										
Average time to default of the rated category	0.0										
Rating trigger, if any:	<p>If the credit rating of the Issue falls below the minimum investment grade i.e., “BBB” in the long term or “ST-3” in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:</p> <table border="1"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.5%</td> </tr> <tr> <td>B</td> <td>1.0%</td> </tr> <tr> <td>C</td> <td>1.50%</td> </tr> <tr> <td>D</td> <td>2.0%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.50%	D	2.0%
Issue Rating	Risk Premium to be Added										
BB	0.5%										
B	1.0%										
C	1.50%										
D	2.0%										

Following documents has been attached with the application:

1. Certified copy of Memorandum and Articles of Association
2. Copy of Certificate of Incorporation


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 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.

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 Navana Pharmaceuticals Ltd.

3. Copy of particulars of directors
4. Copy of return of allotment of shares and annual summary of share capital
5. Latest original Audited Financial Statements for the Quarter 31th March 2023 of Navana Pharmaceuticals PLC
6. Purpose of issuance of securities and plan to use of proceeds thereof
7. Resolution of the board of directors deciding to issue Navana Pharmaceuticals Partial Convertible Bond
8. Resolution of shareholders in the general meeting for issuance of securities with convertible/exchange option features
9. Copy of disclosure of price sensitive information
10. Auditor's Certificate regarding deposit of an amount equivalent to the owners' stake in the issuer
11. Description of business or the issuer
12. Latest Credit rating of the issue
13. Latest Credit rating of the issuer
14. Draft Information Memorandum
15. Draft Trust Deed
16. Declaration relating to covenants for rating trigger
17. Due Diligence Certificate of Trustee as per Schedule D
18. Repayment Schedule of the proposed bond
19. Undertaking of issuer or originator or guarantor(s) and its directors for obtaining CIB report from Bangladesh Bank along with respective NID, TIN and Enquiry Form

Additional Documents:

20. Previous 5 years Audited Financials
21. Credit rating agreement between Navana Pharmaceuticals PLC and National Credit Ratings Limited
22. Deferral letter for submitting Trustee Registration Certificate
23. Appointment Letter of Trustee
24. Appointment letter of Arranger
25. Forecasted Financial Statements for the Tenure of the Bond


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Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
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Section 4: Details Plan of the Utilization of Proceeds

The Company is planning to refinance part of the existing bank loan from the bond proceeds to realign its existing balance sheet. Moreover, as there is a ceiling of the Coupon Rate at 10% p.a., the company is safeguarded in the raising interest rate scenario.

The detailed utilization plan of BDT 1,500,000,000 is as follows:

Table 2: Details Plan of the Utilization of Proceeds

Name of the Bank	Amount to be Refinanced
Al Arafah Islami Bank Ltd: (A)	432,852,964
Dhaka Bank Ltd: (B)	354,070,153
Bengal Com. Bank Ltd (C)	200,000,000
Community Bank Ltd (D)	200,000,000
Shimanto Bank Ltd (E)	250,000,000
Lease Finance: (F)	72,076,883
IPDC	45,291,028
IDLC	26,785,855
Total G =(A+B+C+D+E+F)	1,500,000,000


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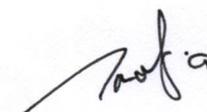

Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Section 5: Detailed features of Navana Pharmaceuticals Partial Convertible Bond

The details feature of the bond is as stated below:

Table 3: Detailed features of Navana Pharmaceuticals Partial Convertible Bond

Issuer:	Navana Pharmaceuticals PLC (NAVANAPHAR)
Name of the Issue:	Navana Pharmaceuticals Partial Convertible Bond
Issue Type:	Unsecured, Coupon bearing bond with 60% conversion
Trustee:	Prime Bank Investment Limited
Fund Arranger:	City Bank Capital Resources Limited
Bank Guarantee	Al-Arafah Islami Bank PLC.
Arrangement Basis:	Best Efforts
Purpose:	Balance sheet realignment through Refinance the Existing Bank Loans
Investors:	Banks, Corporate, Financial Institutions, Mutual Funds, Insurance Companies, and High net worth individuals (HNWI) and any other eligible investors.
Currency:	Bangladeshi Taka (BDT).
Issue Amount:	BDT 1,500,000,000 (One hundred and Fifty crore) only.
Face value per unit:	BDT 1,00,000 (One Lac) only.
Minimum Investment (Subscription):	BDT 1,000,000 or its multiple (10 bonds or their multiple)
Mode of Placement:	Private Placement [Subjected to BSEC Approval]
Tenure:	5 years, i.e., 60 months from issue date
Security:	Unsecured
Coupon Rate:	Reference Rate+ Margin Reference Rate: Six Months Moving Average Rate of Treasury Bill (SMART) Margin: 2.0%
Coupon Ceiling:	10.0% p.a. (Semi-annual Ceiling: 5.0%)
Coupon Floor:	8.0% p.a. (Semi-annual Floor: 4.0%)
Coupon Fixing Day	Coupon Fixing Day refers to the day on which the Coupon Rate for the Period will be fixed. This shall be five (05) working days prior to the commencement of each Coupon Payment Period.
Payment Frequency:	Coupon will be paid semi-annually, i.e., twice a year
Coupon payment	Coupon Payment shall be payable on half yearly basis from the Date of Issuance of Bond. Coupon Payment Date shall be the last day of every six (06) month from the Date of Issuance of Bond. Coupon Calculation: (Number of Bonds held by a Bondholder on the respective date (x) Face Value of the Bond, i.e., BDT 1,00,000 each.) (x) Coupon Rate X 6/12 If any Coupon Payment Date falls on a holiday including a weekend or on a day that is not a Business Day or a day during continuation of a Force Majeure Event, then the subsequent trading day at the Dhaka Stock Exchange shall be the Coupon Payment Date.
Rate of Return Type	Floating between floor and ceiling



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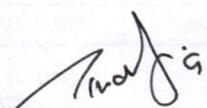
Redemption:	Total 40% of the face value of the issue will be redeemed in 5 equal annual installments. An amount of BDT 120,000,000 will be redeemed at the end of each year starting from the end of first year.
Conversion Option:	60% of total issue size will be converted in 3 different phases starting from the end of 3rd year. In each phase, an amount equivalent to BDT 300,000,000 will be converted. For the purpose of conversion as stated above, the Bond shall be valued at face value.
Conversion Price	The conversion strike price for each conversion shall be determined at 10% discount from the last 6 (six) months' weighted average market price of Navana Pharmaceuticals PLC at Dhaka Stock Exchange Limited (DSE) prior to conversion date. Conversion Strike Price = Weighted Average of Last 6 months' market Price of Navana Pharmaceuticals PLC at Dhaka Stock Exchange on Conversion Price Determination Day * (1-10%) Any fractional converted share shall be considered to the nearest integer at the time of calculating the total converted shares.
Conversion Notice	Issuer shall serve a notice to the bondholders at least thirty (30) working days prior to the Conversion date informing the conversion date through Two (2) widely circulated national daily newspapers one in Bengali and another in English and in the trading platform of the stock exchanges. After receiving of the notice from the Issuer, the bondholders shall intimate their option to the Issuer regarding exercise of the Conversion Option at least ten (10) days prior to the Conversion Date.
Conversion Date	Conversion Date shall be the last day of 36 th month from the issuance date and thereafter, last day of every 12 months' period on the said date until Maturity. If any Conversion Date falls on a holiday including a weekend or on a day that is not a Business Day or a day during continuation of a Force Majeure Event, then the subsequent trading day at the Dhaka Stock Exchange shall be the Conversion Date.
Converted Share Allocation Period	The bondholders shall receive proportionate quantity of ordinary shares of Navana Pharmaceuticals PLC based on their investment within five working days of Conversion Date. However, the calculation for the next period shall start from the conversion date.
Prepayment, Call, Refunding, option	The issuer has the right to redeem (call) the Bond earlier than maturity @ 1% premium. However, there is no put option (sell it back to the issuer) to this issue for investors. The issuer has full discretion as to which bonds to be redeemed early, and the issuer will provide the bond holder a notice period of no less than 30 days before exercising the call option
Governing Law:	The laws of The People's Republic of Bangladesh


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Navana Pharmaceuticals Ltd.

Documentation	<ul style="list-style-type: none"> • Bond Subscription Agreement • Trust Deed • Any other instruments(s) relating to such transaction 										
Transferability / Liquidity	The bond is transferable as per conditions mentioned in Modus Operandi.										
Tradability	Non-Tradable However, the bond maybe tradable in the Alternative Trading Board (ATB) if required by BSEC by Consent Letter										
Late Redemption	The Issuer shall pay a late payment penalty of 2% percent higher than the declared coupon rate which will be payable on the amount not paid on the due date till the date of actual payment.										
Rating Trigger	<p>If the credit rating of the Issue falls below the minimum investment grade i.e., “BBB” in the long term or “ST-3” in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:</p> <table border="1"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.5%</td> </tr> <tr> <td>B</td> <td>1.0%</td> </tr> <tr> <td>C</td> <td>1.50%</td> </tr> <tr> <td>D</td> <td>2.0%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.50%	D	2.0%
Issue Rating	Risk Premium to be Added										
BB	0.5%										
B	1.0%										
C	1.50%										
D	2.0%										
Tax Features	<p>As per the applicable law</p> <p>As applicable by the Govt. All payments made by the Issuer or under or in respect of or the Bonds will be subject to any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld, or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be obligated to pay any additional amounts in respect of such taxes, duties, assessments, or governmental charges that may from time to time be deducted or withheld from such payments but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.</p>										
Enforcement of charge over securities	The bond is unsecured in nature and so there is no enforceable charge created over the Securities. However, as 60% of the Issue Size will be Converted into Ordinary Shares of Navana Pharmaceuticals PLC, the Repayment of 60% of the Issue is Ensured.										
Force Majeure	The Issuer shall not be liable for any failure or delay in the performance of their respective obligations under the Trust Deed or any other Documentation because of circumstances beyond their control, including, without limitation, Act(s) of God; flood; war (whether declared or undeclared); terrorism; fire; riot; embargo; labour disputes; pandemic or epidemic leading to lockdown or declaration of public holidays or similar measure by the government or local authorities; any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Documentation, and other causes beyond the Issuer’s control whether or not of the same class or kind as specifically named above (each a “Force										


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 Navana Pharmaceuticals Ltd.


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	Majeure Event"). However, the Issuer as the case may be, shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances
Event of Default	<p>The full redemption of the bond is guaranteed by a Bank Guarantee from Al-Arafah Islami Bank Limited as per the provision mentioned in the Trust Deed.</p> <p>If the issuer fails to repay the principal amount on due date, the Trustee within 3 working days shall notify Al-Arafah Islami Bank PLC. of such default.</p> <p>Al-Arafah Islami Bank PLC. shall pay the Redemption Amount to the respective investors within 3 working days from receiving such notice.</p>
Regulatory Approval:	Upon approval from the Bangladesh Securities and Exchange Commission (BSEC), the Company will issue the bonds as per the information memorandum. In no way, the Company shall issue any such bonds without taking approval days from the BSEC.

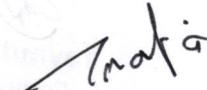
Repayment Schedule

Table 4: Assumptions

Assumptions for Bond		
Issue Size		1,500,000,000
Redeemable	40%	600,000,000
Converted to Ordinary Shares	60%	900,000,000
Total Tenor (Year)		5.00
Coupon Rate p.a at Ceiling		10.0%
Conversion Strike Price (10% Dis. From 6-month Average Price)		80

Table 5: Draft Repayment Considering Coupon Payment at Ceiling

Pay ment No.	Beginning Balance	Principal Redemption	Bond Converted to Ordinary Shares	Coupon Rate Semi-annual	Installment Amount	Ending Principal Balance
				5.0%		
1 st	1,500,000,000		-	75,000,000	75,000,000	1,500,000,000
2 nd	1,500,000,000	120,000,000	-	75,000,000	195,000,000	1,380,000,000
3 rd	1,380,000,000		-	69,000,000	69,000,000	1,380,000,000
4 th	1,380,000,000	120,000,000	-	69,000,000	189,000,000	1,260,000,000
5 th	1,260,000,000		-	63,000,000	63,000,000	1,260,000,000
6 th	1,260,000,000	120,000,000	300,000,000	63,000,000	183,000,000	840,000,000
7 th	840,000,000			42,000,000	42,000,000	840,000,000
8 th	840,000,000	120,000,000	300,000,000	42,000,000	162,000,000	420,000,000


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 Navana Pharmaceuticals Ltd.

9 th	420,000,000			21,000,000	21,000,000	420,000,000
10 th	420,000,000	120,000,000	300,000,000	21,000,000	141,000,000	-
Total		600,000,000	900,000,000	540,000,000	1,140,000,000	

Section 6: Description of Collateral Security and Type of Charges to be Created Against the Issue

The bond is unsecured in nature and so there will be no enforceable charge created over the Securities. However, the full repayment of the Bond is wrapped by a bank guarantee issued by a duly authorized Schedule Bank of Bangladesh, namely, Al-Arafah Islami Bank PLC. in the amount of BDT 1,500,000,000.00 (Fifteen Hundred Million Bangladeshi Taka), payable to the Trustee for the exclusive benefit of the Bondholders. The Trustee shall enforce its rights over the Securities when it is necessary to do so in accordance with Condition X (Enforcement) of the Trust Deed.

Section 7: Rights and Obligations of the Issuer

7.1. Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or Converted or any principal on the Bonds or any of them becomes due to be repaid or converted, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

- 7.1.1. every payment of Redemption Amount in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
- 7.1.2. if any payment of Redemption Amount in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- 7.1.3. in any case where payment of the whole or any part of the Redemption Amount due in respect of any Bond is improperly withheld or refused, incremental charge shall accrue for the Bond on the whole or such part of such Redemption Amount from the date of such withholding or refusal until the date either on which such Redemption Amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders that the full amount payable in respect of the said Redemption Amount is available for collection by the relevant Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 12.3 (*Other Covenants by the Issuer*) on trust for the Bondholders.


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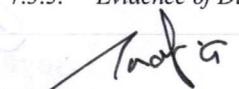
7.2. Following an Event of Default

- 7.2.1. At any time after any Default or Event of Default has occurred, the Trustee may by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.
- 7.2.2. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions (including, without limitation, Clause 12.3 (*Other Covenants by the Issuer*), and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed and the Conditions, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.
- 7.2.3. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

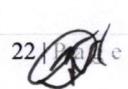
7.3. Other Covenants by the Issuer

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remain outstanding, it will:

- 7.3.1. *Comply with Bond Documents*
Comply with, perform and observe all those provisions of the Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.
- 7.3.2. *Comply with Applicable Laws*
Comply with, perform and observe all those provisions of the applicable laws including, but not limited to, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, terms of consent of Bangladesh Securities and Exchange Commission (BSEC). The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable laws and will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them.
- 7.3.3. *Execution of further documents:*
So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of the Trust Deed;
- 7.3.4. *Notices to the Bondholders:*
Send or procure to be sent to the Trustee not less than three (3) days prior to the date of publication one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice.
- 7.3.5. *Evidence of Due Approval by the Board of Directors and Authorized Signatories:*


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Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

22/11/2022

Ioynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Settlor authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same.

7.3.6. *Payments:*

Moneys payable by it to the Trustee under Clause 7.1 (*Expenses*) of the Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law, and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

7.3.7. *Payment of Risk Premium*

Pay any Risk Premium payable by it to the Trustee in case of a downgrade of credit rating (i.e., below the rating trigger) of the issue under surveillance rating as per Clause 10.3.11 and in accordance with the Trust Deed.

7.3.8. It is hereby covenanted by the Issuer that the Bonds will be issued in registered and dematerialized form and the Issuer shall apply to the Alternative Trading Board for listing only if required by BSEC via Consent Letter preferably from the date of availing the facilities under respective regulations in this regard.

Section 8: Rights and obligations of the trustee

8.1. Trustee's Right

8.1.1. *Rights under Applicable Law*

Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable law including, but is not limited to, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.

8.1.2. *Advice*

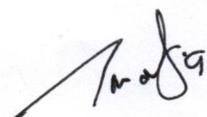
The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

8.1.3. *Certificate of directors or Authorized Signatories*

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories or other person duly authorized on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do.

8.1.4. *Resolution or direction of Bondholders*

The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a written resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a written resolution or to have been passed at any meeting or the making of the directions was not valid or binding upon the Bondholders.


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- 8.1.5. **No obligation to monitor**
The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.
- 8.1.6. **Bonds held by the Issuer**
In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates.
- 8.1.7. **Events of Default**
In case of any Event of Default, the Trustee shall serve a notice within seven (07) Business Days of occurring such event to the Bondholders, the exchanges upon which the securities will be traded and the Commission. If the trustee fails to negotiate within fifteen (15) Business Days of the occurrence of Event of Default, the Trustee shall get the right to take legal action against the Issuer for recovery of the outstanding amount of the Bond as per existing laws.
- 8.1.8. **Right to deduct or withhold for taxes**
Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of Liability of whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any Liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other Liability of the Trustee (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of the Trust Deed.
- 8.1.9. **No responsibility to investigate**
The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:
- the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents;
 - any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents;
 - its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
 - the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

8.1.10. **Error of judgment**

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters.

8.1.11. **No responsibility for loss**

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, willful default or fraud.

8.1.12. **Enforcement of Obligations of the Issuer**

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

8.1.13. **Force Majeure**

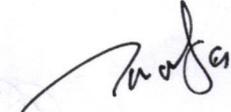
The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same strip or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

8.1.14. **Immunities**

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under the Trust Deed shall except in case of their own fault, extend to the Trustee's officers, directors, employees and consultants. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds, but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed.

8.1.15. **Professional Charges**

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him on matters arising in connection with the Trust of the Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with the Trust Deed.


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8.1.16. **Expenditure by the Trustee**

Nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or Liability is not reasonably assured to it.

8.1.17. **Trustee may enter into financial transaction with the Issuer**

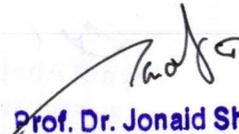
No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transaction in the ordinary course of business with the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, or from accepting the trusteeship of any other debenture stock, debenture or securities of the Issuer or any subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty retain the same for its or his own benefit.

8.2. Trustee's requirements regarding Paying Agents etc.

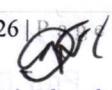
8.2.1. At any time after an Event of Default have occurred and for so long as Event of Default is continuing and has not been waived or, in the opinion of the Trustee, has not been remedied or the Bonds shall otherwise have become due and repayable or the Trustee shall have received any money which it proposes to pay under Condition XIII-B (*Application of Moneys*) to the relevant Bondholders, the Trustee may:

8.2.1.1. By notice in writing to the Issuer, the Agents and the Registrar, require the Paying Agent and the other Agents or any of them:

- a) to act thereafter as Agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of the Trust Deed *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's Liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed relating to the Bonds and available for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; or
- b) to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
- c) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Paying Agent and with effect from the issue of any such notice and until such notice is withdrawn shall cease to have effect.

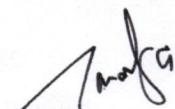

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8.3. Trustee's Duty and Obligation

- 8.3.1. ***Duties and Obligation under Applicable Law***
Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.
- 8.3.2. ***Administration of Trust***
The Trustee shall issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof.
- 8.3.3. ***Act for the Bondholders***
Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them.
- 8.3.4. ***Monitoring***
The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same.
- 8.3.5. ***Maintaining Account***
The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of the Trust Deed, the Conditions, the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.
- 8.3.6. ***Holding Trust Property***
The Trustee shall hold and keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time.
- 8.3.7. ***Grievances of the Bondholders***
Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;
- 8.3.8. ***Call for Meeting of the Bondholders***
On the recommendation of the Bondholders in accordance with the provision of the Trust Deed and Conditions, the Trustee shall call any meetings of the Bondholders and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- 8.3.9. ***Compliance with the Instruction of the Bondholders***


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Upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit;

8.3.10. ***Duty to Inspect***

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust property, if required, to the extent necessary for discharging its obligation.

8.3.11. ***Collection of Risk Premium***

The Trustee may, in case a downgrade of credit rating (i.e. below the rating trigger) of the issue under surveillance rating, ensure the collection of risk premium from the Issuer, if required and to the extent necessary for discharging its obligation, to secure the claims of the Bondholders from the higher risk level of the Issuer in accordance with the Trust Deed.

8.3.12. ***Trustee's determination***

The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.

8.3.13. ***Determination of questions***

The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.

8.3.14. ***Trustee's discretion***

The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

8.3.15. ***Trustee's consent***

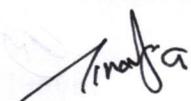
Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

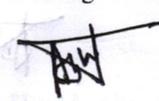
8.3.16. ***Application of proceeds***

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.

8.3.17. ***Agents***

The Trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in


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doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

8.3.18. Delegation

The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate.

8.3.19. Custodians and nominees

The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

8.3.20. Confidential information

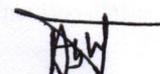
The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with the Trust Deed.

8.3.21. General Duty

8.3.21.1. If delay in payment of any dues by the Issuer, which is not approved by the trustee shall be treated as final default, in such a case the Trustee shall enforce its rights over the credit enhancement or collateral securities and other securities or guarantees of the Issuer observing due legal process and thereafter the trustee shall dispose-off the same to pay the proceeds proportionately to the investors after deduction of costs related thereto;

8.3.21.2. In case the delay is approved by the Trustee for a certain period upon any reasonable ground, the Trustee shall ensure repayment of the dues within the approved delay period along with interest for the delay period at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument;


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- 8.3.21.3. The trustee shall submit an annual compliance report to the Commission regarding the activities of the issuer including repayment of dues to the investors;
- 8.3.21.4. The trustee shall take adequate steps for redress of grievances of the investors within one month of the date of receipt of the complaints and shall keep the Commission informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

Section 9: Rights and obligations of the issue manager, underwriter, or any other contractual parties

As the Navana applied to issue the bond under private placement, no Issue manager or Underwriter is required.

Section 10: Rights and Obligations of the Investors

- 10.1. Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be an integral part of the Trust Deed.
- 10.2. The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently. It shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
- 10.3. Each Bondholder has the right to demand information from the Issuer as set out in the Trust Deed.
- 10.4. Each Bondholder has the right to receive ordinary shares of Navana Pharmaceuticals PLC as set forth in the conditions of conversion, at the end of due tenure.
- 10.5. Each Bondholder has the right to receive interest and principal as set forth in the terms and conditions
- 10.6. Each Bondholder has the right to attend meeting of the Bondholders and vote.
- 10.7. The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of the Trust Deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

Section 11: Description of the Issuer

Navana Pharmaceuticals PLC was incorporated in Bangladesh on 31 March 1986 vide registration No. C-15428/994 under the Companies Act - 1913 as a Private Company Limited by shares and it was converted into a public limited company on 30 December 2020. As a continuation of its transformation journey, the Company has listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on October 11, 2022 and October 12, 2022 respectively. In the way of its three decades journey, it has transformed itself from good to better and it has been moving towards the great from better through an integrated brand and sales management to widen the reach of the product.

The Company is engaged in the manufacturing, marketing and distribution of generic pharmaceuticals finished products which include human drugs dosages form like a tablet, capsule, powder for suspension, cream, ointment, powder, injection, eye and nasal drop, liquid, sachet products, oral solution; veterinary drugs dosages form like bolus, liquid, injection, water-soluble powder.

In 1988, the company launched its General Production Unit. In the year 1990, the company was awarded GMP certification. In the year 2001, the company started its 'International Sales'. In 2003, started 'Veterinary Sales & Marketing Division. In 2012, started "Institutional Sales. In the year 2017, the company amalgamated with Navana Healthcare Limited. In 2020, ownership of the company changed to the current shareholders simultaneously the Board has reformed. After the takeover by the new management the Company it has obtained 26th position in Q2 2022 in the IMS MAT ranking from the 36th position held initially.


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(A) Capital structure

Capital structure (as of 31st March 2023) of the company comprises as follows:

Table 6: Capital structure

Particulars	30 June 2024	
	BDT Amount	% of Total Capital
Paid-up Share Capital	1,074,162,170	12.4%
Share Premium	448,170,069	5.2%
Capital Reserve on Amalgamation	605,590,148	7.0%
Revaluation Reserve	1,848,295,335	21.3%
Unrealized Gain or Loss Reserve	(46,800,998)	-0.5%
Retained Earnings	443,028,348	5.1%
Shareholder's Equity	4,372,445,072	50.4%
Lease Liabilities	89,596,112	1.0%
Long Term Loan	90,627,308	1.0%
Short Term Loan	4,066,050,635	46.9%
Lease Liabilities (Current Maturity)	34,719,611	0.4%
Long Term Loan (Current Maturity)	18,090,344	0.2%
Total Debt	4,299,084,010	49.6%
Total Capital	8,671,529,082	100.0%

(B) Business

Product Portfolio of Navana Pharmaceuticals PLC

The Company is engaged in manufacturing, marketing and distribution of generic pharmaceuticals finished products which includes human drugs dosages form like tablet, capsule, powder for suspension, cream, ointment, powder, injection, eye and nasal drop, liquid, sachet products, oral solution; veterinary drugs dosages form like vaccine, bolus, liquid, injection, water soluble powder, premix. The products of the company are sold in domestic and international markets.

The products of the company is broadly divided into two segments:

Human Health: Medicine like tablet, capsule, powder for suspension, cream, ointment, powder, injection, eye and nasal drop, liquid, sachet products, oral solution etc.

Animal Health: Medicine like bolus, liquid, injection, water soluble powder etc.

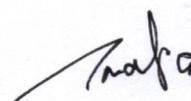
Factory Location

The location of the plant is Rupshi, Rupganj, District: Narayanganj, Division: Dhaka, Bangladesh.

The list of depots

Table 7: List of depots

Sales Depots	Addresses
Dhaka	3/C Purana Palton, Dhaka-1000.
Gazipur	House/Plot # 7, ROAD # 5/KA, Cadet Collage Residential Area Beside Police Line, Chandona, Gazipur
Cumilla	BSCIC Shilpo Nogari Cate, Holding No - 845, Cumilla
Chittagong	Road#1, House#15, O.R. Nizam Road (Beside Hotel Well Park), Chattogram.


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Cox's Bazar	Dill Mansion, Brick Field Road, 446, North Rumaliar Chara, Cox's Bazar
Noakhali	Aysa Monjil, Holding#, 1227, Road No_1, Ward No_2, (South of shahid bulu stadium, Maijdee, Noakhali)
Barisal	Mohana', Holding #1160, Ward # 15, Major M A Jalil Sarak, Karim Kutir Lake View, Barisal
Sylhet	51, Udayan Khasdorber, Airport Road, Amberkhana, Sylhet
Bhairab	Komol Pur, New Town, Bhairab
Faridpur	42/A, Ferozar Rahman Sarak, Jhiltuli, Faridpur
Rangpur	House No 201, Road No- 02, Thana Road (Near Kotoali Thana), Mulatol, Rangpur
Bogra	Holding No- 2545/559, Noor Masjid Lane (North Side of Mosque) Jaieshwaritota, Bogra
Jashore	42, Ambika Basu Lane, Barandipara, Kodomtola, Jashore
Rajshahi	House No-140, Sector No- 03, Housing Estate, Upashahor, Rajshahi
Mymensingh	306/67, Amirabad Housing, Maskanda, Mymensingh
Dinajpur	Holding No-804/1155, North Balu Bari, Kumar Para, Dinajpur
Khulna	Holding No-202, Road No-08, Phase-1 Sondanga Ria, Khulna
Narayanganj	231, Abid Poribar, Opposite Police Lines, Narayanganj – 1400
Tangail	C/O Md. Jahirul Alam Khan, Holding No/ 684, Biswas Betka, Dhaka Road.
Pabna	Holding No: 1938, Pabna Isswardi Road, Radanagar, Ward No-10

(C) Management

Table 8: Management Team

SL	Name	Position
1	Professor. Dr. Md. Jonaid Shafiq	Managing Director
2	Dr. Sayeed Ahmed	Director Sales and Marketing
3	Mr. Javed Kaiser Ally	Director Finance
4	Mr. Shamim Rabbani	Director Operations
5	Mr. Mustafa Khalid Shams	Sr. General Manager, Plant head
6	Mr. Md. Abu Hurayra FCA	Chief Financial Officer
7	Mr. Joynul Abedin ACS	Company Secretary

(D) Description of encumbered and unencumbered assets with value Thereof

As at March 31, 2023 Land & Land Development (With Revalued) of BDT 2,483 million, Factory Building of BDT 814 million, Inventories of BDT 1,068 million and Trade Receivable of BDT 764 million of Navana Pharmaceuticals PLC are Encumbered Assets. So, the total encumbered assets stood at BDT 5,129 million.

(E) Brief profile of directors/owners of the Issuer

Mr. Anisuzzaman Chowdhury, Chairman

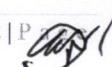
Mr. Anisuzzaman Chowdhury, a young and dynamic Industrialist of the Country, is the Chairman of Navana Pharmaceuticals PLC (NPL). He is a 'Director and the Chairman' of the Executive Committee of United Commercial Bank PLC (UCB). Mr. Chowdhury is the Elected Vice-Chairman of Bangladesh Association of Banks (BAB).

He holds his graduation in Business Administration from Palm Beach Atlantic College of USA.

He was born in a glorious and highly respectable Muslim family in Chittagong district of the country. With his brilliance and prudence, he is aiming to establish Navana as a leading and trusted pharmaceutical manufacturer in the country.


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.

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Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Professor Dr. Md. Jonaid Shafiq, Managing Director

Professor Dr. Md. Jonaid Shafiq is a renowned pain medicine specialist both at home and abroad. He is the Managing Director of Navana Pharmaceuticals PLC (NPL) and also holds the position of Vice-Chairman at Delta Life Insurance Company Limited. As the founder of the pain medicine unit at Bangabandhu Sheikh Mujib Medical University, he has been leading the department since 2009. Professor Shafiq is a founding member of the Bangladesh Society for Study of Pain (BSSP).

Apart from his medical accomplishments, Professor Shafiq is associated with various organizations. He serves as the Co-Chairman of the Japan Bangladesh Friendship Foundation, overseeing several educational institutes. Additionally, he holds the position of Secretary General at AMDA Bangladesh, a local chapter of a Japan-based NGO.

With an impressive academic background, Professor Shafiq completed his MBBS from Dhaka Medical College (DMC) in 1985 and obtained his Ph.D. in Anesthesiology from Kyushu University, Japan, in 1993. He has published over 40 scientific papers related to pain management and has performed more than 50,000 intervention procedures.

In addition to his professional engagements, Professor Shafiq actively participates in philanthropic and cultural activities with various socio-cultural organizations.

At Navana Pharmaceuticals PLC (NPL), Professor Shafiq plays a key role in formulating business policies and strategies in line with the company's vision and mission. His exceptional expertise continues to make a significant impact in the field of medicine and business.

Mrs. Imrana Zaman Chowdhury, Director

Mrs. Imrana Zaman Chowdhury, a dynamic businessperson and professional, is the Director and immediate past Chairman of Navana Pharmaceuticals PLC. She is also a director of Manticore Technology Limited, an international trading company based in Bangladesh. In the last 11 years, she has gained valuable experience by being involved in the management of the diversified business operations. She is the Chairperson of Lighthouse Navigation Limited & Vice-Chairperson of Meghna Bank Limited. She is actively involved in social activities and travelled many countries across the world.

Dr. Zahara Rasul MD, CCFP, Director

Dr. Zahara Rasul MD, CCFP, FCFP, is a Director of Navana Pharmaceuticals PLC. Dr. Rasul is a Family Physician with over 15 years' experience in Family and Community Medicine and is currently a practising doctor at the Stouffville Medical Centre in Toronto, Canada which is a Teaching Clinic for the University of Toronto.

In 2000, Dr Rasul successfully completed her Bachelor of Medicine, Bachelor of Surgery (MBBS) from the Faculty of Medicine, Chittagong University, Bangladesh. She was also selected for the Ontario International Medical Graduates Program (OIMGP) in 2003-2004 and went on to complete her postgraduate training in Family and Community Medicine at Sunnybrook Health Sciences Centre, University of Toronto, Canada in 2006. During her training she received the J. Hilditch Resident Research Project Award from the University of Toronto.

Dr. Rasul holds qualifications of CCFP (Certification of the College of Family Physicians) and FCFP (Fellow of the College of Family Physicians), in Canada. She is also a Lecturer (Adjunct) Department of Family and Community Medicine, University of Toronto, Canada.

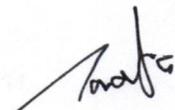
Dr. Rasul has been involved in many volunteer activities, charitable organizations and fundraisers both in Canada and Bangladesh including free medical clinics in Bangladesh.

Mr. Javed Kaiser Ally, Director

Mr. Javed Kaiser Ally, a successful entrepreneur in the country, is involved with numerous businesses where he is playing an instrumental role. He holds his Bachelor of Business Administration in Finance.

This distinguished businessman is the Managing Director of Aquamarine Limited and Lighthouse Navigation Ltd. Besides, he is also the Finance Director of Navana Pharmaceuticals PLC and Agro acres Ltd and Director of Meghna Bank Limited.

Mr. Ally was born in a respectable Muslim family who are pioneers in shipping business of the Country. With innovative ideas, this young entrepreneur is contributing to the nation


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Mrs. Tarana Ahmed, Director

Mrs. Tarana Ahmed, is the Director of Navana Pharmaceuticals PLC and an industrialist, businessperson in the country who engages in different business organization. Mrs. Ahmed is the Chairman of Airmate Goodie Electrical Industries Limited and its sister concern Goodie Accessories (Pvt) Limited. She is also the Proprietor of Arwa Electrical and partner of B&B Food & Beverage, B&B Electrical & Electronics, Dhaka Electrical & Electronics, Bard International, Mettle Emporium and Petal Enterprise etc. Mr. Ahmed is also the Managing Director of Airmate Lighting and Electrical Solutions (PVT.) Limited; manufacturer of the world-famous lighting brand "Megaman".

Mrs. Tarana holds her graduation in Bachelor of Arts from a reputed University of Bangladesh.

Dr. Sayeed Ahmed, Director

Dr. Sayeed Ahmed is the Director of Navana Pharmaceuticals PLC. He is a successful professional in marketing with 20 years of experience in 'Marketing & Sales in the pharmaceuticals industry. He launched a huge number of products in Bangladesh for the First time. He is an Innovative, Creative and Strategic marketing professional who has the most extensive pipeline of new product ideas.

Dr. Sayeed has a glorious career and worked with leading pharmaceutical companies in Bangladesh, Head of Marketing at ACME Laboratories Limited from 2019 to 2020, Head of Marketing & Sales & Distribution at Ziska Pharmaceuticals Limited from 2010 to 2019, Asst. Manager, Marketing Strategy Department at Incepta Pharmaceuticals Limited from 2003 to 2010. He has completed (MBBS) from Mymensingh Medical College.

Mrs. Masuma Parvin, Director

Mrs. Masuma Parvin, a businessperson is the Director of Navana Pharmaceuticals PLC. He is also the Director of Dhaka Evergreen Retirement Homes Limited. She has 13 years of experience and gained valuable knowledge by being involved in the management of the diversified business operations.

She has completed his post-graduation from university of Dhaka on Public Administration.

She is also involved with different Socio-Economic organizations and philanthropic activities.

Khondaker Sabbir Mohammad Kabir, Independent Director

Mr. Khondaker Sabbir Mohammad Kabir is an Independent Director of Navana Pharmaceuticals PLC as well as Chairman of the Audit Committee of the Board. He has more than 30 years of experience in the Finance, Accounts and Audit sector. He has experience in all aspects of business formation, operation, finance and management.

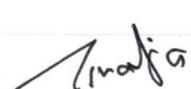
He began his career as a Manager, Audit at Rahman Anis & Co., Chartered Accountants, in 1994. Since 2008, he has been the Director, Finance of American International University, Bangladesh (AIUB). He has been working as a professional in the Finance, Accounts and Audit Department of AIUB since 1996. He has an MBA from Royal University of Dhaka.

Apart from this Mr. Kabir is a widely traveled man. He has traveled around 30 countries in the world. Mr. Kabir also engaged himself with various social, cultural & philanthropy activities.

Mohammad Bul Hassan FCS, Independent Director

Mohammad Bul Hassan FCS is a seasoned accounting, finance, and company affairs professional in Bangladesh, boasting an impressive 26-year career in key roles within multinational companies. He currently serves as the Finance Director & Company Secretary of Siemens Energy Bangladesh Limited and holds the position of Independent Director and Chairman of the Nomination & Remunerations Committee at Navana Pharmaceuticals PLC.

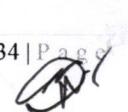
Mr. Hassan began his career as a Trainee Executive with Siemens Bangladesh Limited in 1996 after completing his post-graduation in Accounting & Information Systems from the University of Dhaka. Over the years, he has garnered extensive experience in various areas, including Financial Management, General Management, Business Administration, International Trade, Business Development, Compliance, Corporate Governance, and more.



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During his time at Siemens, he served as CFO for Siemens Healthcare Bangladesh and Siemens Power Generation and Energy Management, gaining valuable insights into different portfolios such as Power Generation, Healthcare, Telecommunication, and more.

Apart from his professional achievements, Mr. Hassan is an active member of the Institute of Chartered Secretaries of Bangladesh (ICSB), where he has served as a Council Member and held several leadership positions.

With a passion for continuous learning, he has participated in various management programs and workshops, both locally and internationally. His diverse experiences and expertise make him a respected professional in his field.

Mohammad Arife Billah (Bar-at – law), Independent Director

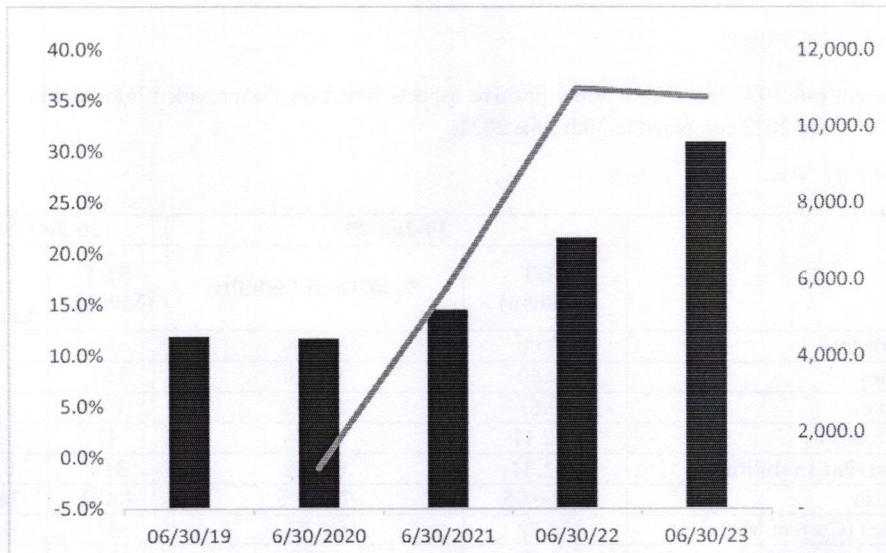
Barrister Mohammad Arife Billah is a dynamic lawyer and visionary educator, renowned for his extensive legal expertise. Currently serving as an Independent Director and a member of the Audit Committee at Navana Pharmaceuticals PLC, he is also the head of chambers at The Lawyers Alliance, a leading law firm in Dhaka.

Apart from his legal practice, Mr. Billah shares his knowledge and passion for the field by lecturing Corporate and Business Law at North South University, Bangladesh. His legal experience encompasses both contentious and non-contentious matters, with a focus on dispute settlement, documentation, banking, taxation, intellectual property law, and company affairs. Notably, Mr. Billah possesses niche expertise in corporate structuring, regulatory compliance, foreign direct investments, mergers & acquisitions, and is an avid researcher in Corporate Governance.

(F) Brief description of assets and liabilities

Navana Pharmaceuticals PLC has demonstrated remarkable growth in its Total Assets over the past few years. From FY2019 to 30th June 2023, the company's Total Assets have shown consistent expansion, with a CAGR (Compound Annual Growth Rate) of an impressive 18.6%. This upward trajectory reflects the company's commitment to strategic planning and effective management, resulting in a substantial increase in Total Assets, which reached a substantial value of 9,589.7 million (MN) in FY2023. Such robust growth showcases Navana Pharmaceuticals PLC's strong performance and financial stability, positioning the company as a key player in the pharmaceutical industry.

Table 9: Total Asset Size (BDT mn)



Growth of Current Assets:

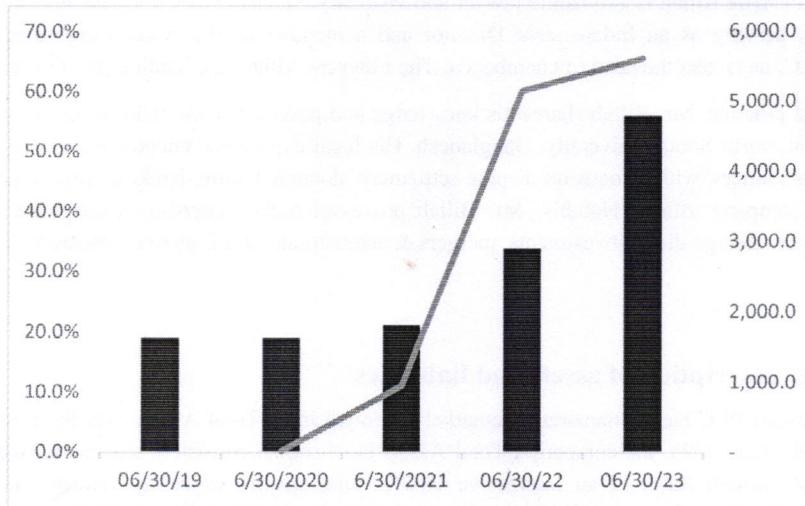
[Signature]
Prof. Dr. Jonaid Shafiq
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Mr. Abu Hurayra FCA
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[Signature]
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The significant growth in Total Current Assets for Navana Pharmaceuticals PLC over the specified period reflects the company's strong financial performance and effective management of its short-term resources. From FY2019 to 30th June 2023, the company's Total Current Assets have shown a consistent upward trend, with an impressive CAGR (Compound Annual Growth Rate) of 29.1%.

Table 10: Total Current Assets in BDT mn



The robust growth in Total Current Assets indicates that Navana Pharmaceuticals PLC has been successful in managing its working capital, optimizing inventory, and efficiently managing its accounts receivables and payables. This positive performance bodes well for the company's financial health and its ability to meet short-term obligations while capitalizing on growth opportunities.

Liability Mix:

Navana Pharmaceuticals PLC has shown some positive aspects based on the provided information about its liabilities as of 30th June 2023 compared to 30th June 2022:

Table 11: Liability Mix

Particulars	30-Jun-23		30-Jun-22	
	BDT (Million)	% of Total Liability	BDT (Million)	% of Total Liability
Loan from Directors	30.00	0.58%	30	0.8%
Lease Liabilities	89.60	1.72%	101	2.8%
Long Term Loan	90.63	1.74%	141	3.9%
Deferred Tax Liability	152.11	2.92%	42	1.2%
Total Non-Current Liabilities:	362.34	6.94%	314	8.7%
Short Term Loan	4,066.05	77.93%	2,682	74.5%
Lease Liabilities (Current Maturity)	34.72	0.67%	29	0.8%
Long Term Loan (Current Maturity)	18.09	0.35%	28	0.8%
Inter Company Account	-	0.00%	-	0.0%
Trade and other Payables	731.10	14.01%	547	15.2%
Unclaimed Dividend Payable	5.01	0.10%	-	0.0%
Total Current Liabilities:	4,854.96	93.06%	3,287	91.3%
Total Liabilities	5,217	100.00%	3,601	100.0%

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Prof. Dr. Jonaid Shafiq
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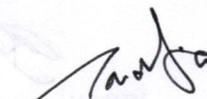
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Joydul Abedin, ACS
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The percentage of Non-Current Liabilities decreased from 8.7% in June 2022 to 7% in June 2023. This indicates that the company has been able to effectively manage and reduce its long-term obligations, which can improve its overall financial stability.

(G) Brief description of previously issued debt or equity securities or such other securities

Table 12: Brief description of fund raising through IPO

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
1 st (Subscriber to the Memorandum & Articles of Association at the time of incorporation)	23.03.1986	3,015	-	-	100/-	301,500
2 nd (Amalgamation)	21.06.2017	-	5,000		100/-	500,000
3 rd (Bonus Share)	31.12.2020	-	-	80,150,000	10/-	801,500,000
4 th (IPO)	16.10.2022	23,201,750	-	-	10/-	232,017,500
5 th (IPO)	19.10.2022	3,984,317	-	-	10/-	39,843,170
Total						1,074,162,170


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**Section 12: Auditors' report along with the audited financial statements of the issuer
For the Period from 01 July 2022 to 31st March 2023**

**Auditor's Report and Audited Financial Statements
of
Navana Pharmaceuticals Limited
125/A Islam Chamber
Motijheel C/A, Dhaka-1000, Bangladesh.
For the Period from 01 July 2022 to 31 March 2023**

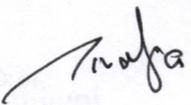

Prof. Dr. Jonald Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd


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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

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Prof. Dr. Jonaid Shafiq
 Managing Director
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Md. Abu Hurayra FCA
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Joynul Abedin, ACS
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**Independent Auditor's Report
To the Shareholders
of
Navana Pharmaceuticals Limited**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Navana Pharmaceuticals Limited**, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- Refer to note no. 20.00, Payable for WPPF and Welfare Fund of BDT. 18,916,683, as per section-234 of Bangladesh Labor Act, 2006, a company is to pay 5% of net profit of the year within 9 months of following the close of year at the proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund respectively. The company did not make any payment against Workers' Profit Participation Fund (WPPF) within 9 months. However, the payment was made subsequently within June 2023.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.

Corporate Office:
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Joydul Abedin, ACS
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01. Revenue Recognition

See note no 21.00 to The Financial Statements

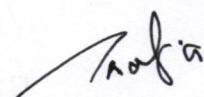
The Key Audit Matter	How the matter was addressed in our audit
<p>During this period, net sales revenue of Tk. 4,234,623,905. Revenue is measured net of discounts, commission and rebates earned by customers on the sales. Within a number of the company markets, the estimation of discounts, commission and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct year; • Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards; • Performing cut-off test by obtaining delivery challan for goods delivered during the beginning of the next accounting year and at the close of current accounting year to verify whether sales are recorded in the current accounting year; and • Inspecting VAT returns submitted to VAT authority to determine consistency of sales revenue recognized.

02. Valuation of Inventory

See Note No 7.00 to the Financial Statements

<p>The Inventory of Tk. 1,067,785,410 as at 31 March 2023, held in warehouses, depots and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of warehouses; • Testing, on a sample basis, the stock aging profile, expiry dates and the market price used in assessing the net realizable values of inventories to the related documents. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
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Company Secretary
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03. Valuation of Property, Plant and Equipment

See Note No 3.00 to the Financial Statements

The carrying value of the PPE amounted to Tk. 3,689,013,151 as at 31 March 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.

Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the year during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.

Our audit included the following procedures:

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.
- We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.
- We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate.
- We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.

We checked whether the depreciation of PPE items was commenced namely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. But we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

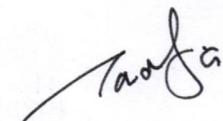
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 financial statements 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.



A member of
Nexia
International

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the Company's business.

Place: Dhaka, Bangladesh
Dated: 13 July 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants

Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

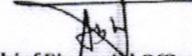
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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

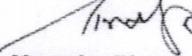
Navana Pharmaceuticals Limited
Statement of Financial Position
As at 31 March 2023

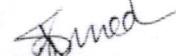
Particulars	Notes	Amount in BDT	
		31-Mar-2023	30-Jun-2022
Assets			
Non-Current Assets:			
Property, Plant and Equipment	3.00	3,689,013,151	3,421,837,366
Intangible Asset	3.01	605,000	770,000
Capital Work in Progress	4.00	301,563,627	403,007,534
Right-of-Use Asset	5.00	202,467,621	204,018,990
Investment in Marketable Securities (Fair Value)	6.00	179,054,985	159,028,097
Total Non-Current Assets		4,372,704,384	4,188,661,986
Current Assets:			
Inventories	7.00	1,067,785,410	1,009,145,823
Trade and Other Receivables	8.00	764,026,328	547,819,881
Advances, Deposits and Prepayments	9.00	1,937,601,066	1,168,436,458
Goods In Transit	10.00	279,825,101	103,608,600
Cash and Cash Equivalents	11.00	471,249,364	66,427,585
Total Current Assets		4,520,487,270	2,895,438,346
Total Assets		8,893,191,654	7,084,100,333
Equity And Liabilities			
Equity:			
Paid-up Share Capital	12.00	1,074,162,170	802,301,500
Share Premium	13.00	448,170,105	-
Revaluation Reserve	14.00	1,966,271,633	1,966,271,633
Capital Reserve		605,590,148	605,590,148
Unrealized Gain/ (Loss) Reserve	6.00	(35,365,847)	(95,356,927)
Retained Earnings		334,625,559	204,242,971
Total Equity:		4,393,453,768	3,483,049,324
Liabilities			
Non-Current Liabilities:			
Loan from Directors	15.00	30,000,000	30,000,000
Lease Liabilities	16.02	89,600,269	100,720,006
Long Term Loan	17.02	71,405,249	141,390,720
Deferred Tax Liability	18.00	41,240,617	42,362,502
Total Non-Current Liabilities		232,246,135	314,473,228
Current Liabilities:			
Short Term Loan	19.00	3,617,980,054	2,682,055,890
Lease Liabilities (Current Maturity)	16.01	28,204,042	29,254,646
Long Term Loan (Current Maturity)	17.01	5,645,498	28,125,222
Trade and Other Payables	20.00	609,195,865	547,142,023
Unclaim Dividend Payable		6,466,292	-
Total Current Liabilities		4,267,491,751	3,286,577,781
Total Liabilities		4,499,737,886	3,601,051,009
Total Equity and Liabilities		8,893,191,654	7,084,100,333
Net Asset Value (NAV) Per Share	30.00	40.90	43.41

The accompanying notes for an integral part of these financial statement.


Company Secretary


Chief Financial Officer

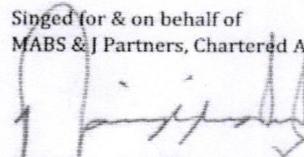

Managing Director


Director

Signed in terms of our report of even date annexed

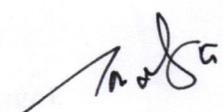
Place: Dhaka, Bangladesh
Dated: 13 JUL 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No. 535

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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period from 01 July 2022 to 31 March 2023

Particulars	Notes	Amount in BDT		
		July 2022-March 2023	July 2021-March 2022	Jan-March 2023
Net Sales	21.00	4,234,623,905	3,662,290,916	1,502,638,178
Less: Cost of Good Sold	22.00	2,338,405,843	2,041,751,687	862,912,751
Gross Profit		1,896,218,062	1,620,539,229	639,725,428
Less: Operating Expenses				
Administrative Expenses	23.00	142,968,371	123,804,419	42,181,435
Selling & Marketing Expenses	24.00	896,071,822	922,520,783	279,421,829
Distribution Expenses	25.00	291,518,847	226,439,985	102,932,719
Total Operating Expenses:		1,330,559,040	1,272,765,187	424,535,983
Operating Profit		565,659,022	347,774,042	215,189,444
Less: Finance Expenses	26.00	217,784,884	145,489,183	75,177,655
Add: Other Income/(Loss)	27.00	(30,371,524)	107,707,111	(15,329,831)
Profit before WPPF & Tax		317,502,613	309,991,969	124,681,958
Contribution to WPPF		15,119,172	14,761,522	5,937,236
Profit before tax		302,383,441	295,230,446	118,744,722
Less: Income Tax		53,843,015	103,391,915	13,761,219
Current Tax		54,964,900	103,769,479	19,447,904
Deferred Tax Expense/(Income)		(1,121,886)	(377,564)	(5,686,686)
Profit after Tax	28.00	248,540,427	191,838,531	104,983,503
Other Comprehensive Income				
Unrealized Gain/(loss) on Marketable Security		59,991,080	(4,079,282)	40,824,042
Total Comprehensive Income		308,531,507	187,759,248	145,807,545
Earnings Per Share (EPS)	29.00	2.57	2.39	1.09
				0.85

The accompanying notes for an integral part of these financial statement

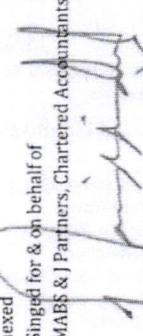

Chief Financial Officer

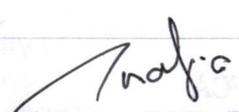

Managing Director


Director

Place: Dhaka, Bangladesh
Dated: 13 JUL 2023

Singed in terms of our report of even date annexed
Singed for & on behalf of
MAB& J Partners, Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No. 535


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

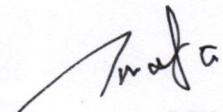

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

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Ioynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

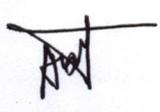
Navana Pharmaceuticals Limited
Statement of Changes in Equity
For the period from 01 July 2022 to 31 March 2023

Particulars	Amount in BDT							
	Share Capital	Share Premium	Liability against Share Money	Revaluation Reserve	Capital Reserve	Unrealized Gain/(Loss) Reserve	Retained Earnings	Total
Balance as at 1 July 2022	802,301,500	-	-	1,966,271,633	605,590,148	(95,356,927)	204,242,971	3,483,049,324
Profit after Tax	-	-	-	-	-	-	248,540,427	248,540,427
Received from IPO Share Subscription	-	-	750,000,018	-	-	-	-	750,000,018
Allotment of Shares for IPO	271,860,670	478,139,348	(750,000,018)	-	-	-	-	-
11% Cash Dividend for YE 30 June 2022	-	-	-	-	-	-	-	-
Less: Adj of IPO Expense	-	(29,969,243)	-	-	-	-	(118,157,839)	(118,157,839)
Adj. to Unrealized Gain/(Loss) on FVOCI	-	-	-	-	-	59,991,080	-	59,991,080
	1,074,162,170	448,170,105	-	1,966,271,633	605,590,148	(35,365,847)	334,625,559	4,393,453,768

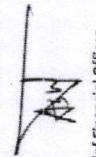

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in BDT							
	Share Capital	Share Premium	Liability against Share Money	Revaluation Reserve	Capital Reserve	Unrealized Gain/(Loss) Reserve	Retained Earnings	Total
Balance as at 1 July 2021	802,301,500	-	-	1,966,271,633	-	-	535,831,580	3,304,404,713
Profit after Tax during the year	-	-	-	-	-	-	274,001,539	274,001,539
Transfer to Capital Reserve	-	-	-	-	605,590,148	-	(605,590,148)	-
Unrealized Gain/(Loss) on Marketable Securities	-	-	-	-	-	(95,356,927)	-	(95,356,927)
	802,301,500	-	-	1,966,271,633	605,590,148	(95,356,927)	204,242,971	3,483,049,324


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

The accompanying notes for an integral part of these financial statement.


Chief Financial Officer


Director

Company Secretary

Managing Director


Joynal Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Place: Dhaka, Bangladesh
Dated: 13 JUL 2023

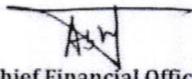


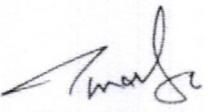
Navana Pharmaceuticals Limited
Statement of Cash Flows
For the period from 01 July 2022 to 31 March 2023

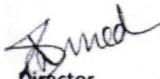
Particulars	Notes	Amount in BDT	
		July2022- March'2023	July2021- March'2022
Cash Flows from Operating Activities:			
Cash Received from Customers		4,008,086,452	3,636,113,249
Cash Received from Other Income		39,929,548	17,292,321
Cash Paid to Suppliers		(2,175,489,075)	(2,095,679,959)
Cash Paid to Operational & Others		(771,562,456)	(559,131,281)
Cash Paid to Employees		(747,985,501)	(740,370,424)
Income Tax Paid		(77,130,293)	(87,262,912)
Net cash flows from operating Activities:		275,848,675	170,960,994
Cash Flows from Investing Activities:			
Cash Paid for Purchase of Property, Plant & Equipment		(1,111,362,997)	(944,064,050)
Realized Gain/(loss) from Sale of Marketable Securities		(42,295,011)	88,196,647
Cash received from Dividend Income		2,571,590	3,258,700
Cash Received/(Paid) from Investment in Marketable Securities		39,964,192	(255,450,609)
Net cash from/(used in) investing activities:		(1,111,122,226)	(1,108,059,312)
Cash Flows from Financing Activities:			
Cash Received from IPO Proceed		750,000,018	-
Dividend Payment		(111,691,547)	-
Payment for IPO Expenses		(18,075,461)	(7,900,951)
Bank & Lease Interest Paid		(211,475,892)	(113,034,623)
Receipts against Short Term Borrowings		935,924,164	1,639,952,691
Receipts against Long Term Borrowings		(92,465,195)	1,806,064
Payment against Lease Liability		(12,170,341)	(29,539,548)
Net cash from/(used in) financing activities		1,240,045,746	1,491,283,633
Change in Cash and Cash Equivalent		404,772,195	554,185,315
Cash and Cash Equivalent at the beginning of the period		66,427,585	25,776,315
Effect of exchange rate changes on Cash and Cash Equivalents		49,584	-
Cash and Cash Equivalent at the end of the period		471,249,364	579,961,630
Net Operating Cash Flow per Share (NOCFPS)	31.00	2.85	2.13

The accompanying notes for an integral part of these financial statement.


Company Secretary

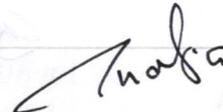

Chief Financial Officer


Managing Director


Director

Place: Dhaka, Bangladesh
Dated: 13 JUL 2023




Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd


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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Notes to the Interim Financial Statements
For the period from 01 July 2022 to 31 March 2023

1.0 About the Company

1.01 Legal Form of the Company

Navana Pharmaceuticals Limited was incorporated in Bangladesh on 31 March 1986 vide registration No. C-15428/994 under the Companies Act-1913 (replaced by the Companies Act-1994) as a Private Company Limited by shares. The company was converted into a Public Limited Company on 30 December 2020.

1.02 Address of the Registered Office and Factory

The address of the Company's registered office is 125/A Islam Chamber Motijheel C/A Dhaka 1000. Corporate office address is House 99, Road 4, Block # B, Banani Dhaka-1213, Bangladesh. The Company has its factory in Rupshi, Narayanganj and several depots around the country.

1.03 Nature of Business Activities

The principal activities of the Company are manufacturing, distribution and marketing of pharmaceutical and veterinary products and sales of the produced items in the domestic and foreign market.

2.00 Basis of Preparation and Presentation of Financial Statements

2.01 Preparation and Presentation of Financial Statements of the Company

These Financial Statements are the unaudited Interim Financial Statements (here after 'the Interim Financial Statements') of Navana Pharmaceuticals Ltd.

These interim financial statements should be read in conjunction with the Financial Statements for the Period ended March 31, 2023 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information. The accounting policies used are consistent with those used in the Annual Financial Statements. These financial statements have been prepared in a condensed form with selected notes following IAS 34: Interim Financial Reporting.

Interim Financial Reporting:

Interim period is a financial reporting period shorter than a full financial period. Interim financial report means a financial report containing either a complete set of financial statements (as described in IAS 1 Presentation of Financial Statements) or a set of condensed financial statements for an interim period.

IAS 34 requires that condensed Interim Financial Statements contain at a minimum:

- a condensed statement of financial position;
- a condensed statement or condensed statements of profit or loss and other comprehensive income;
- a condensed statement of changes in equity;
- a condensed statement of cash flows; and
- selected explanatory notes.

These Interim Financial Statements present selected explanatory notes that are intended to assist users in understanding the results of the operations of the company for the current interim period.

The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

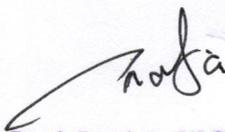
2.02 Statement of Compliance

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1994 and other relevant local laws as applicable and in accordance with the applicable International Accounting Standards (IASs), The Securities and Exchange Rules, 2020 and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and others laws and regulations applicable for the company.

2.03 Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:




Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joyrul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

- a) The Income Tax Ordinance 1984;
- b) The Income Tax Rules 1984;
- c) The Value Added Tax and Supplementary Duty Act 2012;
- d) The Value Added Tax and Supplementary Duty Rules 2016;
- e) The Customs Act, 1969;
- f) Bangladesh Labour Law, 2006 (Amended 2018);
- g) Negotiable Instrument Act, 1881; and
- h) The Securities and Exchange Rules, 2020.

2.04 Basis of Measurement

Measurement is the process of determining the monetary amounts at which the elements of the financial Statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the Company is historical cost of inventories are at the lower of cost and net realizable value and marketable securities (if any) are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. The Financial Statements have been prepared on a going concern basis under the historical cost convention applying accrual basis of accounting in accordance with the International Financial Reporting Standards (IFRS).

The financial statements have been prepared on historical cost convention following the accrual concept of accounting, except for Property, plant & equipment which has been presented under the revaluation model. Investment in shares is valued at par value and cash flow statement has been prepared on cash basis.

2.05 Components of Financial Statements

The presentation of the financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The Financial Statements Comprises of:

- (a) Statement of Financial Position as at 31 March, 2023;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the period from 01 July 2022 to 31 March 2023;
- (c) Statement of Changes in Equity for the period from 01 July 2022 to 31 March 2023;
- (d) Statement of Cash Flows for the period from 01 July 2022 to 31 March 2023; and
- (e) Notes, comprising summary of significant accounting policies and explanatory information.

2.06 Reporting Period and Comparative Information

Interim Financial Reporting:

Interim period is a financial reporting period shorter than a full financial period. Interim financial report means a financial report containing either a complete set of financial statements (as described in IAS 1 Presentation of Financial Statements) or a set of condensed financial statements for an interim period.

IAS 34 requires that condensed Interim Financial Statements contain at a minimum:

- a condensed statement of financial position;
- a condensed statement or condensed statements of profit or loss and other comprehensive income;
- a condensed statement of changes in equity;
- a condensed statement of cash flows; and
- selected explanatory notes.

These Interim Financial Statements present selected explanatory notes that are intended to assist users in understanding the results of the operations of the company for the current interim period.

The Financial statements cover 09 months period starting from July 01, 2022 to March 31, 2023

Certain comparative amounts have been re-classified & rearranged to conform to the current period's presentation and all numerical information in the current financial statements as below:

- Statements of Financial Position as of the end of the preceding financial period;
- Statements of Comprehensive Income for the comparable of the preceding financial period;
- Statements of Changes in Equity for the comparable of the preceding financial period;
- Statement Cash Flows for the comparable of the preceding financial period;

Narrative and descriptive information for comparative information has also been disclosed as required by IAS & IFRS whenever it is relevant for the understanding of the current Period financial statements.



Handwritten signature
Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.

Handwritten signature
Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd

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Handwritten signature
Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

2.07 Rearrangement of Financial Statement:

The previous period's figure has been rearrangement whenever considered necessary to ensure comparability with the current period presentation as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.08 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.09 Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on 13 July 2023.

2.10 Compliance with the IASs and IFRSs

Sl. No.	Name of the IAS	IAS's No.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in Accounting Estimates and Errors	8
5	Events after the Reporting Period	10
6	Income Taxes	12
7	Property, Plant and Equipment	16
8	Employee Benefits	19
9	The Effects of Changes in Foreign Exchange Rates	21
10	Borrowing Costs	23
11	Related Party Disclosures	24
12	Earnings per Share	33
13	Impairment of Assets	36
14	Provision, Contingent Liabilities and Contingent Assets	37
15	Intangible Assets	38
16	Financial Instrument	32
Sl. No.	Name of the IFRS	IFRS No.
1	First-time Adoption of International Financial Reporting Standards	1
2	Financial Instruments: Disclosures	7
3	Operating Segments	8
4	Financial Instruments	9
5	Fair Value Measurement	13
6	Revenue from Contracts with Customers	15
7	Leases	16

2.11 Use of Estimates and Judgments:

The preparation of financial statements in conformity with the IFRSs including IASs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation accrued expenses, others payable, capitalization of assets and deferred liability for gratuity.

2.12 Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. The current resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reason the management continue to adopt going concern assumption in preparing the Financial Statements. As per management assessment there is no material uncertainties related to event as condition which may cast significant doubt upon the company's ability to continue as a going concern.




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2.13 Significant Accounting Policies

The specific accounting policies have been selected and applied for significant transactions and events that have a material effect within the framework for the preparation and presentation of Financial Statements.

2.14 Changes in significant accounting policies

Except the changes following, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has initially adopted IFRS 16 'Leases' from 1 July 2019. There is no material impact on financial statements on initial application of the standards.

As a Lessee

On 1st July 2019, IFRS 16 'Lease' has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than BDT 425,000 (\geq \$ 5000 as per IFRS 16) when new, have been capitalized as "right to use" assets with a corresponding financial liability on the balance sheet. Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value (less than BDT 425,000) and short term leases (less than 12 months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The lessor transfers ownership of the underlying assets to the lessee by the end of the lease term or if the cost of right-of-use asset reflects that the lessee will exercise a purchase option, the lessor shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2.15 Property, Plant and Equipment (PPE)

Recognition and Measurement:

Items of property, plant & equipment are measured at cost or revalued amount less accumulated depreciation and impairment losses, if any in accordance with IAS 16: Property, Plant and Equipment. Cost includes expenditure that are directly attributable to the acquisition of the assets. The company has adopted 'Revaluation Model' for stating property, plant & equipment.

Maintenance Activities

The company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenances costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

Retirements and Disposals

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds.

Depreciation

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment has been compute during the periods using reducing balance method except Land & Land Development. Depreciation has been charged on addition when the related PPE are available.

After considering the useful life of assets as per IAS 16, the annual depreciation rates have been applied as under which is considered reasonable by the management.



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Rate of Depreciation:

Particulars	Rate	Particulars	Rate
Land and Land Development		Vehicles	
Land and Land Development	Nil	Transport & Vehicles	20%
Building & Other Construction		Motor Cycle	20%
Factory Building	10%	Furniture & Fixture	
Office Decoration	10%	Furniture & Fixtures	10%
Pump House Construction	20%	Rack & Pallets	15%
Particulars	Rate	Particulars	Rate
Store Room	15%	Office Equipment's	
Office Room Extension	10%	Fire Extinguishers	15%
Factory Decoration	10%	Office Equipment's	15%
Factory Wall	10%	Air Cooler	20%
Pre Fabrication Building	10%	Cookeries & Cutleries	10%
Solvent Store	15%	Telephone Line Installation	15%
Plant & Machinery		Photocopier & Fax Machine	20%
Plant & Machinery	20%	Projector	15%
Electrical Installation	20%	Refrigerator	20%
Generator	20%	Mobile	20%
Gas Line Installation	20%	Computer & IT Accessories	
Spare Parts	20%	Computer	30%
ETP	20%	IT Accessories	30%
Electric Sub Station	20%	Other Assets	
Lab Equipment		Sundry Assets	15%
Quality Control Equipment	15%	Books	10%
Tools & Equipment's	15%	Software	20%

2.16 Impairment of assets

"The management of the Company takes physical stocks periodically and recognition of the assets was made accordingly considering the usable condition of the assets as follows:

- The valuation of Property, Plant and Equipment has been made on the basis of the useable condition of the assets as per IAS 36 Impairment of Assets.
- The management of the Company has conducted physical verification of Property, Plant & Equipment on 31 March, 2023.

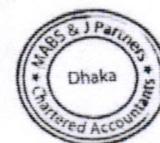
Property, Plant and Equipment are consisting of Land and Development, Building and other Construction, Plant & Machinery, Lab Equipment, Furniture & Fixture, Office equipment's, Computer & IT Accessories, Other assets are valued at lower of cost and net realisable value as per IAS 16: Property, Plant and Equipment. Costs include expenditure incurred in acquiring the assets and other costs incurred in bringing them to their existing location and condition.

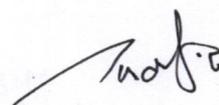
Impairment of assets are made as and when assets became obsolete or unusable for which the management of the company is giving decisions from time to time. The management of the Company reviews the carrying amounts of its assets (Balance Sheet Date) to determine whether there is any indication of impairment In accordance with IAS 36: 'Impairment of Assets'. During the period at Balance Sheet date, there was no indication of impairment of assets; as such, no adjustment was given in the Financial Statements for impairment.

2.17 Right-of-use Assets

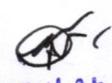
IFRS 16: Leases has introduced a single on-balance sheet lease accounting model for leases and replaces the previously adopted IAS 17: Leases. The standard requires that an asset acquired under a lease be recognized as Right of use Asset and the corresponding liability as lease liability. The Lease shall measure the lease liability at the present value of the future lease payment discounted using the interest rate implicit in the lease. The asset shall be depreciated over the lease period and the interest on the lease shall be charged as finance expense.

The Company has been consistently recording its underlying assets acquired under lease as right-of-use assets and the corresponding obligation as Lease Liabilities in the financial statements. The company has reclassified the assets acquired under the lease into "Right-of-use Assets" and presented them in the Statement of Financial Position following IFRS 16. Interest costs on lease liabilities and depreciation of Right-of Use Assets are charged to the profit or loss account.




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Depreciation on Right of Use Assets

Depreciation on Right of use Assets (Finance Lease) is computed using the straight line method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS 16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

2.18 Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in statement of profit or loss and other comprehensive income as incurred.

Amortization

Software are amortised over 5 periods based on straight line method from the date when assets are available for use. The amount of amortization has been presented under the statement of rate of amortization on software is as under.

Particulars	31 March, 2023
Software	20%

2.19 Capital Work in Process

Property, plant and equipment under construction/ acquisition are accounted for as capital work-in progress until construction/ acquisition is complete and measured at cost. As the capital work in process has not yet been finished and is not contributing to the production process to generate revenue, depreciation is not applied for capital work in process as per Generally Accepted Accounting Principles (GAAPs- revenue and expense recognition principle).

2.20 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

2.21 Income Taxes

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12: Income Taxes.

a) Current Tax:

Current income tax expense represents the sum of the tax currently payable. Applicable Tax Rate is 20%. "Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous periods as per the provisions of Income Tax Ordinance, 1984 and Finance Act, 2021.

b) Deferred Tax:

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences Taxable or (deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.




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VAT for the Company

VAT on the Company's product at 15% as Value Added Tax and Supplementary Duty Act-2012.

2.22 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments comprise Financial Assets and Financial Liabilities which are recognized, classified, measured and reported following IFRS 9: Financial Instruments.

Equity investments at FVOCI :

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gains and losses are recognized in OCI.

2.23 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and investments in marketable securities.

The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, in transit and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

Trade and other Receivables

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit and loss account.

Investment in Marketable Securities (Fair Value)

Investment in Marketable Securities are measured at fair value. Unrealised Gain or Loss on these financial assets are recognised in "Other Comprehensive Income." At the time of derecognition, related Gains or Losses is reclassified to "Profit or Loss" from "Other Comprehensive Income".

Bad Debt Policy

The provision for bad debt is determined as 0.1% of net local sales for the relevant period consistently which reflect the historical pattern of doubtful or bad receivable. The provision or doubtful or bad debt is written off on the basis of the result of legal procedure.

Advance, Deposits and Prepayments

Advances are initially measured at cost. Since initial recognition, advances are carried at cost fewer deductions, adjustments, or charges to other account heads such as Property, Plant and Equipment, inventory, or expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income.

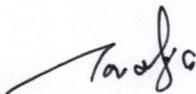
Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

2.24 Capital Reserve

As per board approval Capital Reserve has been credited from Retained Earning as on 31 March 2022.




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2.25 Impairment

Financial Assets

The Company recognizes loss allowances for Expected Credit Losses, if any, NPLs on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets except for the following, which are measured at 12-month NPLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating NPLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

2.26 Revenue from Contracts with Customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard (IFRS 15) establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies performance obligation by transferring promised goods to a customer.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

2.27 Related Party Transaction

The objective of "Related Party Disclosures", IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. The information as required by IAS 24: Related Party Disclosures has been disclosed in note 32 to the accounts.

2.28 Finance Cost

Financial expenses comprise interest expenses on long term loan, short term loan and finance lease etc. All such costs are recognized in the statements of profit or loss and other Comprehensive Income except those are capitalized (if any) in accordance with IAS 23: Borrowing Costs.



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2.29 Provisions

As per "IAS 37: Provisions, Contingent Liabilities and Contingent Assets" A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

2.30 Other Income

Export Incentives

Cash Incentives for export are recognized when all conditions as laid down in the relevant incentive scheme including receipt of export remittances are satisfied and the right to claim the incentives are established.

Gain from Disposal of Property, plant & equipment

Gain arises from sale of disposed of old machineries as scrap is recognized as other income.

Toll Income

Toll income is recognized when services are delivered and there remains no unfulfilled obligation in connection with the service.

Interest Income

Interest income from savings account is recognized on accrual basis.

Sales of Wastage

Sale proceed from wastage of various items at factory is recognized as other income.

2.31 Employee Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. Employees contribute 10% of their basic salary to the provident along with the Company that makes an equal contribution. The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

Defined Benefit Plan (Gratuity)

This represents unfunded gratuity scheme for its permanent employees. Though no valuation was done to quantify actuarial liabilities as per the IAS 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

Contribution to Workers' Profit Participation and Welfare Funds (WPPF)

The company contributed to the WPPF Fund as per provisions of the Bangladesh Labour Act-2006 (amendment) Act 2018 and is payable to workers as defined in the said law.

Short-term employee benefits

Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

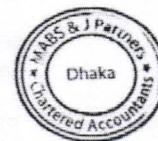
Insurance Scheme

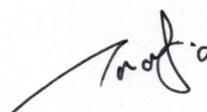
Employees of the company are covered under group insurance schemes.

2.32 Earnings per Share (EPS)

Basic Earnings per Share

The Company calculates its Earnings per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.




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Basic Earnings

This represents earnings for the period attributable to the Ordinary Shareholders. As there are no preference dividends, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to Ordinary Shareholders.

Basic Earnings per Share

Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the company by the weighted average number of Ordinary Shares outstanding during the period.

Weighted Average Number of Ordinary Shares outstanding during the period.

The basis of computation of number of shares in line with the provisions of IAS 33: Earnings per share. Therefore, the total number of shares outstanding at the period multiplied by a time-weighting factor which is the number of days the specific shares were outstanding as proportion of total number of days in the period.

Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares outstanding, for the effect of all dilutive potential Ordinary Shares. However, dilution of EPS is not applicable for this Financial Statements as there were no potential Ordinary Shares during the relevant period.

2.33 Foreign Currency Transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Exchange Rates.

2.34 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 2020 and as the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. As per Bangladesh Securities and Exchange Commission Notification No.

BSEC/CMRRCD/2006/158/208/Admin/81 dated 08 August, 2018 Cash Flows From operating activities has been reconciled with net income using the indirect method.

2.36 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

2.37 Operating Segments

Segmental reporting is applicable for the company as required by "IFRS 8: Operating Segments" as the company operates in a single industry segment and within as a geographical segment

2.38 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).




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If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.39 Contingencies

Contingencies arising from a claim, litigation assessment, fines, penalties etc. are recorded. It is probable that a liability has been incurred and the amount can be measured reliably in accordance with "IAS 37: Provisions, Contingent Liabilities and Contingent Assets"

2.40 Risk Exposure

Risk Management Framework

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyzed the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of Financial Instruments.

- i. Market Risk;
- ii. Credit Risk;
- iii. Liquidity Risk.

Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates, interest rate and investment in freely traded share of stock exchange will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates.

Currency Risk

The Company is exposed to foreign currency risk relating to purchases, which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one period to hedge such Financial Liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

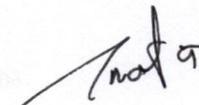
Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to a large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its Financial Obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient Cash and Cash Equivalents to meet expected operational expenses, including Financial Obligations through preparation of the Cash Flow forecast, prepared based on timeline of payment of the Financial Obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short-term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through Cash Flows projections and credit lines facilities with banks are negotiated accordingly.




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Expiry of any revenue-generating contract that may adversely affect the business: The Company has no long-term contract with their customers so not in risk of expiry of any revenue-generating contract.

External risk factors may include among others:

Industry Risk:

i) Environmental Issue: Environmentalists are likely to create pressure on government to protect or banning those factories, which are not follow proper ETP, waste management solution, Air pollution etc. which are negative effects on living being and environment thereby causing closure of business of the company. We have a good setup for ETP and incinerator for waste management, a very good and sophisticated fire alarm system with integrated fire hydrant and firehouse arrangement with carbon dioxide fire extinguisher, dry powder and sand bucket. The company also strictly follows the laid down regulations for marketing the products and therefore does not foresee any problems in doing the business.

ii) Political risks: Bangladesh is prone to serious unrest in the political condition which produces Strike, Road-Block and domestic terror attacks in Bangladesh could increase over the coming months, this could have an adverse impact on the country's economic growth prospects as investors, expatriates, and tourists may be deterred. During the last forty periods of post-independence period, Bangladesh has gone through a variety of political situations. At present political situation is much stable in the country as the oppositionist not much active in the field. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.



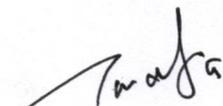

Prof. Dr. Jonaid Shafiq
Managing Director
Yavana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Yavana Pharmaceuticals Ltd.


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Joynul Abedin, ACS
Company Secretary
Yavana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
3.00	Property, Plant and Equipment: Tk. 3,689,013,151		
	This is made up as follows: (details shown in Annex A)		
	Cost		
	Opening Balance	2,101,724,213	1,544,433,709
	Addition during the period	383,858,504	557,290,503
	Adjustment/disposal during the period	-	-
	Closing Balance	2,485,582,717	2,101,724,213
	Revaluation		
	Opening Balance	1,966,271,632	1,966,271,632
	Adjustment due to revaluation during the period	-	-
	Closing Balance	1,966,271,632	1,966,271,632
	Total Cost & Revaluation	4,451,854,349	4,067,995,845
	Depreciation		
	Opening Balance	646,158,480	540,385,659
	Charged during the period	116,682,718	105,772,821
	Adjustment during the period	-	-
	Closing Balance	762,841,198	646,158,480
	Written Down Value	3,689,013,151	3,421,837,366
3.01	Intangible Assets: Tk. 605,000		
	This is made up as follows:		
	Cost		
	Opening Balance	1,100,000	1,100,000
	Addition during the period	-	-
	Total Cost	1,100,000	1,100,000
	Depreciation		
	Opening Balance	330,000	110,000
	Charged during the period	165,000	220,000
	Closing Balance	495,000	330,000
	Written Down Value	605,000	770,000
4.00	Capital Work In Progress: Tk. 301,563,627		
	This is made up as follows:		
	Opening Balance	403,007,534	159,035,250
	Addition during the period:		
	Construction of new utility and engineering building	51,459,603	-
	Refurbishment of Cephalosporin Unit	98,424,645	-
	Warehouse Construction	33,730,935	755,282,533
		586,622,717	914,317,784
	Add: Interest Capitalized:		
	Interest on Term Loan	-	525,000
	Less: Capitalized during the period		
	Capitalized in Factory Building	(285,059,090)	(511,835,250)
	Closing Balance	301,563,627	403,007,534
5.00	Right-of-Use Asset: Tk. 202,467,621		
	This is made up as follows: (Details shown in Annex B)		
	Cost		
	Opening Balance	493,270,381	490,163,324
	On Lease Vehicles	471,116,529	468,009,472
	On Rental Asset	22,153,852	22,153,852
	Addition during the period on Rental assets	34,572,411	4,601,000
	Less: Adjustment during the year	-	(1,493,943)
	Closing Balance	527,842,791	493,270,381




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 Navana Pharmaceuticals Ltd.


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Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
	Depreciation		
	Opening Balance	289,251,391	230,419,330
	On Lease Vehicles	267,097,542	218,187,735
	On Rental Asset	22,153,850	12,231,595
	Charge during the period	36,123,779	60,063,527
	Less: Adjustment during the year	-	(1,231,465)
	Closing Balance	325,375,170	289,251,391
	Written Down Value	202,467,621	204,018,990

6.00 Investment in Marketable Securities (Fair Value): Tk. 179,054,985

This is made-up as follows:

Total Cost of Marketable Securities	214,420,832	254,385,024
Unrealized Gain/(loss)	(35,365,847)	(95,356,927)
Total Market Value Securities	179,054,985	159,028,097

During the period total Realized Gain/(loss) from sale of marketable securities is (Tk.42,295,011)

7.00 Inventories: Tk. 1,067,785,410

This is made-up as follows:

Raw Material	373,260,941	367,866,435
Packing Material	85,743,011	148,435,283
Finished Goods	489,184,618	390,328,433
Work-in-Process	113,351,142	98,809,121
Printed & Gifted Promotional Stock	6,245,699	3,706,552
Total	1,067,785,410	1,009,145,823

i) The inventory quantity can not be disclosed/ inserted here as some of material contain in litre some are in pieces some are in box and some are in kg, gram, mili-gram, ton, litre and pcs.

ii) There is no damage goods item in the inventory list.

iii) As part of loan condition all of the company's inventory are pledged as security for loan finance of the company.

8.00 Trade and Other Receivables: Tk. 764,026,328

This is made-up as follows:

Receivables-Local	645,322,106	482,282,704
Receivables-Export	98,184,975	37,688,728
Export Cash Incentive Receivable	20,368,531	27,815,948
Interest Receivable on FDR	150,716	32,500
Total	764,026,328	547,819,881

Export Receivable as at 31 March 2023 total \$935,095 has been translated @ Tk. 105 average spot rate and resulting unrealized gain of Tk. 4,296,506 has been reported under 'FOREX Gain/Loss Account'.

9.00 Advances, Deposits and Prepayments: Tk. 1,937,601,066

This is made-up as follows:

Advance for Supplies and Business Purpose	1,382,616,854	716,851,072
LC Margin, charges for Capital goods	189,905,429	163,636,897
Advance Income Tax	365,078,783	287,948,490
Total	1,937,601,066	1,168,436,458

10.00 Goods In Transit: Tk. 279,825,101

279,825,101 **103,608,600**

Goods in transit consist of raw materials and packing materials under shipment as on 31 March 2023.



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Managing Director
Navana Pharmaceuticals Ltd.

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Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
11.00	Cash and Cash Equivalents: Tk. 471,249,364		
	This is made-up as follows:		
	Cash at Bank		
	Jamuna Bank Ltd., Rupshi Br. A/c. 1661	470,099	807,934
	Pubali Bank Ltd., Dhaka Stadium Br. A/c 473	6,660,858	7,136,884
	Southeast Bank Ltd., Corporate Br. CD A/C No.648	346,956	2,384,152
	Southeast Bank Ltd., Corporate Br. CD A/C No 7614	82,664	1,959,503
	Dutch Bangla Bank Ltd., Local Office, CD A/C No.957	2,749,144	4,760,908
	Sonali Bank Ltd., Customs House Br. A/c 379	4,252,640	4,110,034
	Sonali Bank Ltd., Customs House Br.A/c 378	-	92,239
	Al Arafah Islami Bank Ltd., VIP Road Br. A./c-7189	838,966	425,432
	Al Arafah Islami Bank Ltd., VIP Road Br. ERQ A./c-46	66,111	3,280,849
	Al Arafah Islami Bank Ltd., VIP Road Br.DAD A./c-44	502,645	-
	United Commercial Bank Ltd., Gulshan Br., A./c-0011	5,777,582	9,147,417
	United Commercial Bank Ltd., Gulshan Br. A/c-0055	864	2,041
	United Commercial Bank Ltd., SND A.C-162	4,110	45,345
	Dhaka Bank Ltd.. Banani Br. A/c-28321	150,984	-
	NRBC Bank Ltd., Gulshan Br. -SND 033	-	1,848,314
	Shimanto Bank Ltd.Corp. Br., CD-012	43,167,026	281,508
	Community Bank BD Ltd.-9101	353,922	31,479
	Bengal Commercial Bank, Corp Br.-1467	4,556,940	-
	One Bank, Principal Br. A/c 9942	2,700	-
	Standard Bank Ltd. CD A/C No. 1518	23	-
	Pubali Bank Ltd. Faridpur Br. A./c-160	312,715	213,562
	Pubali Bank Ltd., Mymensingh Br.- A/c 294	503,341	110,220
	Pubali Bank Ltd., Dargagate Br. A./c-125	497,856	295,831
	Pubali Bank Ltd., Kamalpur Br., A/c-25303	205,920	1,599
	Pubali Bank Ltd., Maizdee Court Br. A./c-840	600,320	2,882
	Pubali Bank Ltd., Momin Road Br. A./c-8940	197,921	1,701,600
	Southeast Bank Ltd., Barisal Br. A./c-051	405,289	6,250
	Southeast Bank Ltd., Bogra Br. A./c-246	204,926	406,061
	Southeast Bank Ltd., Comilla Br. A./c-044	1,517	305,364
	Southeast Bank Ltd., Corporate Br.A./c-8200	8,881	1,090,138
	Southeast Bank Ltd., Cox's Bazar Br. A./c-091	1,373,506	307,391
	Southeast Bank Ltd., Dinajpur Br.-A/c 0144	204,006	403,516
	Southeast Bank Ltd., Jessore(SME) Br. A./c-347	2,006	496,386
	Southeast Bank Ltd., Joydevpur Br., A./c-027	411,514	1,161,740
	Southeast Bank Ltd., Khulna Br. A./c-925	401,995	1,145
	Southeast Bank Ltd., Rajshahi Br. A./c-014	4,077	1,005,178
	Southeast Bank Ltd., Rangpur Br. A./c-284	304,919	405,612
	United Commercial Bank, Tangail A/c-4138	279	-
	United Commercial Bank, Pabna A/c-8094	100,868	-
	United Commercial Bank, N'Ganj Ac-10079	601,368	-
		76,327,455	44,228,509
	FDR at IPDC AC-25213	3,000,000	3,000,000
	United Commercial Bank Ltd., IPO A/C-3209	358,294,569	-
	United Commercial Bank Ltd. Ac-1971 (11% Cash Dividend, 2022)	6,697,503	-
	Cash in Hand	26,929,838	19,199,076
	Total	471,249,364	66,427,585

a. The reconciliation of bank balance has been performed and found in order.

b. Cash in hand has been counted by the management at the period end.

c. The Bank Balances have been reconciled where necessary and were agreed with the balance as per bank statements as on 31-03-2023. Cash in hand balance was duly certified by the management.

12.00 Paid-up Share Capital: Tk. 1,074,162,170

This is made-up as follows:

A. Authorised Capital:

200,000,000 Ordinary Shares of Tk. 10 each

2,000,000,000 2,000,000,000

B. Issued Subscribed & Paid up Capital:

107,416,217 Ordinary Shares of Tk. 10 each

1,074,162,170 802,301,500

Closing Balance

1,074,162,170 802,301,500



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Joynul Abedin
Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
13.00 Share Premium			
	Opening Balance	-	-
	Addition during the period	478,139,348	-
	Less: Adjustment for IPO Expenses	(29,969,243)	-
	Total	448,170,105	-
	The Company has issued 27,186,067 nos. of ordinary shares through IPO for aggregating Tk.750,000,000 , out of which 9,753,441 nos. of ordinary shares issued for Eligible Investors (EIs) and Employee & Others at the cut-off price Tk. 34 and remaining 17,432,626 nos. of ordinary shares at discounted price Tk.24 from the cut-off price i.e. Tk 34 per share for General Public (GP) including NRBs.		
14.00 Revaluation Reserve: Tk. 1,966,271,633			
	This is made-up as follows:		
	Opening Balance	1,966,271,633	1,966,271,633
	Less: Adjusted during the period	-	-
	Total	1,966,271,633	1,966,271,633
15.00 Loan from Directors: Tk. 30,000,000			
	This is made-up as follows:		
	Opening Balance	30,000,000	30,000,000
	Closing Balance	30,000,000	30,000,000
16.00 Lease Liabilities: Tk. 117,804,311			
	This is made-up as follows:		
	Opening balance	129,974,652	166,148,307
	Add: Addition during the year for ROUA for Vehicle & HO	34,572,411	4,601,000
	Less: Payment during the year	(46,742,752)	(40,774,655)
	Closing balance	117,804,311	129,974,652
16.01	Principal Payment due within one period	28,204,042	29,254,646
16.02	Principal Payment due within two to five period	89,600,269	100,720,006
	Total	117,804,311	129,974,652
17.00 Long Term Loan: Tk. 77,050,747			
	This is made-up as follows:		
	AIBL Term Loan (HPSM Ind), VIP Road Br., Dhaka	-	86,908,171
	AIBL Term Loan (HPSM RE) VIP Road Br., Dhaka	-	45,642,807
	AIBL Term Loan (HPSM Machine) VIP Road Br., Dhaka	57,180,581	14,156,036
	IPDC Term Loan, Gulshan Br., Dhaka	19,870,166	22,808,929
	Total	77,050,747	169,515,942
17.01	Payment due within one period	5,645,498	28,125,222
17.02	Payment due within two to four period	71,405,249	141,390,720
	Total	77,050,747	169,515,942
18.00 Deferred Tax Liability: Tk. 41,240,617			
	This is made-up as follows:		
	Opening Balance	59,415,004	48,740,390
	Addition/(Adj.) during the period :	(2,160,875)	10,674,614
	Total	57,254,129	59,415,004
	Less: Deferred Tax Asset (Note 18.01)	16,013,513	17,052,502
	Net Deferred Tax Liability Balance	41,240,617	42,362,502



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 Chief Financial Officer
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Joydul Abedin, ACS
Joydul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
18.01	Deferred Tax Asset: Tk. 16,013,513		
	This is made up as follows:		
	Opening Balance	17,052,502	20,488,185
	Addition/(Adj) during the period	(1,038,989)	(3,435,683)
	Deferred Tax on Lease Liability	(203,521)	(1,458,702)
	Deferred Tax on Gratuity	(3,659,504)	(2,105,711)
	Deferred Tax on Broken Damage Expired Goods	(130,931)	121,494
	Deferred Tax on FVOCI	3,536,585	-
	Deferred Tax on Provision for Bad Debts	(581,618)	7,236
	Closing Balance	16,013,513	17,052,502
19.00	Short Term Loan: Tk. 3,617,980,053		
	This is made-up as follows:		
	Bank Overdraft	1,846,461,677	1,444,527,127
	LTR, UPAS Loan	1,188,679,836	864,904,419
	Time Loan	465,174,564	264,500,000
	Margin Loan for Investment in Securities	117,663,976	108,124,344
		3,617,980,053	2,682,055,890
20.00	Trade and Other Payables: Tk. 609,195,865		
	This is made-up as follows:		
	Trade & other Payables	43,267,927	42,653,518
	Salary Payables	22,616,706	32,623,081
	VAT Payable	53,131,330	58,614,557
	Payable Audit Fee	215,625	230,000
	Payable for Other Supplies	686,960	600,490
	Payable Director Remuneration	813,000	750,000
	Payable-Sales Center Rent	789,103	860,827
	Payable for Utility	2,955,535	3,261,065
	Provision for Gratuity	49,834,257	49,550,383
	Provision for Bad Debt	6,690,717	6,980,950
	Provision for Broken, Damage & Expiry	3,146,047	2,764,146
	Provision for Income Tax	300,074,956	245,110,056
	* Provision for W.P.P.F	34,035,855	18,916,683
	Interest Payable on Short Term Loan	86,638,974	76,553,448
	Interest Payable on Term Loan	225,273	1,002,173
	Interest Payable on Lease Liability	-	2,999,634
	Withholding Tax Payable	4,073,600	245,211
	Payable for Capital Expense	-	3,425,802
	Total	609,195,865	547,142,023
	* W.P.P.F for FY 2021-2022 has been paid subsequently on 21-06-2023 (Employee part), 30-03-2023 (Welfare Fund) and 02-04-2023 (Govt. Fund).		
21.00	Sales: Tk. 4,234,623,905		
	This is made-up as follows:		
	Local Sales Human Health	3,846,501,640	3,275,064,902
	Export Sales	190,541,384	128,498,592
	Local Sales Animal Health	901,251,240	847,796,751
	Gross sales	4,938,294,263	4,251,360,245
	Less: Value Added Tax (VAT)	703,670,359	589,069,329
	Net sales	4,234,623,905	3,662,290,916
	Breakup of Net Turnover		
	Local Sales Human Health Division	3,276,406,848	2,789,663,460
	Export Sales	190,541,384	128,498,592
	Local Sales Animal health division	767,675,673	744,128,865
	Total	4,234,623,905	3,662,290,916

a. Sales figure is presented on net of VAT in the statement of profit or loss and other comprehensive income
b. Sales has increased due to strong branding, marketing and improved economic condition.

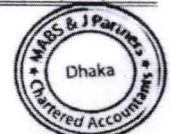


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Joynul Abedin
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Company Secretary
Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
22.00	Cost of Sales: Tk. 2,338,405,843		
	This is made-up as follows:		
	Raw Material Consumption (Note No: 22.01)	1,529,895,124	1,191,012,457
	Packing Material Consumption (Note No: 22.02)	646,698,423	636,199,129
	Factory Expenses (Note No: 22.03)	310,852,817	295,133,528
	Total Manufacturing Cost	2,487,446,364	2,122,345,114
	Opening Stock Work-In-Process	98,809,121	90,459,914
	Closing Stock Work-In-Process	(113,351,142)	(97,261,233)
	Cost of Production	2,472,904,343	2,115,543,795
	Opening Stock Finished Goods	390,328,433	365,136,224
	Finished goods available for sale	2,863,232,776	2,480,680,019
	Cost of Physician Sample transferred to Marketing Exp.	(22,749,657)	(46,142,241)
	Cost of Bonus Product transferred to Marketing Exp.	(12,892,659)	(9,393,056)
	Closing Stock Finished Goods	(489,184,618)	(383,393,036)
	Cost of Goods Sold	2,338,405,843	2,041,751,686
22.01	Raw Material Consumption: Tk. 1,529,895,124		
	This is made-up as follows:		
	Opening Stock of Raw Materials	367,866,435	252,923,665
	Add: Purchase during the period	1,535,289,630	1,310,059,100
	Less: Closing Stock of Raw Materials	(373,260,941)	(371,970,308)
	Total	1,529,895,124	1,191,012,457
22.02	Packing Material Consumption: Tk. 646,698,423		
	This is made-up as follows:		
	Opening Stock of Packing Materials	148,435,283	90,015,455
	Add: Purchase during the period	584,006,152	674,618,957
	Less: Closing Stock of Packing Materials	(85,743,011)	(128,435,283)
	Total	646,698,423	636,199,129
22.03	Factory Expenses: Tk. 310,852,817		
	This is made-up as follows:		
	Salary & Allowance	113,885,632	111,652,580
	Festival Bonus	9,052,163	8,862,028
	Contribution to Provident Fund	4,381,039	4,295,075
	Holiday Allowance & Overtime	9,919,668	9,804,920
	Cylinder Expenses	1,535,486	587,664
	Diesel for generator	8,224,605	2,561,500
	Electricity Bill	19,785,768	19,320,367
	Entertainment	1,865,952	259,688
	Renewal Fees	200,753	136,763
	Fees & Forms	93,825	182,744
	Insurance Premium-Fire & Burglary	1,871,766	1,866,686
	Gas Bill	771,225	464,301
	Group Insurance Premium	210,560	221,358
	Laboratory Chemicals	11,341,082	6,675,863
	Medical Expenses	5,660	4,638
	Newspaper & Periodicals	1,675	912
	Repair & Maintenance	4,925,966	3,919,029
	Medical Waste Management Expense	1,520,452	434,558
	Sanitation Expense	3,127,995	510,531
	Spare Parts for machinery	12,601,979	7,469,653
	Depreciation on PPE & ROUA	84,112,677	79,839,144
	Other Business Expenses	21,416,890	36,063,524
	Total	310,852,817	295,133,528



Shafiq
Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.

Abu Hurayra
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 Chief Financial Officer
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Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
23.00	Administrative Expenses: Tk. 142,968,371		
	This is made-up as follows:		
	Salary and Allowances	50,767,913	49,699,376
	Festival Bonus	4,875,034	4,798,264
	Contribution to Provident Fund	2,005,451	1,965,828
	Gratuity	2,021,383	8,806,625
	Audit Fees	215,625	175,000
	Board Meeting Fee	533,500	488,750
	Audit Committee & NRC Meeting Fee	93,500	92,000
	Professional Fees	2,730,312	531,444
	Advertising Expenses	1,430,544	187,500
	Director's Remuneration	6,939,500	6,750,000
	Electricity Bill	1,648,954	1,664,046
	Registration Fees and Renewal Fees	421,303	434,827
	Foreign Tour Expenses	7,781,121	2,220,004
	Depreciation on Rental Asset (Annex-ROUA)	5,835,964	8,212,342
	Depreciation Other than Rental Asset (Annex-PPE)	11,332,913	7,658,266
	Amortization on software	165,000	165,000
	Other Business Expenses	44,170,354	29,955,148
	Total	142,968,371	123,804,419

As per IFRS 16-Leases Office Rent for current period has been presented under Depreciation.

24.00 Selling & Marketing Expenses: Tk. 896,071,822

This is made-up as follows:

Salary and Allowances	395,287,261	387,726,592
Festival Bonus	39,131,849	38,523,183
Contribution to Provident Fund	21,317,186	20,993,053
Incentives	28,060,473	67,045,402
Gratuity	3,761,931	28,929,654
Stationery	2,047,603	1,997,661
Daily Expenses for Field workers	245,956,657	194,519,261
Travelling and Conveyance	7,233,318	3,063,247
Bonus On Sales	12,892,659	9,393,056
Printed & Gifted Promotional Expenses	21,675,092	72,626,575
Sample Expenses	22,749,657	46,142,241
Depreciation on PPE & ROUA	7,721,356	4,562,237
Product Expiry Replacement	20,374,339	12,155,754
Brand Development & New Product	13,090,610	4,547,888
Other Business Expenses	54,771,832	30,294,978
Total	896,071,822	922,520,783

25.00 Distribution Expenses: Tk. 291,518,847

This is made-up as follows:

Salary and Allowances	94,853,200	92,720,626
Festival Bonus	8,758,148	8,582,583
Contribution to Provident Fund	4,878,565	4,776,276
Repair & Maintenance	1,006,765	942,291
Stationery	2,607,861	2,567,070
Daily Expenses for Field workers	62,731,590	46,084,979
Holiday Allowance & Overtime	2,694,790	2,327,830
Insurance Premium Fire & Burglary	432,444	454,715
Group Insurance Premium	260,240	273,585
Depreciation on PPE & ROUA	43,803,588	18,248,947
Other Business Expenses	69,491,657	49,461,083
Total	291,518,847	226,439,985

26.00 Finance Expenses: Tk. 217,784,884

This is made-up as follows:

Interest charged on Short term loan	203,570,055	125,999,041
Interest on Term Loan	4,603,694	11,313,690
Interest on Lease Finance	9,611,135	8,176,452
Total	217,784,884	145,489,183



[Signature]
Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.

[Signature]
Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.

[Signature]
Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
27.00	Other Income/ (Loss): Tk. -30,371,524 This is made-up as follows:		
	Cash Incentive	17,185,031	11,548,919
	Bank Interest	2,706,070	59,295
	Interest on FDR	135,000	-
	Dividend Income	2,571,590	3,258,700
	Sale of Wastage	4,172,751	3,086,018
	Toll Income	696,979	696,979
	FOREX Gain/(loss)	(20,811,150)	(4,797,867)
	Gain on disposal of FA	-	-
	Realized Gain/(loss) from Sale of Marketable Securities	(42,295,011)	88,196,647
	Income from PF Contribution Forfeiture	5,267,216	5,658,419
	Total	(30,371,524)	107,707,111

28.00 Income Tax: Tk. 53,843,014
This is made-up as follows:

Current period Tax	54,964,900	103,769,479
Deferred Tax Expense/ (Income)	(1,121,886)	(377,564)
	53,843,014	103,391,915

29.00 Earnings Per Share (EPS)

Earnings attributable to the Ordinary Shareholders	248,540,427	191,838,531
Weighted Avg. Number of Ordinary Shares	96,756,136	80,230,150
Earnings Per Share (EPS)	2.57	2.39

Reasons for Deviation: Increase in 16% Sales Revenue and efficient usages of material resulted in increased gross profit for the reporting period. The reduced corporate tax rate for the period resulted in the increment of Earnings Per Share as well.

Weighted Average Number of Ordinary Shares Outstanding: The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighted factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year (considering 180 days in a period).

Weighted Average Number of Ordinary Shares Outstanding during the year:

Date of Allotment	Ordinary Shares Nos	Weighted no. days	Calculation	Weighted no. Shares
OS Shares as on 1st July, 2022	80,230,150	100%	-	80,230,150
16/10/2022	23,201,750	167	(23,201,750*167/274)	14,141,213
19/10/2022	3,984,317	164	(3,984,317*164/274)	2,384,774
Closing Balance as on 31-03-2023	107,416,217	-	-	96,756,136

29.01 Dilution of Earnings Per Share: No diluted earnings per share is required to be calculated for the period presented as there was no item issued by the company, as such no scope for dilution of shares during the period.

30.00 Net Asset Value (NAV) Per Share

	31-March-2023	30-June-2022
Total Assets	8,893,191,654	7,084,100,333
Less Total Liabilities	4,499,737,886	3,601,051,009
Net Assets	4,393,453,768	3,483,049,324
Number of Ordinary Shares	107,416,217	80,230,150
Net Asset Value (NAV) Per Share	40.90	43.41


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


68 | P
Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in BDT	
		31 March 2023	30 June 2022
31.00	Net Operating Cash Flow Per Share (NOCFPS)		
	Net Cash Generated from Operating Activities	275,848,675	170,960,994
	Number of Ordinary Shares	96,756,136	80,230,150
	Net Operating Cash Flow Per Share (NOCFPS)	2.85	2.13

Reasons for Deviation: The growth in business volume and efficient utilization of working capital resulted in increased NOCFPS.

32.00 Reconciliation of Cash Flows from Operating Activities

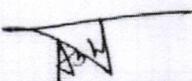
A reconciliation of net income or net profit with cash flow from operating activities:

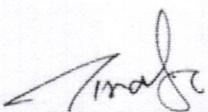
	July22-March23	July21-March22
Net Profit before tax	302,383,441	295,230,446
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	152,971,497	118,520,935
Realized Gain/(loss) on Marketable Securities	42,295,011	(88,196,647)
Dividend Income	(2,571,590)	(3,258,700)
Unrealized Foreign Exchange Gain/(Loss)	(5,199,846)	26,182
Bank & Lease Interest	217,784,884	145,489,183
WPPF Provision	15,119,172	14,761,522
Income Tax Paid	(77,130,293)	(52,173,590)
Increase/Decrease in Current Assets:		
Inventory and Goods in transit (Increase)	(234,856,088)	(128,554,587)
Accounts Receivable (Increase)	(216,206,448)	(82,160,674)
Advance Deposit & Prepayment (Increase)	9,891,798	114,439,847
Increase/Decrease in current Liabilities:		
Trade and Other Payables (Decrease)	71,367,136	(163,162,925)
Net Cash Generated by Operating Activities	275,848,676	170,960,993

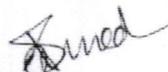
33.00 Events After the Reporting Period

This report has been authorized for issue on 13 July 2023 by the Board.


Company Secretary

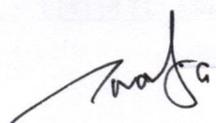

Chief Financial Officer

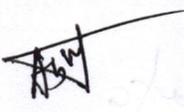

Managing Director


Director

Place: Dhaka, Bangladesh
Dated: 13 JUL 2023




Prof. Dr. Jonald Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joyrul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Schedule of Property, Plant and Equipment
As at 31 March 2023

Sl. No.	Particulars	Balance as on 01 July 2022				C.O.S.T				Balance as on 31 Mar 2023				Written Down Value 31 Mar 2022	Written Down Value 31 Mar 2023
		Cost	Revaluation Reserve	Total	Adjustment	Cost	Revaluation Reserve	Total	Adjustment	Cost	Revaluation Reserve	Total	Dep. Rate		
1	Land and Land Development	516,631,155	1,966,271,633	2,482,902,788	-	516,631,155	1,966,271,633	2,482,902,788	-	516,631,155	1,966,271,633	2,482,902,788	2,482,902,788	2,482,902,788	
2	Building & Other Construction	663,725,905	285,059,090	948,784,995	285,059,090	1,030,784,220	1,030,784,220	2,116,568,210	57,374,891	1,030,784,220	1,030,784,220	2,116,568,210	854,094,233	854,094,233	
3	Plant & Machinery	572,173,517	88,094,202	660,267,719	80,094,202	655,267,919	655,267,919	1,310,535,838	42,832,714	655,267,919	655,267,919	1,310,535,838	375,019,028	375,019,028	
4	Lab Equipment	111,389,382	5,411,009	116,800,391	5,411,009	116,800,391	116,800,391	233,600,782	6,590,716	116,800,391	116,800,391	233,600,782	54,564,943	55,741,650	
5	Furniture & Fitter	37,102,527	2,358,361	39,460,888	2,358,361	39,460,888	39,460,888	78,921,776	3,176,530	39,460,888	39,460,888	78,921,776	15,962,456	14,979,958	
6	Office Equipment's	38,850,360	3,811,167	42,661,527	3,811,167	42,661,527	42,661,527	85,323,054	1,762,530	42,661,527	42,661,527	85,323,054	12,953,885	10,881,167	
7	Transport	23,000,000	4,104,675	27,104,675	4,104,675	27,104,675	27,104,675	54,209,350	3,153,269	27,104,675	27,104,675	54,209,350	12,584,971	11,687,710	
8	Computer & IT Accessories	49,292,597	4,104,675	53,397,272	4,104,675	53,397,272	53,397,272	106,794,544	2,982,525	53,397,272	53,397,272	106,794,544	11,872,885	12,584,971	
9	Other Assets	7,467,341	-	7,467,341	-	7,467,341	7,467,341	14,934,682	204,904	7,467,341	7,467,341	14,934,682	1,638,756	1,841,159	
10	Intangible Assets	1,100,000	-	1,100,000	-	1,100,000	1,100,000	2,200,000	-	1,100,000	1,100,000	2,200,000	495,880	495,880	
	TOTAL 2022	2,101,224,211	1,966,271,634	4,067,495,844	383,858,594	4,451,354,438	4,451,354,438	8,902,708,876	116,682,718	4,451,354,438	4,451,354,438	8,902,708,876	3,689,013,153	3,421,873,360	

Allocation of Depreciation:

Particulars	Total	Admin	Factory	Sales & Mkt	Dist.
PPE and Vehicle	113,329,129	11,331,913	79,130,310	4,331,105	18,127,681
Vehicle	3,553,589	-	-	4,331,105	3,153,589



Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Schedule of Right-of-Use Asset
As at 31 March 2023

Sl. No.	Particulars	Cost			Dep. Rate	Depreciation			Written Down Value as on 31 Mar 2023	Written Down Value as on 30 June 2022
		Balance as on 1 July 2022	Addition	Adjustment		Balance as on 31 Mar 2023	Charged during the year	Adjustment		
1	Rental Asset	22,153,852	21,746,641	-		4,241,868	-	17,504,774	9,922,257	
	Rental Asset	22,153,852	21,746,641	-		4,241,868	-	17,504,774	9,922,257	
2	Vehicles	471,116,529	12,825,770	-	20%	31,881,911	-	184,962,846	249,821,737	
	Transport & Vehicles	290,847,505	12,825,770	-	20%	171,671,460	-	112,846,345	143,768,059	
	Motor Cycle	180,269,024	-	-	20%	95,426,082	-	72,116,501	106,053,678	
	Total	493,270,381	34,572,411	-		289,251,392	-	202,467,620	259,743,994	



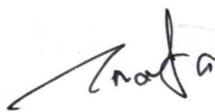
Allocation of depreciation:			
	Admin	Factory	Sales & Mkt
On Vehicles	1,594,096	4,782,287	3,188,191
On Rent HO	4,241,868	-	-
Total	5,835,964	4,782,287	3,188,191
			Dist.
			22,317,338

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd

Md. Abu Hurayra FCA
Chief Financial Officer
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Ioydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

For the Period from 01 July 2022 to 30 June 2023


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

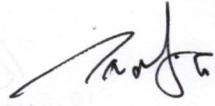

Md. Abu Hursyra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joydeep Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

**Auditor's Report and Audited Financial Statements
of**

**Navana Pharmaceuticals Limited
125/A Islam Chamber
Motijheel C/A, Dhaka-1000, Bangladesh.**

As at and for the year ended 30 June 2023

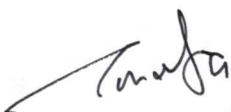

**Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.**


**Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.**


**Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.**

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Prof. Dr. Jonald Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Independent Auditor's Report
To the Shareholders
of
Navana Pharmaceuticals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Navana Pharmaceuticals Limited**, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

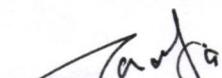
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.



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Chattogram Office:
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Member firm of Nexia International, UK


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Navana Pharmaceuticals Ltd


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Ioynul Abedin, ACS
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01. Revenue Recognition

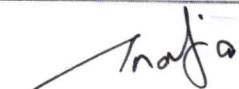
See note no 21.00 to The Financial Statements

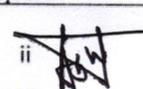
The Key Audit Matter	How the matter was addressed in our audit
<p>During this year, net sales revenue of Tk. 5,706,161,022 Revenue is measured net of discounts, commission and rebates earned by customers on the sales. Within a number of the company markets, the estimation of discounts, commission and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct year; • Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards; • Performing cut-off test by obtaining delivery challan for goods delivered during the beginning of the next accounting year and at the close of current accounting year to verify whether sales are recorded in the current accounting year; and • Inspecting VAT returns submitted to VAT authority to determine consistency of sales revenue recognized.

02. Valuation of Inventory

See Note No 7.00 to the Financial Statements

<p>The Inventory of Tk. 1,104,799,039 as at 30 June 2023, held in warehouses, depots and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of warehouses; • Testing, on a sample basis, the stock aging profile, expiry dates and the market price used in assessing the net realizable values of inventories to the related documents. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.
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Ioynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.



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MABS & J Partners
Chartered Accountants

03. Valuation of Property, Plant and Equipment

See Note No 3.00 to the Financial Statements

<p>The carrying value of the PPE amounted to Tk. 3,810,381,680 as at 30 June 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the year during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures: 3,810,381,680</p> <ul style="list-style-type: none">• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.• We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate.• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. <p>We checked whether the depreciation of PPE items was commenced namely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.</p>
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Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

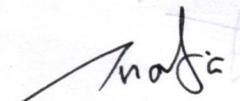
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. But we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 financial statements 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

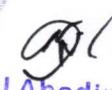
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

iv

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.




Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.



A member of
Nexia
International

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- The expenditure incurred was for the purpose of the Company's business.

Place: Dhaka, Bangladesh

Dated: 22 October 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants

Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2310220535AS289948

v

Prof. Dr. Jonald Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited

Statement of Financial Position

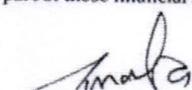
As at 30 June 2023

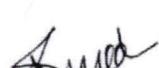
Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	3.00	3,810,381,680	3,421,837,366
Intangible Asset	3.01	550,000	770,000
Capital Work in Progress	4.00	614,665,799	403,007,534
Right-of-Use Asset	5.00	207,108,483	204,018,989
Investment in Marketable Securities (Fair Value)	6.00	167,619,834	159,028,097
Total Non-Current Assets		4,800,325,796	4,188,661,986
Current Assets			
Inventories	7.00	1,104,799,039	1,009,145,823
Trade and Other Receivables	8.00	801,236,634	547,819,881
Advances, Deposits and Prepayments	9.00	2,126,459,774	1,204,469,458
Goods in Transit	10.00	315,992,968	67,575,600
Cash and Cash Equivalents	11.00	440,930,216	66,427,585
Total Current Assets		4,789,418,631	2,895,438,347
Total Assets		9,589,744,427	7,084,100,333
Equity And Liabilities			
Equity			
Paid-up Share Capital	12.00	1,074,162,170	802,301,500
Share Premium	13.00	448,170,069	-
Revaluation Reserve	14.00	1,848,295,335	1,966,271,633
Capital Reserve		605,590,148	605,590,148
Unrealized Gain/ (Loss) Reserve		(46,800,998)	(95,356,927)
Retained Earnings	6.00	443,028,348	204,242,971
Total Equity		4,372,445,072	3,483,049,324
Liabilities			
Non-Current Liabilities			
Loan from Directors	15.00	30,000,000	30,000,000
Lease Liabilities	16.00	89,596,112	100,720,006
Long Term Loan	17.02	90,627,308	141,390,720
Deferred Tax Liability	18.00	152,111,701	42,362,502
Total Non-Current Liabilities		362,335,121	314,473,228
Current Liabilities			
Short Term Loan	19.00	4,066,050,635	2,682,055,890
Lease Liabilities (Current Maturity)	16.01	34,719,611	29,254,646
Long Term Loan (Current Maturity)	17.01	18,090,344	28,125,222
Trade and Other Payables	20.00	731,095,268	547,142,023
Unclaim Dividend payable		5,008,375	-
Total Current Liabilities		4,854,964,232	3,286,577,781
Total Liabilities		5,217,299,353	3,601,051,009
Total Equity and Liabilities		9,589,744,427	7,084,100,333
Net Asset Value (NAV) Per Share	30.00	40.71	43.41

The accompanying notes form an integral part of these financial statements.


Company Secretary


Chief Financial Officer

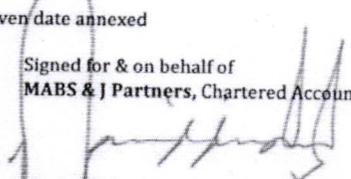

Managing Director

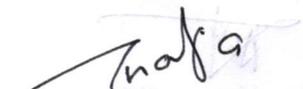

Director

Signed in terms of our report of even date annexed

Place: Dhaka, Bangladesh
Dated: 22 October 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2310220535AS289948


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

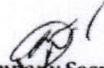

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd


Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

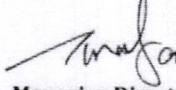
Navana Pharmaceuticals Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

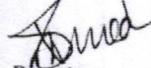
Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Net Sales	21.00	5,706,161,022	4,758,706,524
Less: Cost of Good Sold	22.00	3,097,130,517	2,586,134,852
Gross Profit		2,609,030,505	2,172,571,672
Less: Operating Expenses			
Administrative Expenses	23.00	203,270,825	151,042,811
Selling & Marketing Expenses	24.00	1,270,897,848	1,143,937,454
Distribution Expenses	25.00	390,226,783	288,402,731
Total Operating Expenses:		1,864,395,457	1,583,382,996
Operating Profit		744,635,047	589,188,676
Less: Finance Expenses	26.00	234,887,205	200,421,168
Add: Other Income	27.00	(37,503,668)	22,607,712
Profit before WPPF & Tax		472,244,175	411,375,219
Contribution to WPPF	20.05	23,160,551	19,589,296
Profit before Tax		449,083,624	391,785,923
Less: Income Tax		92,140,409	117,784,385
Current Tax	28.00	100,367,508	103,674,087
Deferred Tax Expense/(Income)		(8,227,099)	14,110,297
Profit after Tax		356,943,215	274,001,539
Other Comprehensive Income			
Unrealized Gain/(loss) on Marketable Securities		48,555,929	(95,356,927)
Total Comprehensive Income		405,499,144	178,644,612
Earnings Per Share (EPS)	29.00	3.59	3.42

The accompanying notes form an integral part of these financial statements.


 Company Secretary

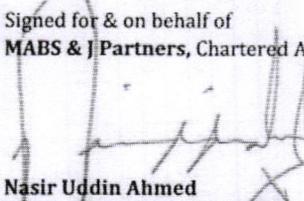

 Chief Financial Officer
 Signed in terms of our report of even date annexed

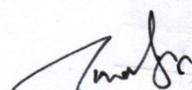

 Managing Director


 Director

Place: Dhaka, Bangladesh
 Dated: 22 October 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants


Nasir Uddin Ahmed
 FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
 Deputy Managing Partner
 ICAB Enrollment No: 535
 DVC: 2310220535AS289948

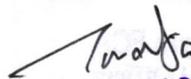

Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


Ioynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Amount in Taka							
	Share Capital	Share Premium	Liability against Share Money	Revaluation Reserve	Capital Reserve	Unrealized Gain / (Loss) Reserve	Retained Earnings	Total
Balance as at 1 July 2022	802,301,500	-	-	1,966,271,633	605,590,148	(95,356,927)	204,242,971	3,483,049,325
Profit after Tax Received from IPO Share Subscription	-	-	-	-	-	-	356,943,215	356,943,215
Allotment of Shares for IPO	271,860,670	478,139,330	750,000,000	-	-	-	-	750,000,000
11% Cash Dividend for year 30 June 2022	-	-	(750,000,000)	-	-	-	-	-
Less: Adj of IPO Expense	-	-	-	-	-	-	(118,157,839)	(118,157,839)
Deferred Tax on Revaluation	-	(29,969,261)	-	(117,976,298)	-	-	-	(29,969,261)
Adj. to Unrealized Gain / (Loss) on FVOCI	-	-	-	-	-	48,555,929	-	(117,976,298)
Balance as at 30 June 2023	1,074,162,170	448,170,069	-	1,848,295,335	605,590,148	(46,800,998)	443,028,348	4,372,445,072


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in Taka							
	Share Capital	Share Premium	Liability against Share Money	Revaluation Reserve	Capital Reserve	Unrealized Gain / (Loss) Reserve	Retained Earnings	Total
Balance as at 1 July 2021	802,301,500	-	-	1,966,271,633	-	-	535,831,580	3,304,404,713
Profit after Tax during the period	-	-	-	-	-	-	274,001,539	274,001,539
Transfer to Capital Reserve	-	-	-	-	605,590,148	-	(605,590,148)	-
Unrealized Gain / (Loss) on Marketable Securities	-	-	-	-	-	(95,356,927)	-	(95,356,927)
Balance as at 30 June 2021	802,301,500	-	-	1,966,271,633	605,590,148	(95,356,927)	204,242,971	3,483,049,325


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

The accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Company Secretary

Place: Dhaka, Bangladesh
Dated: 22 October 2023


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.



Navana Pharmaceuticals Limited

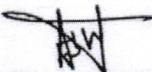
Statement of Cash Flows For the year ended 30 June 2023

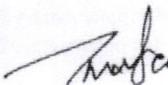
Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Cash Flows from Operating Activities:			
Cash Received from Customers		5,434,981,843	4,669,531,817
Cash Received from Other Income		52,792,061	30,180,900
Cash Paid to Suppliers		(2,993,934,714)	(2,546,219,181)
Cash Paid to Operational & Others		(1,103,510,786)	(892,633,744)
Cash Paid to Employees		(1,095,588,079)	(951,231,159)
Income Tax Paid		(100,997,116)	(110,269,216)
Net Cash Flows from Operating Activities:		193,743,209	199,359,418
Cash Flows from Investing Activities:			
Cash Paid for Purchase of Property, Plant & Equipment		(1,598,157,038)	(1,359,040,897)
Realized Gain/(loss) from Sale of Marketable Securities		(42,297,510)	82,902,285
Cash received from Dividend Income		2,789,556	3,264,591
Cash Received/(Paid) from Investment in Marketable Securities		39,964,192	(254,385,024)
Net Cash from/(used in) Investing Activities:		(1,597,700,800)	(1,527,259,045)
Cash Flows from Financing Activities:			
Payment against Related Party		-	(9,657,426)
Cash Received from IPO Proceed		750,000,000	-
Payment for IPO Expenses		(18,075,479)	(11,893,782)
Dividend Payment		(113,149,464)	-
Bank & Lease Interest Paid		(157,901,947)	(142,832,255)
Receipts against Short Term Borrowings		1,383,994,746	1,551,316,438
Payment against Long Term Borrowings		(60,798,290)	17,738,942
Payment against Lease Liability		(5,658,929)	(36,173,655)
Net Cash from/(used in) Financing Activities		1,778,410,637	1,368,498,262
Change in Cash and Cash Equivalent		374,453,046	40,598,634
Cash and Cash Equivalent at the Beginning of the Period		66,427,585	25,776,315
Effect of Exchange Rate Changes on Cash and Cash Equivalents		49,584	52,636
Cash and Cash Equivalent at the end of the Period		440,930,216	66,427,585

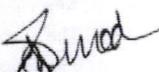
Net Operating Cash Flow Per Share (NOCFPS) 31.00 1.80 2.48

The accompanying notes form an integral part of these financial statements.


Company Secretary


Chief Financial Officer

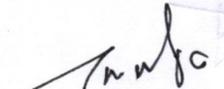

Managing Director


Director

Place: Dhaka, Bangladesh

Dated: 22 October 2023




Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited

Notes to the Financial Statements For the Period 01 July 2022 to 30 June 2023

1.0 About the Company

1.01 Legal Form of the Company

Navana Pharmaceuticals Limited (the "Company") was incorporated in Bangladesh on 31 March 1986 vide registration No. C-15428/994 under the Companies Act-1913 (replaced by the Companies Act-1994) as a Private Company Limited by shares. The company was converted into a Public Limited Company on 30 December 2020. In July 01, 2016 it took over 'Navana Health Care Limited' a Private Limited Company with common shareholders following the Scheme of Amalgamation approved by the High Court.

1.02 Address of the Registered Office and Factory

The address of the Company's registered office is 125/A Islam Chamber Motijheel C/A Dhaka 1000. Corporate office address is House 99, Road 4, Block # B, Banani, Dhaka-1213, Bangladesh. The Company has its factory in Rupshi, Narayanganj and several depots around the country.

1.03 Nature of Business Activities

The principal activities of the Company are manufacturing, distribution and marketing of pharmaceutical and veterinary products and sales of the produced items in the domestic and foreign market.

2.00 Basis of Preparation and Presentation of Financial Statements

2.01 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of the company is responsible for the preparation and fair presentation of Financial Statements of Navana Pharmaceuticals Limited.

2.02 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994 and other relevant local laws as applicable and in accordance with the applicable International Accounting Standards (IASs), The Securities and Exchange Rules, 2020 and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and others laws and regulations applicable for the company.

2.03 Regulatory Compliances

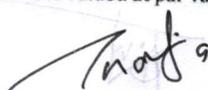
As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

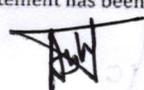
- The Income Tax Ordinance 1984 and the Income Tax Act 2023;
- The Income Tax Rules 1984 and the Income Tax Rules 2023;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax and Supplementary Duty Rules 2016;
- The Customs Act, 1969;
- Bangladesh Labour Law, 2006 (Amended 2018);
- Negotiable Instrument Act, 1881; and
- The Securities and Exchange Rules, 2020.

2.04 Basis of Measurement

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the company is historical cost of inventories are at the lower of cost and net realizable value and marketable securities (if any) are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. The Financial Statements have been prepared on a going concern basis under the historical cost convention applying accrual basis of accounting in accordance with the International Financial Reporting Standards (IFRS's).

The financial statements have been prepared on historical cost convention following the accrual concept of accounting, except for Property, Plant & Equipment which has been presented under the revaluation model. Investment in shares is valued at par value and cash flow statement has been prepared on cash basis.


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

5

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.



Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

2.05 Components of Financial Statements

The presentation of the financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The Financial Statements comprises of:

- Statement of Financial Position as at 30 June, 2023;
- Statement of Profit or Loss and Other Comprehensive Income for the period from 01 July 2022 to 30 June 2023;
- Statement of Changes in Equity for the period from 01 July 2022 to 30 June 2023;
- Statement of Cash Flows for the period from 01 July 2022 to 30 June 2023; and
- Notes, comprising summary of significant accounting policies and explanatory information.

2.06 Reporting Period and Comparative Information

The Financial statements cover 12 months period starting from July 01, 2022 to June 30, 2023

Certain comparative amounts have been re-classified & rearranged to conform to the current period's presentation and all numerical information in the current financial statements as below:

- Statement of Financial Position as at the end of the preceding financial period;
- Statement of Profit or loss and Other Comprehensive Income for the comparable of the preceding financial period;
- Statement of Changes in Equity for the comparable of the preceding financial period;
- Statement of Cash Flows for the comparable of the preceding financial period;

Narrative and descriptive information for comparative information has also been disclosed as required by IAS & IFRS whenever it is relevant for the understanding of the current Period financial statements.

2.07 Rearrangement of Financial Statements

The previous period's figure has been rearrangement whenever considered necessary to ensure comparability with the current period presentation as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.08 Functional and Presentation Currency

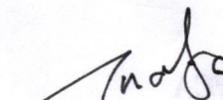
The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.09 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 22 October 2023.

2.10 Compliance with the IASs and IFRSs

Sl. No.	Name of the IAS	IAS's No.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in Accounting Estimates and Errors	8
5	Events after the Reporting Period	10
6	Income Taxes	12
7	Property, Plant and Equipment	16
8	Employee Benefits	19
9	The Effects of Changes in Foreign Exchange Rates	21
10	Borrowing Costs	23
11	Related Party Disclosures	24
12	Earnings Per Share	33
13	Impairment of Assets	36
14	Provision, Contingent Liabilities and Contingent Assets	37
15	Intangible Assets	38
16	Financial Instrument	32
Sl. No.	Name of the IFRS	IFRS No.
1	First-time Adoption of International Financial Reporting Standards	1
2	Financial Instruments: Disclosures	7
3	Operating Segments	8
4	Financial Instruments	9
5	Fair Value Measurement	13
6	Revenue from Contracts with Customers	15
7	Leases	16


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

2.11 Use of Estimates and Judgments

The preparation of financial statements in conformity with the IFRSs including IASs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation accrued expenses, others payable, capitalization of assets and deferred liability for gratuity.

2.12 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. The current resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reason the management continue to adopt going concern assumption in preparing the Financial Statements. As per management assessment there is no material uncertainties related to event as condition which may cast significant doubt upon the company's ability to continue as a going concern.

2.13 Significant Accounting Policies

The specific accounting policies have been selected and applied for significant transactions and events that have a material effect within the framework for the preparation and presentation of Financial Statements.

2.14 Changes in Significant Accounting Policies

Except the changes following, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has initially adopted IFRS 16 'Leases' from 1 July 2019. There is no material impact on financial statements on initial application of the standards.

As a Lessee

On 1st July 2019, IFRS 16 'Lease' has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than BDT 425,000 (\geq \$ 5000 as per IFRS 16) when new, have been capitalized as "right to use" assets with a corresponding financial liability on the balance sheet. Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value (less than BDT 425,000) and short term leases (less than 12 months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The lessor transfers ownership of the underlying assets to the lessee by the end of the lease term or if the cost of right-of-use asset reflects that the lessee will exercise a purchase option, the lessor shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2.15 Property, Plant and Equipment (PPE)

Recognition and Measurement:

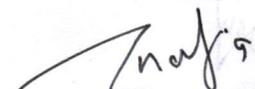
Items of property, plant & equipment are measured at cost or revalued amount less accumulated depreciation and impairment losses, if any in accordance with IAS 16: Property, Plant and Equipment. Cost includes expenditure that are directly attributable to the acquisition of the assets. The company has adopted 'Revaluation Model' for stating property, plant & equipment.

Maintenance Activities

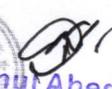
The company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance, costs are charged as expenses when incurred.

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenances costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.


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Retirements and Disposals

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds.

Depreciation

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment has been computed during the periods using reducing balance method except Land & Land Development. Depreciation has been charged on addition when the related PPE are available.

After considering the useful life of assets as per IAS 16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Rate of Depreciation:

Particulars	Rate	Particulars	Rate
Land and Land Development		Vehicles	
Land and Land Development	Nil	Transport & Vehicles	20%
Building & Other Construction		Motor Cycle	20%
Factory Building	10%	Furniture & Fixture	
Office Decoration	10%	Furniture & Fixtures	10%
Pump House Construction	20%	Rack & Pallets	15%
Store Room	15%	Office Equipment's	
Office Room Extension	10%	Fire Extinguishers	15%
Factory Decoration	10%	Office Equipment's	15%
Factory Wall	10%	Air Cooler	20%
Pre Fabrication Building	10%	Cookeries & Cutlery	10%
Solvent Store	15%	Telephone Line Installation	15%
Plant & Machinery		Photocopier & Fax Machine	20%
Plant & Machinery	20%	Projector	15%
Electrical Installation	20%	Refrigerator A/H	20%
Generator	20%	Mobile	20%
Gas Line Installation	20%	Computer & IT Accessories	
Spare Parts	20%	Computer	30%
ETP	20%	IT Accessories	30%
Electric Sub Station	20%	Other Assets	
Lab Equipment		Sundry Assets	15%
Quality Control Equipment	15%	Books	10%
Tools & Equipment's	15%	Software	20%

2.16 Right-of-Use Asset

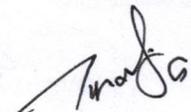
IFRS 16: Leases has introduced a single on-balance sheet lease accounting model for leases and replaces the previously adopted IAS 17: Leases. The standard requires that an asset acquired under a lease be recognized as Right of use Asset and the corresponding liability as lease liability. The Lease shall measure the lease liability at the present value of the future lease payment discounted using the interest rate implicit in the lease. The asset shall be depreciated over the lease period and the interest on the lease shall be charged as finance expense.

The Company has been consistently recording its underlying assets acquired under lease as right-of-use assets and the corresponding obligation as Lease Liabilities in the financial statements. The company has reclassified the assets acquired under the lease into "Right-of-use Assets" and presented them in the Statement of Financial Position following IFRS 16. Interest costs on lease liabilities and depreciation of Right-of Use Assets are charged to the profit or loss account.

Depreciation on Right of Use Assets

Depreciation on Right of use Assets (Finance Lease) is computed using the straight line method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS 16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.




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2.17 Intangible assets

Recognition and Measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in statement of profit or loss and other comprehensive income as incurred.

Amortization

Software are amortized over 5 periods based on straight line method from the date when assets are available for use. The amount of amortization has been presented under the statement of rate of amortization on software is as under.

Particulars	30 June, 2023
Software	20%

2.18 Capital Work in Process

Property, plant and equipment under construction/ acquisition are accounted for as capital work-in progress until construction/ acquisition is complete and measured at cost. As the capital work in process has not yet been finished and is not contributing to the production process to generate revenue, depreciation is not applied for capital work in process as per Generally Accepted Accounting Principles (GAAPs- revenue and expense recognition principle).

2.19 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

2.20 Income Tax

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12: Income Tax.

a) Current Tax:

Current income tax expense represents the sum of the tax currently payable. Applicable Tax Rate is 22.5%. "Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous periods as per the provisions of Income Tax Ordinance, 1984 and Income Tax Act, 2023.

b) Deferred Tax:

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences Taxable or (deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

VAT for the Company

VAT on the Company's product at 15% as Value Added Tax and Supplementary Duty Act-2012.

2.21 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments comprise Financial Assets and Financial Liabilities which are recognized, classified, measured and reported following IFRS-9: Financial Instruments.


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2.22 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and investments in marketable securities.

The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, in transit and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

Trade and other Receivables

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit and loss account.

Investment in Marketable Securities (Fair Value)

Investment in Marketable Securities are measured at fair value. Unrealized Gain or Loss on these financial assets are recognized in "Other Comprehensive Income." At the time of derecognition, related Gains or Losses is reclassified to "Profit or Loss" from "Other Comprehensive Income".

Bad Debt Policy

The provision for bad debt is determined as 0.1% of net local sales for the relevant period consistently which reflect the historical pattern of doubtful or bad receivable. The provision or doubtful or bad debt is written off on the basis of the result of legal procedure.

Advance, Deposits and Prepayments

Advances are initially measured at cost. Since initial recognition, advances are carried at cost fewer deductions, adjustments, or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income.

Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

2.24 Capital Reserve

As per board approval Capital Reserve has been credited from Retained Earning as on 30 June 2023.

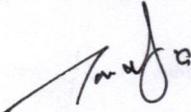
2.25 Impairment

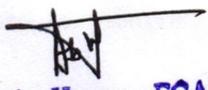
Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc.

Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.


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2.26 Revenue from Contracts with Customers

In compliance with the requirements of IFRS 15: Revenue from Contracts with Customers, revenue is recognized when the company fulfills the performance obligations in contract with the customers. It usually occurs when customers take possession of the products or goods are delivered at destination specified in the contracts and recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

2.27 Related Party Transaction

The objective of "Related Party Disclosures", IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. The information as required by IAS 24: Related Party Disclosures has been disclosed in note 32 to the accounts.

2.28 Finance Cost

Financial expenses comprise interest expenses on long term loan, short term loan and finance lease etc. All such costs are recognized in the statements of profit or loss and other Comprehensive Income except those are capitalized (if any) in accordance with IAS 23: Borrowing Costs.

2.29 Provisions

As per "IAS 37: Provisions, Contingent Liabilities and Contingent Assets" A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

2.30 Other Income

Export Incentives

Cash Incentives for export are recognized when all conditions as laid down in the relevant incentive scheme including receipt of export remittances are satisfied and the right to claim the incentives are established.

Gain from Disposal of Property, Plant & Equipment

Gain arises from sale of disposed of old machineries as scrap, vehicles is recognized as other income.

Toll Income

Toll income is recognized when services are delivered and there remains no unfulfilled obligation in connection with the service.

Interest Income

Interest income from savings account is recognized on accrual basis.

Dividend Income

Dividend Income from marketable securities is recognized when received.

Realized Gain/(loss) from Sale of Marketable Securities

Realized Gain or Loss from the sale of marketable securities are recognized in Other Income.

Income from PF Contribution Forfeiture

Forfeited PF Contribution of resigned members are recognized as Other Income.

Forex Gain/(Loss)

Gain of Loss arising from movement in foreign currency exchange rate from the booking date is recognized in Other Income.

Sales of Wastage

Sale proceed from wastage of various items at factory is recognized as other income.

2.31 Employee Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. Employees contribute 10% of their basic salary to the provident along with the Company that makes an equal contribution. The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

Defined Benefit Plan (Gratuity)

This represents unfunded gratuity scheme for its permanent employees. Though no valuation was done to quantify actuarial liabilities as per the IAS 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

Contribution to Workers' Profit Participation and Welfare Funds (WPPF)

The company contributed to the WPPF Fund as per provisions of the Bangladesh Labour Act-2006 (amendment) Act 2018 and is payable to workers as defined in the said law.

Short-Term Employee Benefits

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Insurance Scheme

Employees of the company are covered under group insurance schemes.

2.32 Earnings Per Share (EPS)

Basic Earnings Per Share

The Company calculates its Earnings per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

Basic Earnings

This represents earnings for the period attributable to the Ordinary Shareholders. As there are no preference dividends, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to Ordinary Shareholders.

Basic Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the company by the weighted average number of Ordinary Shares outstanding during the period.

Weighted average number of ordinary shares outstanding during the period. The basis of computation of number of shares in line with the provisions of IAS 33: Earnings per share. Therefore, the total number of shares outstanding at the period multiplied by a time-weighting factor which is the number of days the specific shares were outstanding as proportion of total number of days in the period.

Diluted Earnings Per Share (DEPS)

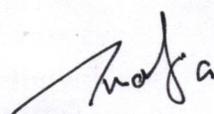
Diluted EPS is determined by adjusting the profit or loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares outstanding, for the effect of all dilutive potential Ordinary Shares. However, dilution of EPS is not applicable for this Financial Statements as there were no potential Ordinary Shares during the relevant period.

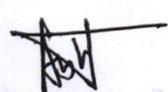
2.33 Foreign Currency Transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Exchange Rates.




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2.34 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 2020 and as the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

As per Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRCD/2006/158/208/Admin/81 dated 08 August, 2018 Cash Flows From operating activities has been reconciled with net income using the indirect method.

2.35 Impact of COVID-19

The Company through out the COVID lock down remained open and continued to manufacture, distribute, sale the life saving medicines in the market. The healthcare and certain other essential services remained exempted from the lockdown, ensuring uninterrupted production and supply with highest priority on the health and safety of the employees was indeed challenging. Management took various mitigating measures to confront this unforeseen situation and continued its production and supply of products overcoming the challenges in the global supply chain constraints. Directors are continually reviewing the local and global situation of the pandemic and the associated risks affecting the operation of the business.

As the country gradually adapts to the new environment, the economy started showing signs of recovery in the post balance sheet period. While there are uncertainties how the COVID-19 situations evolve and affects the business in the future, given the currently prevailing situation, directors believe that there is no material adverse effect of the pandemic on the business's continuity in the foreseeable future. Excepting above, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

2.36 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

2.37 Operating Segments

Segmental reporting is applicable for the company as required by "IFRS 8: Operating Segments" as the company operates in a single industry segment and within as a geographical segment

2.38 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.39 Contingencies

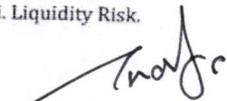
Contingencies arising from a claim, litigation assessment, fines, penalties etc. are recorded. It is probable that a liability has been incurred and the amount can be measured reliably in accordance with "IAS 37: Provisions, Contingent Liabilities and Contingent Assets"

2.40 Risk Exposure

Risk Management Framework

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyzed the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of Financial Instruments.

- i. Market Risk;
- ii. Credit Risk;
- iii. Liquidity Risk.


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Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates, interest rate and investment in freely traded share of stock exchange will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates.

Currency Risk

The Company is exposed to foreign currency risk relating to purchases, which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one period to hedge such Financial Liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to a large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its Financial Obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient Cash and Cash Equivalents to meet expected operational expenses, including Financial Obligations through preparation of the Cash Flow forecast, prepared based on timeline of payment of the Financial Obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short-term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through Cash Flows projections and credit lines facilities with banks are negotiated accordingly.

Expiry of Any Revenue-Generating Contract that May Adversely Affect the Business: The Company has no long-term contract with their customers so not in risk of expiry of any revenue-generating contract.

External Risk Factors May Include Among Others:

Industry Risk:

i) **Environmental Issue:** Environmentalists are likely to create pressure on government to protect or banning those factories, which are not follow proper ETP, waste management solution, Air pollution etc. which are negative effects on living being and environment thereby causing closure of business of the company. We have a good setup for ETP and incinerator for waste management, a very good and sophisticated fire alarm system with integrated fire hydrant and firehouse arrangement with carbon dioxide fire extinguisher, dry powder and sand bucket. The company also strictly follows the laid down regulations for marketing the products and therefore does not foresee any problems in doing the business.

ii) **Political Risks:** Bangladesh is prone to serious unrest in the political condition which produces Strike, Road-Block and Domestic Terror Attacks in Bangladesh could increase over the coming months, this could have an adverse impact on the country's economic growth prospects as investors, expatriates, and tourists may be deterred. During the last forty periods of post-independence period, Bangladesh has gone through a variety of political situations. At present political situation is much stable in the country as the oppositionist not much active in the field. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.



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Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
3.00	Property, Plant and Equipment: Tk. 3,810,381,680		
	This is made up as follows:		
	Cost		
	Opening Balance	2,101,724,213	1,544,433,709
	Addition during the year	549,247,630	557,290,503
	Adjustment/Disposal during the year		
	Closing Balance	2,650,971,843	2,101,724,213
	Revaluation		
	Opening Balance	1,966,271,632	1,966,271,632
	Adjustment due to revaluation during the year		
	Closing Balance	1,966,271,632	1,966,271,632
	Total Cost & Revaluation	4,617,243,475	4,067,995,846
	Depreciation		
	Opening Balance	646,158,480	540,385,659
	Charged During the year	160,703,316	105,772,821
	Adjustment During the year		
	Closing Balance	806,861,796	646,158,480
	Written Down Value	3,810,381,680	3,421,837,366
3.01	Intangible Assets: Tk. 550,000		
	This is made up as follows:		
	Cost		
	Opening Balance	1,100,000	1,100,000
	Total Cost	1,100,000	1,100,000
	Depreciation		
	Opening Balance	330,000	110,000
	Charged during the year	220,000	220,000
	Closing Balance	550,000	330,000
	Written Down Value	550,000	770,000
4.00	Capital Work In Progress: Tk. 614,665,799		
	This is made up as follows:		
	Opening Balance	403,007,534	159,035,250
	Add: Addition during the year	607,689,280	755,282,533
	Construction of new utility and engineering building	51,459,605	-
	Refurbishment of cephalosporin unit	105,232,976	-
	Warehouse construction	450,996,699	-
	Add: Interest Capitalized:	1,010,696,814	914,317,784
	Interest on Term Loan		525,000
	Less: Capitalized during the year		525,000
	Capitalized in Factory Building		
	Closing Balance	(396,031,015)	(511,835,250)
		614,665,799	403,007,534
5.00	Right-of-Use Asset: Tk. 207,108,483		
	This is made up as follows:		
	Cost		
	Opening Balance	493,270,381	490,163,324
	Add: Addition during the year	52,572,411	4,601,000
	Less: Adjustment during the year		(1,493,943)
	Closing Balance	545,842,791	493,270,381
	Depreciation		
	Opening Balance	289,251,392	230,419,330
	Charge during the year	49,482,916	60,063,527
	Less: Adjustment during the year		(1,231,465)
	Closing Balance	338,734,308	289,251,392
	Written Down Value	207,108,483	204,018,989

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

15
Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

6.00 Investment in Marketable Securities (Fair Value): Tk. 167,619,834

This is made-up as follows:

Total Market Value Securities	167,619,834	159,028,097
Total Cost of Marketable Securities	214,420,832	254,385,024
Unrealized Gain/(Loss)	<u>(46,800,998)</u>	<u>(95,356,927)</u>

During the year Total Unrealized Gain/(loss) from Sale of Marketable Securities is Tk. 46,800,998/-

7.00 Inventories: Tk. 1,104,799,039

This is made-up as follows:

Raw Material	378,760,941	367,866,435
Packing Material	113,570,761	148,435,283
Finished Goods	508,936,313	390,328,433
Work-in-Process	96,348,470	98,809,121
Printed & Gifted Promotional Stock	7,182,553	3,706,551
Total	<u>1,104,799,039</u>	<u>1,009,145,823</u>

i) The inventory quantity can not be disclosed/ inserted here as some of material contain in liter some are in pieces some are in box and some are in kg, gram, mili-gram, ton, liter and pcs.

ii) There is no damage goods item in the inventory list.

iii) As part of loan condition all of the company's inventory are pledged as security for loan finance of the company.

8.00 Trade and Other Receivables: Tk. 801,236,634

This is made-up as follows:

Trade Receivables-Local Sales	717,692,440	482,282,704
Trade Receivables-Export Sales	70,456,368	37,688,728
Receivable for Export Cash Incentive	12,665,366	27,815,948
Dividend Receivable	209,960	
Interest Receivable on FDR	212,500	32,500
Total	<u>801,236,634</u>	<u>547,819,881</u>

Export Receivable as at 30 June 2023 total \$ 658,471 has been translated @ Tk. 107 Average spot rate and resulting unrealized gain of Tk. 4,241,461 has been reported under 'FOREX Gain/Loss Account'.

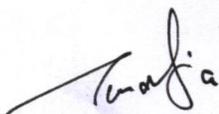
Accounts Receivable Ageing :

0 - 3 Months	578,153,342	435,575,697
3 - 6 Months	101,738,376	60,824,892
6-12 Months	64,032,373	26,126,810
> 1 Year	57,312,543	25,058,462
Total	<u>801,236,634</u>	<u>547,585,861</u>

Information about Accounts Receivable as per requirement under Schedule XI Part I Para 4 of the Companies Act 1994.

Debtors have been stated at their nominal value. Debtors are accrued in the ordinary course of business.

Particulars	Amount in Taka	Amount in Taka
Receivable considered good in respect of which the company is fully secured.	70,456,368	37,688,728
Accounts receivable considered good for which the company holds no security other than the debtor personal security.	730,780,266	510,098,652
Accounts receivable considered doubtful or bad	-	-
Accounts receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or debt due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated	-	-
Accounts receivable due by common management	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-


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 Managing Director
 Navana Pharmaceuticals Ltd.


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 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

9.00 Advances, Deposits and Prepayments: Tk. 2,126,459,774

This is made-up as follows:

Advance for Suppliers (Others)	35,273,260	80,074,638
Advance for Raw/Packing Purchase	132,829,104	92,932,529
LC Margin for Raw Material	9,288,214	36,033,000
VAT paid on Finished Goods	170,143,059	131,679,055
Security Money	6,853,594	6,853,594
Prepaid Insurance	952,979	2,594,925
Pre-IPO Expenses	-	11,893,782
Advance against Lease for Vehicles	5,650,000	1,222,534
Advance against Rent Sales Center	-	6,113,460
Advance against Customs Duty	20,072,888	498,300
Advance Income Tax (Note: 9.01)	388,945,606	287,948,490
Advance for Capital Expense	1,195,276,721	382,988,255
LC Margin for Capital Goods	161,174,349	163,636,897
Total	2,126,459,774	1,204,469,458

9.01 Advance Income Tax: Tk. 388,945,606

This is made-up as follows:

Opening Balance	287,948,490	177,679,274
Addition during this year:	100,997,116	110,269,216
TDS at Import Stage (u/s 53)	71,020,637	66,058,521
Deducted at source from Export Proceed (u/s 53)	2,023,049	1,240,298
Deposited at the time of Vehicle Registration (AIT) (u/s 68B)	2,705,655	2,870,500
Deducted from Institutional Sales (u/s 52)	2,762,666	1,986,022
Deducted from Toll Bill (u/s 52A)	-	11,290
Deducted from Bank Interest (u/s 53F)	378,687	335,566
Deducted from Dividend Income (U/s 54)	423,414	652,816
Deducted from Export Cash Incentive Proceed (u/s 53F)	3,806,300	1,599,000
Advance Tax Paid U/s 64 for AY 2022-23	-	34,000,000
Paid for Assessment year 2023-24	15,000,000	-
Paid for Assessment year 2020-21	2,876,708	1,515,203
Total	388,945,606	287,948,490

Information about Advances Deposits & Prepayments as Per Requirement under Schedule XI Part I Para 6 of the Companies Act 1994.

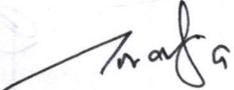
Debtors have been stated at their nominal value. Debtors are accrued in the ordinary course of business.

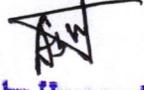
Particulars	Amount in Taka	Amount in Taka
i) Advance, deposits & prepayment considered good and in respect of which the company is fully secured.	-	-
ii) Advance, deposits & prepayment considered good for which the company holds no security.	2,126,459,774	1,204,469,458
iii) Advance, deposits & prepayment considered doubtful or bad	-	-
iv) Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member	-	-
v) Advance, deposits & prepayment due by companies under the same management.	-	-
vi) The maximum amount due by directors or other officers of the company at any time during the year.	-	-

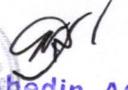
10.00 Goods in Transit: Tk. 315,992,968

315,992,968 **67,575,600**

Goods in transit consist of raw materials and packing materials under shipment as on 30 June 2023.


Prof. Dr. Jonaid Shafia
Managing Director
Navana Pharmaceuticals Ltd.

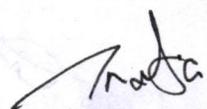

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

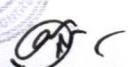
Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
11.00	Cash and Cash Equivalents: Tk. 440,930,216		
	This is made-up as follows:		
	Cash at Bank		
	Jamuna Bank Ltd., Rupshi Br. A/c. 1661	1,236,332	807,934
	Pubali Bank Ltd., Dhaka Stadium Br. A/c 473	3,783,107	7,136,884
	Southeast Bank Ltd., Corporate Br. CD A/C No.648	107,375	2,384,152
	Southeast Bank Ltd., Corporate Br. CD A/C No 7614	6,852,161	1,959,503
	Dutch Bangla Bank Ltd., Local Office, CD A/C No.957	1,737,550	4,760,908
	Sonali Bank Ltd., Customs House Br. A/c 379	5,010,804	4,110,034
	Sonali Bank Ltd., Customs House Br.A/c 378	-	92,239
	Al Arafah Islami Bank Ltd., VIP Road Br. A./c-7189	1,362,248	425,432
	Al Arafah Islami Bank Ltd., VIP Road Br. ERQ A./c-46	703,965	3,280,849
	Al Arafah Islami Bank Ltd., VIP Road Br.DAD A./c-44	8,115,183	-
	United Commercial Bank Ltd., Gulshan Br., A./c-0011	2,902,688	9,147,417
	United Commercial Bank Ltd., Gulshan Br. A/c-0055	5,295	2,041
	United Commercial Bank Ltd., SND A.C-162	3,765	45,345
	Dhaka Bank Ltd., Banani Br. A/c-28321	2,438,618	-
	NRBC Bank Ltd., Gulshan Br. -SND 033	115,325	1,848,314
	Shimanto Bank Ltd.Corp. Br., CD-012	23,675	281,508
	Community Bank BD Ltd.-9101	10,025	31,479
	Bengal Commercial Bank, Corp Br.-1467	5,810,804	-
	One Bank, Principal Br. A/c 9942	2,355	-
	Pubali Bank Ltd. Faridpur Br. A./c-160	514,602	213,562
	Pubali Bank Ltd., Mymensingh Br.- A/c 294	653,021	110,220
	Pubali Bank Ltd., Dargagate Br. A./c-125	642,281	295,831
	Pubali Bank Ltd., Kamalpur Br., A/c-25303	784,911	1,599
	Pubali Bank Ltd., Maizdee Court Br. A./c-840	834,948	2,882
	Pubali Bank Ltd., Momin Road Br. A./c-8940	202,312	1,701,600
	Southeast Bank Ltd., Barisal Br. A./c-051	607,244	6,250
	Southeast Bank Ltd., Bogra Br. A./c-246	587,027	406,061
	Southeast Bank Ltd., Comilla Br. A./c-044	703,800	305,364
	Southeast Bank Ltd., Corporate Br.A./c-8200	1,202,961	1,090,138
	Southeast Bank Ltd., Cox's Bazar Br. A./c-091	507,252	307,391
	Southeast Bank Ltd., Dinajpur Br.-A/c 0144	505,272	403,516
	Southeast Bank Ltd., Jessore(SME) Br. A./c-347	1,050,971	496,386
	Southeast Bank Ltd., Joydevpur Br., A./c-027	514,173	1,161,740
	Southeast Bank Ltd., Khulna Br. A./c-925	601,650	1,145
	Southeast Bank Ltd., Rajshahi Br. A./c-014	603,127	1,005,178
	Southeast Bank Ltd., Rangpur Br. A./c-284	607,517	405,612
	United Commercial Bank, Tangail A/c-4138	649,934	-
	United Commercial Bank, Pabna A/c-8094	399,948	-
	United Commercial Bank, N'Ganj Ac-10079	100,908	-
	Standard Chartered Bank Ltd. Gulshan Br. Ac-28001	457,126	-
	Southeast Bank Ltd. Corporate Br. A/C-152000,00059	-	-
	United Commercial Bank Ltd., Corporate Br., A./c-00783	-	-
	United Commercial Bank Ltd., Corporate Br., A./c-00794	-	-
	United Commercial Bank Ltd., Corporate Br., A./c-00072	-	-
	Standard Bank Ltd. Principal Br. Ac CD-00518	-	-
		52,952,256	44,228,509
	FDR at IPDC AC-25213	3,000,000	3,000,000
	United Commercial Bank Ltd., IPO A/C-3209	351,370,703	-
	United Commercial Bank Ltd. Ac-1971 (11% Cash Dividend, 2023)	5,008,375	-
	Cash in Hand	28,598,882	19,199,076
	Total	440,930,216	66,427,585

The Bank Balances have been reconciled where necessary and were agreed with the balance as per bank statements as on 30-06-2023. Cash in hand balance was duly certified by the management. The balance in AIBL ERQ A/c has been translated in Tk.107.00 resulting in exchange gain of Tk. 4,241,461/- as at 30-06-2023.

- The reconciliation of bank balance has been performed and found in order.
- Cash in hand has been counted by the management at the period end.
- The Bank Balances have been reconciled where necessary and were agreed with the balance as per bank statements as on 30-06-2023. Cash in hand balance was duly certified by the management.


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd



Joyrul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

12.00 Paid-up Share Capital: Tk. 1,074,162,170

This is made-up as follows:

A. Authorized Capital:

200,000,000 Ordinary Shares of Tk. 10 each

2,000,000,000 2,000,000,000

B. Issued Subscribed & Paid up Capital:

80,230,150 Ordinary Shares of Tk. 10 each

1,074,162,170 802,301,500

Total

1,074,162,170 802,301,500

Capital Structure of the Company		Percentage %		As at 30 June 2023	As at 30 June 2022
Name	Designation	30-Jun-23	30-Jun-22	Share Nos	Share Nos
Mr. Anisuzzaman Chowdhury	Chairman	3.74%	5%	4,014,010	4,014,010
Professor Dr. Md. Jonaid Shafiq	Managing Director	6.74%	9.20%	7,237,230	7,237,230
Mrs. Imrana Zaman Chowdhury	Director	3.74%	5%	4,014,010	4,014,010
Mrs. Masuma Parvin	Director	7.35%	9.84%	7,894,891	7,894,891
Dr. Zahara Rasul MD, CCFP	Director	4.48%	6%	4,814,810	4,814,810
Mr. Javed Kaiser Ally	Director	2.33%	3.12%	2,500,000	2,500,000
Mrs. Tarana Ahmed	Director	2.33%	3.12%	2,500,000	2,500,000
Dr. Sayeed Ahmed	Director	2.46%	3.29%	2,642,640	2,642,640
Mr. Manzurul Islam	Sponsor Director	2.33%	3.12%	2,500,000	2,500,000
General Shareholders	N/A	64.51%	52.49%	69,298,626	42,112,559
Total		100%	100%	107,416,217	80,230,150

Shareholding Pattern of the Company

Category of Shareholders	30-Jun-23	30-Jun-22	Ordinary Shares No.	Ordinary Shares No.
Director and Sponsor	35.49%	47.51%	38,117,591	38,117,591
Local Institute	12.04%	5.05%	12,929,905	4,055,000
Foreign Institute	27.73%	24.78%	29,789,154	19,879,102
General Shareholders	24.74%	10.32%	26,579,567	8,278,567
Non-Resident Bangladeshi		12.34%		9,899,890
Total	100%	100%	107,416,217	80,230,150

13.00 Share Premium Tk. 448,170,069

Opening Balance

Addition during the period

Less: Adjustment for IPO Expenses

478,139,330

(29,969,261)

Total

448,170,069

The Company has issued 27,186,067 nos. of ordinary shares through IPO for aggregating Tk. 750,000,000, out of which 9,753,441 nos. of ordinary shares issued for Eligible Investors (EIs) and Employee & Others at the cut-off price Tk. 34 and remaining 17,432,626 nos. of ordinary shares at discounted price Tk. 24 from the cut-off price i.e. Tk. 34 per share for General Public (GP) including NRBs.

14.00 Revaluation Reserve: Tk. 1,848,295,335

This is made-up as follows:

Opening Balance

Less: Deferred Tax on Revaluation

1,966,271,633

1,966,271,633

Closing Balance

(117,976,298)

1,848,295,335

1,966,271,633

15.00 Loan from Directors: Tk. 30,000,000

This is made-up as follows:

Opening Balance

Closing Balance

30,000,000

30,000,000

30,000,000

30,000,000

16.00 Lease Liabilities: Tk. 124,315,723

This is made-up as follows:

Opening Balance

Add: Addition during the year for ROUA for vehicle

Less: Payment during the year

Closing Balance

129,974,652

166,148,307

52,572,411

4,601,000

(58,231,340)

(40,774,655)

124,315,723

129,974,652

16.01 Principal Payment due within one year

16.02 Principal Payment due within two to five year

34,719,611

29,254,646

89,596,112

100,720,006

Total

124,315,723

129,974,652

Jonaid
Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

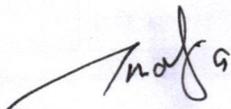
Abu Hurayra
Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Ioynul Abedin
Ioynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
17.00	Long Term Loan: Tk. 108,717,652		
	This is made-up as follows:		
	AIBL Term Loan (HPSM Ind), VIP Road Br., Dhaka	-	86,908,171
	AIBL Term Loan (HPSM RE) VIP Road Br., Dhaka	-	45,642,807
	AIBL Term Loan (HPSM Machine) VIP Road Br., Dhaka	65,050,145	14,156,036
	IPDC Term Loan, Gulshan Br., Dhaka	18,877,507	22,808,929
	Prime Bank Term Const	19,770,000	-
	Prime Bank Term Loan-Procurement	5,020,000	-
	Total	108,717,652	169,515,942
17.01	Payment due within one year	18,090,344	28,125,222
17.02	Payment due within two to four year	90,627,308	141,390,720
	Total	108,717,652	169,515,942
18.00	Deferred Tax Liability: Tk. 169,640,474		
	This is made-up as follows:		
	Opening Balance	59,415,004	48,740,390
	Addition during the year:		
	Deferred Tax on PPE and ROUA	(7,750,829)	10,674,614
	Deferred Tax on Revaluation	117,976,298	-
	Closing Balance	169,640,474	59,415,004
	Less: Deferred Tax Asset (Note 18.01)	17,528,773	17,052,502
	Net Deferred Tax Liability Balance	152,111,701	42,362,502
18.01	Deferred Tax Asset: Tk. 17,528,773		
	This is made up as follows:		
	Opening Balance	17,052,502	20,488,185
	Addition/(Adj) during the year	476,271	(3,435,683)
	Deferred Tax on Lease Liability	(203,521)	(1,458,702)
	Deferred Tax on Gratuity	(3,659,504)	(2,105,711)
	Deferred Tax on Broken Damage Expired Goods	(44,795)	121,494
	Deferred Tax on FVOCI	4,680,100	-
	Deferred Tax on Provision for Bad Debts	(296,009)	7,236
	Closing Balance	17,528,773	17,052,502
	Breakup of Closing DTA:		
	Deferred Tax on Lease Liability	542,724	746,245
	Deferred Tax on Gratuity	9,966,851	13,626,355
	Deferred Tax on Broken Damage Expired Goods	715,345	760,140
	Deferred Tax on FVOCI	4,680,100	-
	Deferred Tax on Provision for Bad Debts	1,623,753	1,919,761
	Total	17,528,773	17,052,502
19.00	Short Term Loan: Tk. 4,066,050,635		
	This is made-up as follows:		
	Bank Overdraft	1,826,941,462	1,244,527,127
	LTR, UPAS Loan	1,356,348,238	864,904,419
	Time Loan	764,284,263	264,500,000
	Margin Loan for Investment in Securities	118,476,671	108,124,344
	Total	4,066,050,635	2,482,055,890

The above balances were in agreement with the balance as per respective bank statement as on 30-06-2023. Provision is kept as per matching principal.




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 Managing Director
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Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd

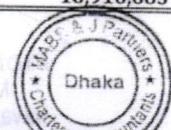

Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
20.00	Trade and Other Payables: Tk. 731,095,268		
	This is made-up as follows:		
	Trade & Other Payables	44,462,827	42,653,518
	Salary Payables	12,879,083	32,623,081
	VAT Payable	51,000,909	58,614,557
	Payable Audit Fee	287,500	230,000
	Payable for Other Supplies	686,960	600,490
	Payable Director Remuneration	795,000	750,000
	Payable-Sales Center Rent	789,103	860,827
	Payable for Utility	2,706,289	3,261,065
	Provision for Gratuity (Note: 20.01)	49,834,257	49,550,383
	Provision for Bad Debt (Note: 20.02)	8,118,763	6,980,950
	Provision for Broken, Damage & Expiry (Note: 20.03)	3,576,725	2,764,146
	Provision for Income Tax (Note: 20.04)	345,477,564	245,110,056
	Provision for W.P.P.F (Note: 20.05)	22,487,937	18,916,683
	Interest Payable on Short Term Loan (Note: 20.06)	155,604,381	76,553,448
	Interest Payable on Term Loan	1,936,131	1,002,173
	Interest Payable on Lease Liability	-	2,999,634
	Withholding Tax Payable	1,878,851	245,211
	Payable for Capital Expense	28,572,988	3,425,802
	Total	731,095,268	547,142,023
20.01	Provision for Gratuity: Tk. 49,834,257		
	This is made-up as follows:		
	Opening Balance	49,550,383	52,440,223
	Provision made during the Period	12,883,873	24,886,161
	Less: Paid during the period	(12,600,000)	(27,776,000)
	Total	49,834,257	49,550,383
20.02	Provision for Bad Debt: Tk. 8,118,763		
	This is made-up as follows:		
	Opening Balance	6,980,950	6,375,083
	Provision made during the year (0.1% of Local Sales)	5,472,129	4,582,302
	Less: Adjusted during the year	(4,334,315)	(3,976,436)
	Total	8,118,763	6,980,950
20.03	Provision for Broken, Damage & Expiry: Tk. 3,576,725		
	This is made-up as follows:		
	Opening Balance	2,764,146	2,128,819
	Provision made during the period	1,815,124	1,653,138
	Less: Adjustment during the period	(1,002,544)	(1,017,811)
	Total	3,576,725	2,764,146
20.04	Provision for Income Tax: Tk. 345,477,564		
	This is made-up as follows:		
	Opening Balance	245,110,056	141,435,969
	Provision made during this period (Annex-C)	100,367,508	103,674,087
	Total	345,477,564	245,110,056
20.05	Provision for W.P.P.F: Tk. 22,487,937		
	This is made-up as follows:		
	Opening Balance	18,916,683	25,378,539
	Add: Provision made Previous year	672,614	-
	Add: Provision made during the year	22,487,937	19,589,296
	Less: Paid to WPPF a.c for AY 2020-21 to Labour Welfare Fund	-	(1,093,052)
	Less: Paid to WPPF a.c for AY 2021-22 to Labour Welfare Fund	-	(1,512,063)
	Less: Paid to WPPF a.c for AY 2020-21 to WPPF	-	(9,837,468)
	Less: Paid to WPPF a.c for AY 2020-21 to WPPF	-	(13,608,569)
	Less: Paid to WPPF a.c for AY 2022-23 to WPPF	(19,589,297)	-
	Total	22,487,937	18,916,683

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Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
20.06	Interest Payable on Short Term Loan (Note 20.06)	155,604,381	76,553,448
20.07	Interest Payable on Term Loan	1,936,131	1,002,173
	AIBL-HPSM Machine		
	Opening Balance	1,002,173	304,878
	Add: Charge during the year	2,537,499	1,614,685
	Less : Payment during the year	(1,603,541)	(917,390)
	Closing Balance	1,936,131	1,002,173
20.08	Interest Capitalized Payable on Term loan	-	6,995,778
	AIBL-HPSM Industrial		
	Opening Balance	4,639,872	2,300,000
	Add: Charge during the period	1,891,410	9,433,685
	Less : Payment during the period	(6,531,282)	(7,093,813)
	Closing Balance	-	4,639,872
	AIBL-HPSM RE		
	Opening Balance	2,355,906	686,250
	Add: Charge during the Period	993,347	3,571,073
	Less : Payment during the Period	(3,349,253)	(1,901,417)
	Closing Balance	-	2,355,906
20.09	Interest Payable on Lease Liability	-	136,322
	IPDC		
	Opening Balance	136,322	-
	Add: Charge during the period	2,095,555	3,125,963
	Less : Payment during the period	(2,231,877)	(2,989,641)
	Closing Balance	-	136,322
	IDLC		
	Opening Balance	-	-
	Add: Charge during the period	1,500,000	-
	Less : Payment during the period	(1,500,000)	-
	Closing Balance	-	-
	AIBL-Transport		
	Opening Balance	2,863,312	-
	Add: Charge during the period	3,513,312	3,513,312
	Less : Payment during the period	(6,376,624)	(650,000)
	Closing Balance	-	2,863,312
	Lease Liability on ROUA (Rental agreement)		
	Opening Balance	-	-
	Add: Charge during the period	133,815	943,956
	Less : Payment during the period	(133,815)	(943,956)
	Closing Balance	-	-
21.00	Sales: Tk. 5,706,161,022		
	This is made-up as follows:		
	Local Sales Human Health	5,154,359,051	4,376,138,837
	Export Sales	234,032,380	176,404,474
	Local Sales Animal Health	1,269,919,975	1,029,949,813
	Gross sales	6,658,311,406	5,582,493,124
	Less: Value Added Tax (VAT)	952,150,384	823,786,600
	Net sales	5,706,161,022	4,758,706,524

a. Sales figure is presented on net of VAT in the statement of profit or loss and other comprehensive income.

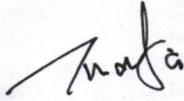
b. Sales has increased due to strong branding, marketing and improved economic condition.

Breakup of Net Turnover

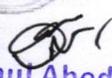
Local Sales Human Health Division	4,390,425,086	3,596,176,805
Export Sales	234,032,380	176,404,474
Local Sales Animal Health Division	1,081,703,556	986,125,244
Total	5,706,161,022	4,758,706,524

Sales comprises pharmaceutical formulation products of various therapeutic categories in different dosage forms and strengths.

The quantity sold under different broad categories are as follows:


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Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
22.00	Cost of Sales: Tk. 3,097,130,517		
	This is made-up as follows:		
	Raw Material Consumption (Note No: 22.01)	2,000,096,427	1,614,976,476
	Packing Material Consumption (Note No: 22.02)	789,207,436	672,609,153
	Factory Expenses (Note No: 22.03)	475,075,834	402,739,043
	Total Manufacturing Cost	3,264,379,697	2,690,324,672
	Opening Stock Work-In-Process	98,809,121	90,459,914
	Closing Stock Work-In-Process	(96,348,470)	(98,809,121)
	Cost of Production	3,266,840,348	2,681,975,465
	Opening Stock Finished Goods	390,328,433	365,136,224
	Finished goods available for sale	3,657,168,781	3,047,111,690
	Cost of Physician Sample transferred to Marketing Exp.	(29,960,189)	(50,317,662)
	Cost of Bonus Product transferred to Marketing Exp.	(21,141,761)	(20,330,744)
	Closing Stock Finished Goods	(508,936,313)	(390,328,433)
	Cost of Goods Sold	3,097,130,517	2,586,134,852
22.01	Raw Material Consumption: Tk. 2,000,096,427		
	This is made-up as follows:		
	Opening Stock of Raw Materials	367,866,435	252,923,665
	Add: Purchase during the year	2,010,990,933	1,729,919,246
	Less: Closing Stock of Raw Materials	(378,760,941)	(367,866,435)
	Total	2,000,096,427	1,614,976,476
22.02	Packing Material Consumption: Tk. 789,207,436		
	This is made-up as follows:		
	Opening Stock of Packing Materials	148,435,283	90,015,455
	Add: Purchase during the year	754,342,915	731,028,981
	Less: Closing Stock of Packing Materials	(113,570,761)	(148,435,283)
	Total	789,207,436	672,609,153
22.03	Factory Expenses: Tk. 475,075,834		
	This is made-up as follows:		
	Salary & Allowance	173,563,239	165,447,647
	Festival Bonus	21,172,661	13,020,963
	Contribution to Provident Fund	8,003,741	7,700,171
	Holiday Allowance & Overtime	15,603,772	14,687,165
	Cylinder Expenses	2,203,799	647,255
	Diesel for generator	8,994,934	3,876,390
	Electricity Bill	29,957,461	28,179,056
	Entertainment	2,803,351	1,542,855
	Renewal Fees	200,753	142,168
	Fees & Forms	660,910	198,744
	Insurance Premium-Fire & Burglary	2,527,750	1,866,686
	Gas Bill	787,607	613,395
	Group Insurance Premium	543,221	281,518
	Laboratory Chemicals	13,583,143	9,724,071
	Medical Expenses	373,824	25,412
	Newspaper & Periodicals	1,675	4,878
	Repair & Maintenance	15,351,000	7,217,435
	Medical Waste Management Expense	1,520,452	640,550
	Sanitation Expense	4,305,417	1,928,163
	Spare Parts for machinery	21,131,109	9,551,245
	Depreciation on PPE & ROUA	115,804,691	81,112,247
	Mobile Telephone Bill	812,984	780,805
	Staff Quarter rent	1,376,844	1,354,215
	Rent for Depot	333,222	971,458
	Stationery	1,461,827	1,249,558
	Subsidy on Canteen	10,350,786	6,300,626
	Conveyance	193,612	140,233
	Uniform & Liveries	636,250	666,345
	Staff Transport Cost	3,609,913	3,844,094

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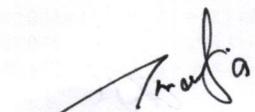
Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
	Vehicle Petrol Oil & Lubricants	2,344,870	2,017,943
	Vehicle-Toll & Levies	200,668	219,782
	Vehicle Repair-Spare Parts	1,030,167	783,040
	Vehicle Tax & Renewals	125,877	104,633
	Land Revenue	301,950	340,350
	Toll Charges (Contract Manufacturing)	6,700,231	28,993,892
	Gratuity	4,686,998	4,910,917
	Broken, Damaged & Expiry Expenses	1,815,124	1,653,138
	Total	475,075,834	402,739,043

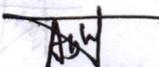
23.00 Administrative Expenses: Tk. 203,270,825

This is made-up as follows:

Salary and Allowances	59,471,297	52,597,300
Festival Bonus	8,105,590	5,026,221
Contribution to Provident Fund	3,195,065	2,514,012
Gratuity	2,021,383	8,823,757
Audit Fees	287,500	230,000
Board Meeting Fee	649,000	655,500
Audit Committee & NRC Meeting Fee	148,500	120,750
Professional Fees	2,730,312	586,444
Advertising Expenses	1,430,544	199,944
Director's Remuneration	10,803,600	9,837,313
Electricity Bill	2,251,239	2,696,038
Registration Fees and Renewal Fees	1,799,270	510,530
Foreign Tour Expenses	20,970,142	4,488,246
Depreciation on Rental Asset (Annex-ROUA)	8,681,137	12,429,319
Depreciation Other than Rental Asset (Annex-PPE)	15,623,186	10,513,008
Amortization on software	220,000	220,000
Newspapers & Periodicals	6,787	21,004
Repair & Maintenance	1,452,124	2,709,674
Staff Transport Cost	1,637,881	1,625,902
Sanitation Expense	1,061,155	1,105,511
Stationery	3,104,514	1,149,521
Internet Bill	520,243	422,505
Gardening Expenses	141,987	360,695
Conveyance and Travelling	1,474,996	402,980
Holiday Allowance & Overtime	1,707,047	1,370,505
Entertainment	3,737,802	2,057,141
Gas Bill	52,020	49,210
Subscription Fee	357,855	277,122
Group Insurance Premium	85,085	85,085
Insurance Premium Fire & Burglary	162,310	162,756
Mobile Telephone Bill	1,193,973	649,572
Telephone	16,214	21,490
Vehicle Repair-Spare Parts	1,326,202	969,108
Vehicle-Toll & Levies	139,825	47,404
Vehicle Tax & Renewals	276,541	500,700
Vehicle Petrol Oil & Lubricants	3,319,832	3,319,832
Iftar Bill	28,350	18,900
WASA	517,776	563,705
Subsidy on Canteen	959,827	891,426
Bad Debt Expense	5,472,129	4,582,302
Training Expenses	27,330	35,698
Other Expenses	8,843	14,559
Bank Charges	8,919,724	4,960,582
Bank Charges-Export	3,961,552	2,022,271
BO Charges, Interest on Margin Loan	21,363,581	8,290,153
Software Services	127,349	271,626
AGM & Related Costs	379,184	-
Security Services	1,343,024	635,491
Total	203,270,825	151,042,811

As per IFRS 16-Leases Office Rent for current year has been presented under Depreciation.


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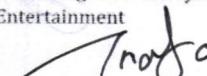

Joynul Abedin, ACS
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Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
24.00	Selling & Marketing Expenses: Tk. 1,270,897,848		
	This is made-up as follows:		
	Salary and Allowances	561,404,907	529,084,030
	Festival Bonus	73,939,197	41,648,649
	Contribution to Provident Fund	29,396,459	28,986,577
	Incentives	42,202,709	61,186,025
	Gratuity	3,761,931	6,909,412
	Stationery	4,233,113	4,008,318
	Daily Expenses for Field workers	327,942,212	227,099,471
	Travelling and Conveyance	12,126,152	3,120,817
	Bonus On Sales	21,141,761	20,330,744
	Printed & Gifted Promotional Expenses	29,207,213	78,357,630
	Sample Expenses	29,960,189	50,317,662
	Depreciation on PPE & ROUA	10,544,199	9,219,330
	Product Expiry Replacement	25,173,930	19,028,522
	Brand Development & New Product	17,454,146	-
	Export Freight Expenses	4,466,745	3,384,990
	Scientific Seminar	4,390,628	4,192,290
	Meeting	14,115,377	8,703,185
	Monthly Regional Conference	4,616,016	2,804,000
	Courier Service & Postage	739,122	507,127
	Mobile Telephone Bill	17,447,874	15,149,579
	Group Insurance Premium	1,217,787	1,205,787
	Insurance Premium Export	730,911	888,932
	Registration Fee	1,750,170	2,042,945
	Holiday Allowance & Overtime	67,147	74,910
	Tender Form	51,600	64,250
	Day Celebration	1,833,697	1,257,423
	Product Registration Fee	3,836,034	1,330,582
	Entertainment	1,868,901	1,028,570
	Renewal Fees	454,400	143,750
	Training Expenses	1,567,528	1,261,641
	Campaign Expenses	1,444,661	2,123,220
	CSR & Society Contribution	450,000	304,503
	Advertisement & Souvenir Expense	2,495,294	2,302,327
	Vehicles Repair-Spare Parts	2,181,984	880,888
	Vehicle Petrol Oil & Lubricants	1,169,454	1,061,598
	Vehicle-Toll & Levies	25,905	54,320
	Vehicle-Tax & Renewals	179,858	458,237
	Iftar Bill	-	48,988
	Repair & Maintenance	935,050	651,254
	Software Services	1,516,525	1,437,012
	Staff Transport Cost	1,910,637	1,834,628
	Subsidy on Canteen	806,382	751,716
	Foreign Tour Exp.	6,990,047	5,829,415
	Prescription Survey Report Fee	3,150,000	2,862,201
	Total	1,270,897,848	1,143,937,454

25.00 Distribution Expenses: Tk. 390,226,783

This is made-up as follows:

Salary and Allowances	126,851,765	99,371,710
Festival Bonus	17,005,982	8,683,870
Contribution to Provident Fund	6,656,015	4,978,288
Repair & Maintenance	1,041,241	1,024,763
Stationery	5,902,831	4,586,773
Daily Expenses for Field workers	67,969,665	41,482,845
Holiday Allowance & Overtime	4,723,209	3,672,229
Insurance Premium Fire & Burglary	686,623	454,715
Group Insurance Premium	275,125	347,939
Depreciation on PPE & ROUA	59,533,019	52,562,443
Sales Centre Rent	19,843,346	14,508,586
Travelling and Conveyance	693,691	270,384
Entertainment	934,450	514,285


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Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
	Telephone Bill	7,306	10,108
	Security Services	382,710	378,177
	Electricity	6,124,290	3,054,724
	Land Revenue	-	21,786
	Gratuity	2,413,561	4,242,075
	Driver Allowance	2,836,015	2,182,288
	Re-packing Expenses	7,149,020	6,891,276
	Internet Bill	268,860	232,589
	Gas Bill	185,609	142,900
	Wasa Bill	500,992	291,080
	Courier Service & Postage	4,984,352	4,154,504
	Consumables & Supplies	902,030	654,696
	Mobile Telephone Bill	1,267,994	1,387,238
	Rent-A-Car	8,742,386	-
	Renewal Fees	402,948	1,005,785
	Vehicle-Toll & Levies	6,060,748	3,655,984
	Vehicle-Tax & Renewals	644,809	1,833,539
	Vehicles Repair-Spare Parts	5,627,277	6,182,107
	Vehicle Petrol Oil & Lubricants	29,551,400	19,482,613
	Transfer & Other Charges	57,515	140,432
	Total	390,226,783	288,402,731

26.00 Finance Expenses: Tk. 234,887,205

This is made-up as follows:

Interest charged on Short term loan

216,876,758

170,411,244

Interest on Term Loan

5,422,256

18,315,690

Interest on Lease Finance (trf. T.Loan Int to TL Head)

12,588,191

11,694,234

Total

234,887,205

200,421,168

27.00 Other Income/ (Loss): Tk. -37,503,668

This is made-up as follows:

Cash Incentive

20,872,421

15,854,889

Bank Interest

2,865,916

2,280,376

Interest on FDR

180,000

32,500

Dividend Income

2,789,555

3,264,591

Sale of Wastage

4,890,158

5,058,678

Toll Income

198,485

924,362

FOREX Gain/(loss)

(33,379,891)

(93,979,209)

Gain on disposal of FA (Note 27.01)

-

467,522

Realized Gain/(loss) from Sale of Marketable Securities

(42,297,510)

82,902,285

Income from PF Contribution Forfeiture

6,377,198

5,801,719

Total

(37,503,668)

22,607,712

27.01 Gain on disposal of FA

This is made-up as follows:

Sale proceed from FA disposed

730,000

Less: Written Down Value

262,478

Total

467,522

28.00 Income Tax: Tk. 92,140,408

This is made-up as follows:

Current year Tax

100,367,508

103,674,087

Deferred Tax Expense/ (Income)

(8,227,099)

14,110,297

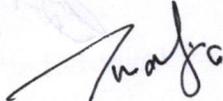
Total

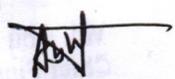
92,140,408

117,784,384

Details calculation of current tax are shown in Annexure-C




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Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
29.00	Earnings Per Share (EPS)		
	Earnings attributable to the Ordinary Shareholders	356,943,215	274,001,538
	Number of Ordinary Shares	99,413,855	80,230,150
	Earnings Per Share (EPS)	3.59	3.42

Reasons for Deviation: Increase in 20% Sales Revenue and Net Profit 30% resulted in the increment of Earnings Per Share as well.

Weighted Average Number of Ordinary Shares Outstanding: The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighted factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year (considering 180 days in a period).

Weighted Average Number of Ordinary Shares Outstanding during the year:

Date of Allotment	Ordinary Shares Nos	Weighted no. days	Calculation	Weighted no. Shares
OS Shares as on 1st July, 2022	80,230,150	100%		80,230,150
16/10/2022	23,201,750	258	(23,201,750*258/365)	16,400,141
19/10/2022	3,984,317	255	(3,984,317*255/365)	2,783,564
Closing Balance as on 30-06-2023	107,416,217			99,413,855

29.01 **Dilution of Earnings Per Share:** No diluted earnings per share is required to be calculated for the period presented as there was no item issued by the company, as such no scope for dilution of shares during the period.

30.00 **Net Asset Value (NAV) Per Share**

Total Assets	9,589,744,427	7,084,100,333
Less Total Liabilities	5,217,299,353	3,601,051,009
Net Assets	4,372,445,074	3,483,049,324
Number of Ordinary Shares	107,416,217	80,230,150
Net Asset Value (NAV) Per Share	40.71	43.41

Reasons for Deviation: NAV is decreased, due to increase of number of ordinary shares during the year.

31.00 **Net Operating Cash Flow Per Share (NOCFPS)**

Net Cash Generated from Operating Activities	193,743,209	199,359,417
Number of Ordinary Shares	107,416,217	80,230,150
Net Operating Cash Flow Per Share (NOCFPS)	1.80	2.48

Reasons for Deviation: Despite increase of business volume NOCFPS is decreased due to increase a payment of outstanding supplier bills and increase number of share issue.



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Ioynul Abedin
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 Company Secretary
 Navana Pharmaceuticals Ltd.

32.00 Related Party Disclosure

The name of the related parties nature of transaction and their respective period end balance have been set out in accordance with the provisions of Para 18 Disclosure of Transaction Between Related Parties of IAS 24 'Related Party Disclosure's. The company in normal course of business carried out transactions at fair value with following related parties:

Name of the Related Party	Relationship	Nature of Transaction	Balance as at 1 July 2022	Transaction July'22-June'23	Balance as at 30 June 2023
Aftab Hatchery Ltd.	Common Board	Sales	322,703	-	90,000
Aftab Feed Products Ltd.	Common Board	Sales	9,060,519	-	35,270,790
Meghna Insurance Co. Ltd.	Common Board	Insurance Premium	893,811	690,182	1,583,993
Janata Insurance Co. Ltd.	Common Board	Insurance Premium	582,175	103,863	686,038
Mr. Jonaid Shafiq	Director	Remuneration	300,000	2,767,500	322,500
Mr. Javed Kaiser Ally	Director	Remuneration	200,000	1,854,000	218,000
Dr. Sayeed Ahmed	Director	Remuneration	250,000	2,317,500	272,500
Mr. Anisuzzaman Chowdhury	Chairman	Board Fee	-	66,000	-
Professor Dr. Md. Jonaid Shafiq	Director	Board Fee	-	66,000	-
Ms. Imrana Zaman Chowdhury	Director	Board Fee	-	66,000	-
Mrs. Masuma Parvin	Director	Board Fee	-	66,000	-
Dr. Zahara Rasul MD CCFP	Director	Board Fee	-	66,000	-
Mr. Javed Kaiser Ally	Director	Board Fee	-	66,000	-
Mrs. Tarana Ahmed	Director	Board Fee	-	66,000	-
Dr. Sayeed Ahmed	Director	Board Fee	-	66,000	-
Mr. Khondaker Sabbir Mohammad Kabir	Independent Director	Board Fee	-	66,000	-
Mr. Mohammad Bul Hassan FCS	Independent Director	Board Fee	-	33,000	-
Mr. Mohammad Arife Billah	Independent Director	Board Fee	-	22,000	-
Mr. Khondaker Sabbir Mohammad Kabir	Independent Director	Audit Comm. Fee	-	22,000	-
Ms. Imrana Zaman Chowdhury	Independent Director	Audit Comm. Fee	-	22,000	-
Mrs. Masuma Parvin	Director	Audit Comm. Fee	-	22,000	-
Dr. Zahara Rasul MD CCFP	Director	Audit Comm. Fee	-	22,000	-
Mrs. Tarana Ahmed	Director	Audit Comm. Fee	-	22,000	-
Mr. Mohammad Arife Billah	Independent Director	Audit Comm. Fee	-	11,000	-

As per Para-17, IAS 24: An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term Employee Benefits				
Name	Designation	Particulars	Transaction during the period	Outstanding as on 30-06-2023
Professor Dr. Jonaid Shafiq	Managing Director	Director Remuneration	2,767,500	322,500
Dr. Sayeed Ahmed	Director	Director Remuneration	2,317,500	272,500
Mr. Javed Kaiser Ally	Director	Director Remuneration	1,854,000	218,000

Board Meeting Fee: During the period from 01-07-2022 to 30-06-2023, there were 12 no's board meeting held. The attendance status of all the meeting is as follows:

Name of Director's	Designation	No's of Meeting	Taka	No's of Meeting	Taka
Mr. Anisuzzaman Chowdhury	Chairman	12	5,500	12	66,000
Professor Dr. Md. Jonaid Shafiq	Managing Director	12	5,500	12	66,000
Ms. Imrana Zaman Chowdhury	Director	12	5,500	12	66,000
Mrs. Masuma Parvin	Director	12	5,500	12	66,000
Dr. Zahara Rasul MD CCFP	Director	12	5,500	12	66,000
Mr. Javed Kaiser Ally	Director	12	5,500	12	66,000
Mrs. Tarana Ahmed	Director	12	5,500	12	66,000
Dr. Sayeed Ahmed	Director	12	5,500	12	66,000
Mr. Khondaker Sabbir	Independent Director	12	5,500	12	66,000
Mr. Mohammad Bul Hassan FCS	Independent Director	12	5,500	6	33,000
Mr. Mohammad Arife Billah (Bar)	Independent Director	12	5,500	4	22,000
Total					649,000

Audit Committee Meeting Fee: During the period from 01-07-2022 to 30-06-2023, there were 4 no's Audit Committee Meeting held. The attendance status of all the meeting is as follows:

Name of Director's	Designation	No's of Meeting	Taka	No's of Meeting	Taka
Mr. Khondaker Sabbir	Chairman	4	5,500	4	22,000
Ms. Imrana Zaman Chowdhury	Member	4	5,500	4	22,000
Mrs. Masuma Parvin	Member	4	5,500	4	22,000
Dr. Zahara Rasul MD CCFP	Member	4	5,500	4	22,000
Mrs. Tarana Ahmed	Member	4	5,500	4	22,000
Mr. Mohammad Arife Billah (Bar)	Member	4	5,500	2	11,000
Total					121,000

Nomination and Remuneration Committee Fee: During the period from 01-07-2022 to 30-06-2023, there were 1 no's Nomination and Remuneration Committee meeting held.

Name of Director's	Designation	No's of Meeting	Taka	No's of Meeting	Taka
Mr. Mohammad Bul Hassan FCS	Chairman	1	5,500	1	5,500
Ms. Imrana Zaman Chowdhury	Member	1	5,500	1	5,500
Mrs. Masuma Parvin	Member	1	5,500	1	5,500
Dr. Zahara Rasul MD CCFP	Member	1	5,500	1	5,500
Mrs. Tarana Ahmed	Member	1	5,500	1	5,500
Total					27,500

- (b) Not paid any Post-employee benefits
- (c) Not paid any Other long term benefits
- (d) Not paid any Termination benefits
- (e) Not paid any Share-based payment

33.00 Contingent Assets

There was no contingent assets as at 30 June 2023.

(Signature)
Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd

(Signature)
Wd. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.



(Signature)
Ioynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

34.00 Contingent Liability

85,464,581 137,334,101

35.00 Litigation Pending

1. For Non-payment of VAT which the legal experts estimated cost is Tk. 40,000,000/- . It has been stayed by High Court till 27-08-2023. It has been processing for time extension.
2. VAT demand of Tk. 31,982,604.12/- for Animal Health Product- "Pusti Premix". It was stayed by High Court on 14-01-2016 until final verdict of court.
3. Demand for Non-payment of VAT & interest to the extent to Tk. 8,666,739.22 by Customs Excise & VAT Commissionerate Dhaka (East) against Navana Health Care past audit reports. It has been stayed by High Court till 30-08-2023. It has been processing for time extension.
4. Interest of Tk. 4,815,237.68 has been accrued due to the untimely payment of VDS Demand by Navana Pharmaceuticals Ltd. to LTU VAT from July 2017 to June 2019. Processing for final settlement.
5. A petition is filed with High Court against unreasonable demand of Tk. 30,327,503 by Income Tax Tribunal u/s 83(2)/156/159 for AY 2015-16 (11 month).
6. A petition has been filed with Jugma Zilla Judge Court of Narayanganj for reclaiming 30 decimal land opposite of Factory at Rupshi Rupgonj. It is expected to be favorable.

Operating segments

- (i) Basis for segmentation
The Group has the following

Reportable Segments	Operation
1. Human Health	Manufacturing, marketing and selling of pharmaceutical products in home and abroad
2. Veterinary	Manufacturing, marketing, distributing and selling of veterinary, poultry and fisheries products.

Operating results of two segments are regularly reviewed by the Managing director and board members to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries:

Particulars	For the year ended 30 June 2023	
	Human Health	Veterinary
External revenue	5,388,391,431	1,269,919,975
Intra-Segment revenue	-	-
Segment Revenue	5,388,391,431	1,269,919,975
Depreciation & amortization	170,276,076	39,977,184
Operating expense	1,508,804,845	354,235,137
Finance costs/ (income) & WPPF	178,480,369	41,903,377
Segment Profit/(loss) before tax	363,431,237	85,325,889
Income tax expense	74,566,742	17,506,678
Profit after Tax	288,864,495	67,819,211

Particulars	For the year ended 30 June 2022	
	Human Health	Veterinary
External revenue	4,552,543,311	1,029,949,813
Intra-Segment revenue	-	-
Segment Revenue	4,552,543,311	1,029,949,813
Depreciation & amortization	134,895,394	30,518,213
Operating expense	1,291,254,554	292,128,442
Finance costs/ (income) & WPPF	197,856,000	44,762,177
Segment Profit/(loss) before tax	319,502,836	72,283,087
Income tax expense	96,053,591	21,730,793
Profit after Tax	223,449,245	50,552,294

35.01 Bank Guarantee on behalf of the company provided by following Banks:

1. Al-Arafah Islami Bank Limited VIP Road Branch-Tk. 7,520,086/-

36.00 The disclosure relating to Schedule XI, Part II, Para 3, 4 & 7 of the Companies Act, 1994

36.01 Disclosure as per requirement of Schedule XI, part II, Note-5 of para 3:

Particulars	2022-2023	2021-2022
Salary/Wages Per Month, Below Tk. 8000	Nil	Nil
Salary/Wages Per Month, Above Tk. 8000	4,143	3,978
Total No. of Employees	4,143	3,978

36.02 Aggregated amount of Remuneration, Fees, Salary & Wages of employees are given below:

Particulars	2022-2023	2021-2022
Directors Remuneration	10,803,600	9,837,313
Wages, Salaries and Allowances (Factory)	173,563,239	165,447,647
Salaries and allowances (Admin, Marketing & Selling)	747,727,969	681,053,040
Total	932,094,808	856,338,000

36.03 Disclosure as per requirement of Schedule XI, part II, para 3 (a) Turnover:

Particulars	2022-2023	2021-2022
Turnover in BDT	6,658,311,406	5,582,493,124

36.04 Disclosure as per requirement of Schedule XI, part II, para 3 (d) (i): Raw Materials Consumed:

Particulars	2022-2023	2021-2022
Raw Material (Value in BDT.)	2,000,096,427	1,614,976,774

Prof. Dr. Jonald Shafia
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

36.05 Production Capacity and Utilization

Item Name	UoM (Mill)	Production Capacity		Actual Production		Capacity Utilization	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Tablet, Capsule, Syrup, Bolus	Pcs.	18,219,978	6,736,858	17,775,311	6,292,191	98%	93%
Liquid, PFS, Oral Solution	Bottle	5,858,751	5,858,751	3,077,637	3,077,637	53%	53%
Powder	Container/ Sachet	6,289,701	4,399,701	5,546,538	3,656,538	88%	83%
Nasal Drops, Nasal Spray, Eye Drops	Dropper	582,023,048	580,343,048	551,050,220	549,370,220	95%	95%
Ointment, Cream	Tube	205,974	205,974	42,871	42,871	21%	21%
Injection	Vial	3,051,298	2,931,298	2,755,416	2,635,416	90%	90%
		615,648,750	600,475,630	580,247,993	565,074,873	94%	94%

37.00 Disclosure of Schedule XI, part-II, Para 4 :

The following payments provided or made during the financial year to the directors, including managing director, the managing agents or

No.	Particulars	2022-2023	2021-2022
(a)	Managerial remuneration paid or payable during the financial year to the directors, including managing directors, a managing agent or manager	10,803,600	9,837,313
(b)	Expenses reimbursed to the Managing Agent	Nil	Nil
(c)	Commission or remuneration payable separately to a managing agent or his associate	Nil	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year	Nil	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable	Nil	Nil
(g)	Other allowances and commission including guarantee commission	Nil	Nil
(h)	Pensions, etc.		
	(i) Pensions	Nil	Nil
	(ii) Gratuities	Nil	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
	(iv) Compensation for loss of office	Nil	Nil
	(v) Consideration in connection with retirement from office	Nil	Nil

38.00 Reconciliation of Cash Flows from Operating Activities

A reconciliation of net income or net profit with cash flow from operating activities:

	30-Jun-2023	30-Jun-2022
Net Profit before tax	449,083,624	391,785,923
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	210,406,232	166,056,347
Unrealized Gain/(loss) on Marketable Securities	46,800,998	(82,902,285)
Dividend Income	(2,789,555)	(3,264,591)
Disposal of ROUA (Vehicle)	-	(467,522)
Pre-IPO Expenses	(11,893,781)	-
Bank & Lease Interest	157,901,948	142,832,255
Income Tax Expenses	(100,367,508)	(110,269,216)
Increase/Decrease in Current Assets:		
Inventory and Goods in transit (Increase)	(344,070,585)	(200,756,642)
Accounts Receivable (Increase)	(253,416,753)	(84,928,660)
Advance Deposit & Prepayment (Increase)	(110,129,683)	(98,163,561)
Increase/Decrease in current Liabilities:		
Trade and Other Payables (Increase)	152,218,271	79,437,370
Net Cash Generated by Operating Activities	193,743,209	199,359,418

39.00 Events after reporting date

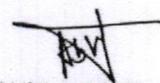
39.01 The Board in its meeting dated 22 October 2023 recommended that 13 % cash dividend i.e. Tk. 1.13 per share to be paid for the year 2022-2023. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.

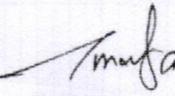
39.02 Foreign exchange loss includes loss arising from the translation of foreign currency short term loan-UPAS. Under IAS 21, closing rate has to be used to convert foreign currency assets and liabilities. Consistent with past practice, the BC selling rate of Tk.108.84 /USD as on 30 June 2023 has been used as the closing rate. Subsequently, up to the 30-06-2023 the average rate with different banks was Tk. 108.84 /USD. Had this rate been used for the translation of the total foreign loans the impact in currency loss would have been even higher.

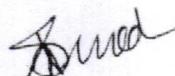
40.00 Difference in accounting year

Accounting year of the company is ended on 30.06.2023 under the reporting period where accounting year of NPL Employee Provident Fund, Gratuity fund is ended on December 2022. So there is separate reconciliation is prepared to match with the expenses presented here.


Company Secretary


Chief Financial Officer

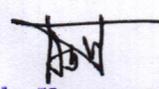

Managing Director

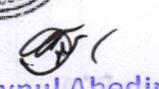

Director

Place: Dhaka, Bangladesh
Date: 22 October 2023




Prof. Dr. Jonald Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Navana Pharmaceuticals Limited
Schedule of Property, Plant and Equipment
As at 30 June 2023

Particulars	Balance as on 01 July 2022			COST			DEPRECIATION			Balance as on 30 June 2023	Depn. Rate	Charged during the year	Adjustment	Balance as on 30 June 2023	Written Down Value as on 30 June 2022	Written Down Value as on 30 June 2023
	Cost	Revaluation Reserve	Total	Cost	Addition	Revaluation Reserve	Total	Adjustment								
1 Land and Land Development	516,631,355	1,966,271,633	2,482,902,988	516,631,355	-	1,966,271,633	2,482,902,988	-	-	-	-	-	2,482,902,988	2,482,902,988	2,482,902,988	
2 Building & Other Construction	745,817,130	396,031,015	1,141,848,145	396,031,015	396,031,015	396,031,015	1,141,848,145	-	-	79,446,293	-	-	210,853,393	902,994,752	596,410,031	
3 Plant & Machinery	572,173,517	100,583,517	672,757,034	672,757,034	-	100,583,517	773,340,551	-	-	58,906,821	-	-	396,029,998	276,227,036	235,049,340	
4 Intangible Assets	1,110,899,392	5,907,928	1,116,807,320	1,116,807,320	-	5,907,928	1,122,715,248	-	-	8,899,222	-	-	64,547,454	52,749,856	55,741,650	
5 Furniture & Fixtures	37,102,527	2,783,379	39,885,906	39,885,906	-	2,783,379	42,669,285	-	-	3,872,836	-	-	23,995,496	16,389,400	14,979,958	
6 Office Equipment	30,850,360	4,239,416	35,089,776	35,089,776	-	4,239,416	39,329,192	-	-	2,422,688	-	-	30,888,183	12,711,594	10,885,167	
7 Transport	23,000,000	34,500,000	57,500,000	57,500,000	-	34,500,000	92,000,000	-	-	4,471,452	-	-	5,114,192	52,385,808	22,357,260	
8 Computer & IT Accessories	49,292,597	4,693,475	53,986,072	53,986,072	-	4,693,475	58,679,547	-	-	4,405,496	-	-	42,030,383	11,955,689	11,667,710	
9 Other Assets	7,467,341	6,540,654	14,007,995	14,007,995	-	6,540,654	20,548,649	-	-	273,035	-	-	9,114,762	638,949	912,784	
TOTAL	2,101,242,211	1,966,271,633	4,067,513,844	4,067,513,844	549,247,630	1,966,271,633	6,582,933,107	-	-	110,703,316	-	-	145,565,733	3,910,381,680	3,421,837,465	
Intangible Assets	1,110,899,392	-	1,110,899,392	1,110,899,392	-	-	1,110,899,392	-	-	220,000	-	-	550,000	550,000	990,000	

Allocation of depreciation:		
Particulars	Admin	Factory
PPE incl Vehicle	15,623,186	109,262,105
Vehicle	4,471,452	-
Total	20,094,638	109,262,105
	Sales & Mkt	Dnt.
	6,219,275	24,997,038
	12,313,913	4,471,452



Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Prof. Dr. Jonaid Shafiq

Navana Pharmaceuticals Limited

Schedule of Right-of-Use Asset

As at 30 June 2023

Annexure-B

Sl No.	Particulars	Cost			Dep. Rate	Depreciation				Written Down Value as on 30 June 2023	Written Down Value as on 30 June 2022	
		Balance as on 1 July 2022	Addition	Adjustment		Balance as on 30 June 2023	Balance as on 30 June 2022	Charged during the year	Adjustment			Balance as on 30 June 2023
		Cost	Cost			Total						
1	Rental Asset	22,153,852	21,746,641	-	43,900,492		22,153,850	6,533,675	-	28,687,525	15,212,967	9,922,257
	Rental Asset	22,153,852	21,746,641	-	43,900,492	33%	22,153,850	6,533,675	-	28,687,525	15,212,967	9,922,257
2	Vehicles	471,116,529	30,825,770	-	501,942,299		267,097,542	42,949,241	-	310,046,783	191,895,516	249,821,737
	Transport and Vehicles	290,847,505	30,825,770	-	321,673,275	20%	171,671,460	25,980,653	-	197,652,113	124,021,162	143,768,059
	Motor Cycle	180,269,024	-	-	180,269,024	20%	95,426,082	16,968,588	-	112,394,670	67,874,354	106,053,678
	Total	493,270,381	52,572,411	-	545,842,792		289,251,392	49,482,916	-	338,734,308	207,108,484	259,743,994

Allocation of Depreciation:

	Total	Admin	Factory	Sales & Mkt	Dist.
On Vehicles	42,949,241	2,147,462	6,442,386	4,294,924	30,064,469
On Rent HO	6,533,675	6,533,675	-	-	-

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA

Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Joydul Abedin, ACS



COMPUTATION OF TOTAL INCOME AND TAX LIABILITY
Assessment Year 2022-2023
Income Year ended 30 June 2023

Amounts in Taka

NET PROFIT, BEFORE TAXATION		
- As per Profit and Loss Statement		44,97,58,737
Less: Non-operating income -		<u>-4,301,278</u>
		45,40,60,015
ADDITIONS FOR SUBSEQUENT/ SEPERATE CONSIDERATIONS		
Add: Accounting depreciation	20,38,72,557	
- Depreciation on ROUA	6,533,675	
- Entertainment	93,44,505	
- Incentive	4,22,02,709	
- Sample expenses	2,99,60,189	
- Gratuity provision	1,28,83,873	
- Broken/ damaged provision	18,15,124	
- Promotional Expense	2,92,07,213	
- Bad debt provision	54,72,129	
- Foreign tour	<u>2,79,60,189</u>	36,92,52,164
		82,33,12,179
ADJUSTMENTS FOR STATUTORY DISALLOWANCES		
Less: Depreciation as per Income Tax Ordinance 2023		230,925,908
Less: Rent of ROUA		<u>6,533,675</u>
		58,58,52,596
Less: Sample expenses		
Allowable	29,530,805	2,95,30,805
		<u>55,63,21,791</u>
Less: Gratuity paid	1,26,00,000	
Bad debt written off	43,34,315	
Incentive @10% of Profit	4,49,75,874	
Promotional Expense @0.5% of Turnover	2,85,30,805	
Foreign tour @ 0.5% of disclosed turnover u/s 30(k) of ITO 1984 or the actual expenditure, whichever is less.	<u>2,79,60,189</u>	11,84,01,183
		43,79,20,608
Less: Entertainment allowance permissible as per rule 65 of Income Tax Rules 1984		<u>93,44,505</u>
		42,85,76,103
Less:		
Export sale @4.10% based on Total Sales		<u>1,75,77,612</u>
INCOME FROM LOCAL BUSINESS		41,09,98,491
INCOME FROM EXPORT BUSINESS		<u>1,75,77,612</u>
		42,85,76,103
	Total	<u>42,85,76,103</u>
Add: Non-operating Income		<u>-4,301,278</u>
TOTAL INCOME		<u>42,42,74,825</u>

Calculation of Tax Liabilities

Calculation of tax on Income as regular rate (Minimum Tax)

(i) (a) On business income @ 22.5%.....	9,24,74,660	
(b) On other income excluding Capital Gain @ 22.5% Other income rate confirm	<u>25,35,155</u>	9,50,09,815
(ii) On turnover of Taka 314,90,05,151 @ 0.60%		3,42,36,966
Minimum tax -- higher of (i) and (ii)		9,50,09,815

Calculation of tax on export income

Rebate @ 50% (under paragraph 28 of Part A of the Sixth Schedule)	19,77,481	
(ii) Tax deducted at source	20,23,049	
Minimum tax -- higher of (i) and (ii)		<u>20,23,049</u>

Calculation tax on Cash Incentive:

Cash Incentive tax thereon 10%	2,087,242	20,87,242
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Calculation tax on Bank Interest:

Bank Interest tax thereon 22.5%	644,831	6,44,831
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Calculation tax on Dividend:

Dividend tax thereon 20%	557,911	5,57,911
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Calculation tax on Toll Income

Tax thereon 22.5%	44,659	44,659
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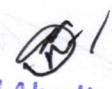
Total Tax Liability		10,03,67,508
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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

33

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.




Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Section 13: Comparative financial statements of the issuer

Table 13: Comparative Statement of Financial Position

A. Statement of Financial Position:						
Particulars	30/Jun/2023	31/Mar/2023	30/Jun/2022	30/Jun/2021	30/Jun/2020	30/Jun/2019
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Property, Plant & Equipment	3,810,381,680	3,689,013,151	3,421,837,366	2,970,319,683	2,693,986,180	2,713,986,566
Intangible Asset	550,000	605,000	770,000	990,000	-	-
Capital Work in Progress	614,665,799	301,563,627	403,007,534	159,035,250	-	-
Right-of-Use-Asset	207,108,483	202,467,621	204,018,990	259,743,994	104,762,168	111,108,196
Investment in Share		-	159,028,097	-	-	33,975,000
Investment in Marketable Securities	167,619,834	179,054,985	-	-	-	-
Deferred Tax Asset		-	-	-	23,760,605	12,692,814
Total Non-Current Assets:	4,800,325,796	4,372,704,384	4,188,661,986	3,390,088,927	2,822,508,953	2,871,762,576
Inventories	1,104,799,039	1,067,785,410	1,009,145,823	802,165,574	761,100,675	728,587,010
Trade and Other Receivables	801,236,634	764,026,328	547,819,881	462,891,220	435,818,418	411,111,637
Advances, Deposits & Prepayments	2,126,459,774	1,937,601,066	1,204,469,458	444,485,260	357,690,627	343,737,651
Non-current Asset Held for Sale		-	-	-	-	101,772,500
Goods in transit	315,992,968	279,825,101	67,575,600	73,799,207	19,166,763	16,937,418
Cash and Cash Equivalents	440,930,216	471,249,364	66,427,585	25,776,315	54,717,534	23,616,211
Total Current Assets:	4,789,418,631	4,520,487,270	2,895,438,346	1,809,117,577	1,628,494,017	1,625,762,425
Total Assets	9,589,744,427	8,893,191,654	7,084,100,333	5,199,206,505	4,451,002,970	4,497,525,002
Equity And Liabilities						
Paid-up Share Capital	1,074,162,170	1,074,162,170	802,301,500	802,301,500	801,500	801,500
Share Premium	448,170,069	448,170,105				
Share Money Deposit		-	-	-	-	140,500,000
Capital Reserve on Amalgamation	605,590,148	605,590,148	605,590,148	-	-	-
Revaluation Reserve	1,848,295,335	1,966,271,633	1,966,271,633	1,966,271,633	1,966,271,633	1,966,271,633

Prof. Dr. Jerald Sharif
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Tax Holiday Reserve		-	-	-	-	-
Unrealized Gain or Loss Reserve	(46,800,998.00)	(35,365,847.00)	(95,356,927.00)	-	-	-
Retained Earnings	443,028,348	334,625,559	204,242,971	535,831,580	1,135,038,849	997,643,777
Total Equity:	4,372,445,072	4,393,453,768	3,483,049,324	3,304,404,714	3,102,111,982	3,105,216,910
Liabilities						
Loan from Directors	30,000,000	30,000,000	30,000,000	30,000,000	38,727,500	-
Lease Liabilities	89,596,112	89,600,269	100,720,006	131,527,892	27,582,782	37,367,112
Long Term Loan	90,627,308	71,405,249	141,390,720	132,979,288	22,168,620	56,681,934
Deferred Tax Liability	152,111,701	41,240,617	42,362,502	28,252,205	17,301,661	13,642,554
Total Non-Current Liabilities:	362,335,121	232,246,135	314,473,228	322,759,385	105,780,563	107,691,599
Short Term Loan	4,066,050,635	3,617,980,054	2,682,055,890	1,136,653,530	782,695,352	798,087,638
Lease Liabilities (Current Maturity)	34,719,611	28,204,042	29,254,646	34,620,415	24,128,875	25,772,899
Long Term Loan (Current Maturity)	18,090,344	5,645,498	28,125,222	18,797,712	36,514,324	28,624,180
Inter Company Account		-		-	34,800,000	109,896,470
Trade and other Payables	731,095,268	609,195,865	547,142,023	381,970,750	364,971,874	322,235,305
Unclaimed Dividend Payable	5,008,375	6,466,292				
Total Current Liabilities:	4,854,964,232	4,267,491,751	3,286,577,781	1,572,042,407	1,243,110,425	1,284,616,493
Total Liabilities	5,217,299,353	4,499,737,886	3,601,051,009	1,894,801,792	1,348,890,988	1,392,308,092
Total Equity and Liabilities	9,589,744,425	8,893,191,654	7,084,100,333	5,199,206,505	4,451,002,970	4,497,525,002

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Iqynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Table 14: Comparative Statement of Profit or Loss and Other Comprehensive Income

B. Statement of Profit or Loss and Other Comprehensive Income						
Particulars	30/Jun/2023	31/Mar/2023	30/Jun/2022	2020-2021	2019-2020	2018-2019
	Taka	Taka	Taka	Taka	Taka	Taka
Net Sales	5,706,161,022	4,234,623,905	4,758,706,524	3,606,576,486	3,149,005,151	2,970,511,465
Less: Cost of Sales	3,097,130,517	2,338,405,843	2,586,134,851	1,979,530,541	1,732,926,101	1,636,470,875
Gross Profit	2,609,030,505	1,896,218,062	2,172,571,672	1,627,045,945	1,416,079,050	1,334,040,590
Less: Operating Expenses						
Administrative Expenses	203,270,825	142,968,371	151,042,811	111,953,238	102,485,008	121,129,910
Selling & Marketing Expenses	1,270,897,848	896,071,822	1,143,937,454	894,673,593	799,290,781	759,772,285
Distribution Expenses	390,226,783	291,518,847	288,402,731	256,707,467	229,864,606	209,305,256
Operating Profit	744,635,049	565,659,022	589,188,676	363,711,647	284,438,654	243,833,139
Less: Financial Expenses	234,887,205	217,784,884	200,421,168	75,184,536	91,591,129	102,907,597
Add: Other Income	(37,503,668)	(30,371,524)	22,607,712	29,006,157	36,693,402	14,405,068
Profit before WPPF & Tax	472,244,175	317,502,613	411,375,220	317,533,269	229,540,928	155,330,610
Contribution to WPPF	23,160,551	15,119,172	19,589,296	15,120,632	10,262,907	7,766,530
Profit before tax	449,083,624	302,383,441	391,785,923	302,412,637	219,278,021	147,564,079
Less: Income Tax	92,140,409	53,843,014	117,784,384	100,119,906	81,882,949	62,527,243
Current Tax	100,367,508	54,964,900	103,674,087	65,408,756	89,291,633	58,445,833
Deferred Tax Expense / (Income)	(8,227,099)	(1,121,886)	14,110,297	34,711,150	(7,408,684)	4,081,410
Profit after Tax	356,943,215	248,540,427	274,001,539	202,292,731	137,395,072	85,036,837
Other Comprehensive Income						
Unrealized gain/ Loss for Marketable Securities	48,555,929	59,991,080	(95,356,927)			
Unrealized gain on revaluation of Land		-		-	-	-
Total Comprehensive Income	405,499,144	308,531,507	274,001,539	202,292,731	137,395,072	85,036,837
Basic Earnings Per Share (EPS) - Restated	3.59	2.31	2.55	1.88	1.28	0.79

Table 15: Comparative Statements of Cash Flow

C. Statement of Cash Flows

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Particulars	30/Jun/2023	31/Mar/2023	30/Jun/2022	2020-2021	2019-2020	2018-2019
	Taka	Taka	Taka	Taka	Taka	Taka
Cash Flows from Operating Activities						
Cash Received from Customers	5,434,981,843	4,008,086,452	4,669,531,817	3,530,056,762	3,187,108,763	2,930,134,780.00
Cash Received from Other Income	52,792,061	39,929,548	30,180,900	22,658,514	6,245,325	3,324,608.00
Cash Paid to Suppliers	(2,993,934,714)	(2,175,489,075)	(2,546,219,181)	(1,824,417,722)	(1,516,207,758)	(1,440,171,437)
Cash Paid to Operational & Otlers	(1,103,510,786)	(771,562,456)	(892,633,744)	(694,225,945)	(565,707,274)	(531,161,404)
Cash Paid to Employees	(1,095,588,079)	(747,985,501)	(951,231,159)	(823,527,277)	(758,063,994)	(662,742,910)
Bank and Leased Interest Paid					(91,146,174)	(102,907,597.00)
Income Tax Paid	(100,997,116)	(77,130,293)	(110,269,216)	(88,792,366)	(72,767,260)	(68,378,217.00)
Net cash flows from operating Activities	193,743,209	275,848,675	199,359,418	121,751,966	189,461,628	128,097,822
Cash Flows from investing Activities:						
Cash Paid for Purchase of Property, Plant & Equipment	(1,598,157,038)	(1,111,362,997)	(438,824,665)	(364,705,977)	(19,705,411)	(10,245,257.00)
LC Margin for Capital Goods			(162,152,449)	(1,173,893)		
Realized Gain/(loss) from Sale of Marketable Securities	(42,297,510)	(42,295,011)	82,902,285	-		
Cash received from Dividend Income	2,789,556	2,571,590	3,264,591	-		
Cash Received from disposal of ROUA (Vehicle)			730,000			
Cash Paid for CWIP			(758,793,783)	(156,049,000)		
Cash Received from Sales of Investment in Private co. Shares				53,650,000		
Cash Received/(Paid) from Investment in Marketable Securities	39,964,192	39,964,192	(254,385,024)	-		
Net cash from/(used in) investing activities:	(1,597,700,800)	(1,111,122,226)	(1,527,259,044)	(468,278,869)	(19,705,411)	(10,245,257)
Cash Flows from Financing Activities:						
Payment Against Related Party	-		(9,657,426.0)	(43,527,500)	(75,096,470)	(11,200,000)

Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.

Joydul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Payment for IPO Expenses			(11,893,782.0)	-		
Cash Received from IPO Proceed	750,000,000	750,000,018	-			
Dividend Payment	(113,149,464)	(111,691,547)				
Payment for IPO Expenses	(18,075,479)	(18,075,461)				
Bank & Lease interest Paid	(157,907,947)	(211,475,892)	(142,832,255)	(64,147,035)		
Receipts against Short Term Borrowings	1,383,994,746	935,924,164	1,551,316,438	360,658,177	(3,353,475)	(39,914,154)
Receipts against Long Term Borrowings	(60,798,290)	(92,465,195)	17,738,942	93,094,056	(26,623,170)	(18,140,013)
Payment against Lease Liability	(5,658,929)	(12,170,341)	(36,173,655)	(28,492,015)	(33,582,205)	(39,837,010)
Net cash from/(used in) financing activities	1,778,404,637	1,240,045,746	1,368,498,262	317,585,683	(138,655,320)	(109,091,177)
Change in Cash and Cash Equivalent	374,447,046	404,772,195	40,598,636	(28,941,220)	31,100,897	8,761,389
Cash and Cash Equivalent at the beginning of the period	66427585	66,427,585	25,776,315	54,717,534.00	23,616,211.00	14,852,518.00
Effect of exchange rate changes on Cash and Cash Equivalents	49584	49,584	52,635	-	425.00	2,304.00
Cash and Cash Equivalent at the end of the period	440,924,215	471,249,364	66,427,585	25,776,315	54,717,534	23,616,211
Diluted NOCFPS	1.80	2.57	1.86	1.13	1.76	1.19

Prof. Dr. Jonald Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Iyynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Section 14: Ratio analysis of the issuer

Table 16: Ratio Analysis

Particulars	30/Jun/ 2023	31/Mar/ 2023	30/Jun/ 2022	30/Jun/ 2021	30/Jun/ 2020	30/Jun/ 2019
	Ratio					
I. Liquidity Ratios:						
(i) Current Ratio	0.99	1.06	0.88	1.15	1.31	1.27
(ii) Quick Ratio	0.76	0.81	0.57	0.64	0.70	0.70
II. Operating Efficiency Ratios:						
(i) Accounts Receivable Turnover Ratio	7.29	8.59	9.42	8.03	7.44	7.70
(ii) Inventory Turnover Ratio	2.85	2.99	2.86	2.53	2.33	2.26
(iii) Asset Turnover Ratio	0.62	0.71	0.77	1.16	0.70	0.65
III. Profitability Ratios:						
(i) Gross Margin Ratio	45.7%	44.8%	45.7%	45.1%	45.0%	44.9%
(ii) Operating Profit Ratio	13.0%	13.4%	12.4%	10.1%	9.0%	8.2%
(iii) Net Profit Ratio	6.3%	5.9%	5.8%	5.6%	4.4%	2.9%
(iv) Return on Assets	3.9%	4.1%	4.5%	6.5%	3.1%	1.9%
(v) Return on Equity	8.2%	7.5%	7.9%	6.1%	4.4%	2.7%
(vi) Diluted Earnings Per Share (EPS)	3.59	2.31	2.55	1.88	1.28	0.79
(vii) EBITD) margin	16.7%	17.0%	15.9%	12.5%	11.2%	10.7%
IV. Solvency Ratios:						
(i) Debt to Total Assets Ratio	0.45	0.43	0.43	0.29	0.21	0.21
(ii) Debt to Equity Ratio	0.99	0.87	0.86	0.45	0.30	0.30
(iii) Times Interest Earned Ratio	4.07	3.30	3.77	6.00	3.86	3.08
(iv) Debt Service Coverage Ratio	2.59	2.99	2.29	2.83	1.87	1.55
V. Cash Flow Ratios:						
(i) Diluted Net Operating Cash Flow per Share (NOCFPS)	1.80	2.57	1.86	1.13	1.76	1.19
(ii) NOCFPS to EPS Ratio	0.54	1.11	0.73	0.60	1.38	1.51

*Ratios of 31st March, 2023 is calculated by annualizing the Income Statement Components.

Section 15: Rating summary with rating rationale of the issue and the issuer


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


Joydul Alam ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

12.1. Rating Summary of the Bond

Table 17: Rating Summary of the Bond

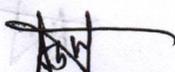
Rating Agency	National Credit Rating Company
Long-term	AA-
Validity From	01.08.2023
Validity Date	31.07.2024

12.2. Rating Summary of NPL

Table 18 :Rating Summary of NPL

Rating Agency	National Credit Rating Company
Long-term	AA
Short-term	ST-2
Outlook	Stable
Expiry Date	31.07.2024


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Section 16: Latest default matrix and transition statistics of CRC

13.1. Latest Default Matrix of National Credit Ratings Ltd

Default Study

NCR Ltd., has also conducted default study for the clients rated from the year 2015 to year 2020. Default study is carried out to see whether any issuer has defaulted i.e. has gone down to the level of 'D' category. While conducting the default study, NCR Ltd., has used Cohort method to calculate the performance of entities rated across various rating categories. Cumulative Default Rate (CDR) is calculated for each cohort within the period of study. The CDR is calculated over one-year, two-years and three-years time horizons to evaluate the performance of ratings over the varying periods. Then, the issuers' weighted average for one-year, two-year and three-year CDR is computed to arrive at long term CDR for each category. As rating is a measure of probability of default, a higher rating given to an entity implies a lower credit risk.

Rating Category	Year-1		Year-2		Year-3	
	Avg. No. of Issuer	CDR (%)	Avg. No. of Issuer	CDR (%)	Avg. No. of Issuer	CDR (%)
AAA	0	0.00	0	0.00	0.00	0.00
AA	41	0.00	40	0.00	39.67	0.00
A	336	0.29	322	0.31	321.67	0.31
BBB	720	0.55	729.25	1.23	736.00	0.12
BB	30	3.40	0	0.00	32.33	0.00
B	0	0.00	0.5	0.00	0.00	0.00
C	0	0.00	0.25	0.00	0.00	0.00
Total	1128		1092		1129.67	

The categories of AA, A, BBB, BB, B and C include ratings with the suffix '+' or '-' within the respective rating categories. From the above table it can be stated that in 'A' category rating, NCR Ltd. has recorded CDR of 0.29% in Year-1, 0.31% in Year-2 and 0.31% in Year-3. In 'BBB' category rating it has been recoded CDR of 0.55% in Year-1, 1.23% in Year-2 and 0.12% in Year-3. Moreover, in 'BB' category CDR was 3.40% in Year-1.

For further details please contact:
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Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd


Iyenujbedin ACS
Company Secretary
Navana Pharmaceuticals Ltd.

13.2. Transaction Statistics of National Credit Ratings Limited:

Transition Matrix

NCR Ltd. has conducted transition matrix analysis of the rated corporate clients from the year 2014 to year 2019. Transition matrix analysis is done to see the percentage of changes in credit rating of each rating category.

One Year's Weighted Average Rating Transition Rates from the Year 2014 to Year 2019

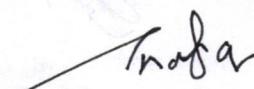
	Avg. Number of Issuers	AAA	AA	A	BBB	BB	B	C
AAA	0.6	100.00%	0.00%	0%	0%	0%	0%	0%
AA	41.8	1.10%	96.40%	2.50%	0.00%	0.00%	0.00%	0.00%
A	344.4	0%	1.63%	92.60%	5.77%	0.00%	0.00%	0.00%
BBB	749	0%	0.00%	5.04%	93.39%	1.57%	0.00%	0.00%
BB	29.4	0%	0.00%	0.00%	23.52%	72.56%	3.92%	0.00%
B	1.2	0%	0.00%	0.00%	0.00%	0.00%	16.67%	0.00%
C	0.4	0%	0%	0%	0%	0%	0%	0%

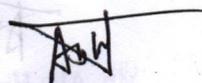
Rating transition study looks at how ratings have changed over a period of time. Based on NCR's weighted average one-year transition matrix, it can be inferred that out of all the 'AA' rated companies at the beginning of the year, 96.40% remained in the same category, 1.10% have been upgraded to 'AAA' and 2.50% have been downgraded to 'A' category. Similar inferences can be drawn for the other rating categories as well.

Disclaimer:
The Methodology is developed by National Credit Ratings Limited (NCRL) based on data/information from secondary reliable sources which is in compliance with the guidelines provided by Bangladesh Securities and Exchange Commission and Bangladesh Bank. NCRL puts best efforts to prepare this document. The methodology may inherit human error, technical and/or systematic error as its limitation. Therefore, NCRL does not provide warranty of any kind for this document. This is the property of NCRL and is only used for rating of corporate issues. None of the information in this document can be copied or otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without written consent of NCRL.

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 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd


Joydul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Section 17: Description of the Trustee

Prime Bank Investment Ltd (PBIL)

Prime Bank Investment Ltd (PBIL) a subsidiary of Prime Bank Ltd started its journey from April 28, 2010 vide certificate of incorporation no. C-84266/10. It is one of the leading investment banks of the country with a paid-up capital of BDT 3,000 million. The PBIL has been operating actively in the capital market since 2006 and its management has over one decade of experience. The Board of Directors consists of highly experienced scholars including economists and the people with entrepreneurial records of accomplishment and business development.

The functions of investment banking were separated from Prime Bank Limited by forming a subsidiary company in terms of Bangladesh Bank's BRPD circular no. 12 dated 14 October 2009. Bangladesh Securities and Exchange Commission (SEC) thereafter issued a full-fledged merchant banking license in favor of Prime Bank Investment Limited, vide letter no. SEC/Reg/MB/SUB/2010/03/208 dated 02 June 2010 with effect from 01 June 2010.

Being one of the largest investment banks in the country, the PBIL offers various services such as mergers, acquisitions related services, business valuation, syndication and structured finance, issue management, corporate advisory, trustee, underwriting, and portfolio management services to its clients. Considering its strong clientele base, expertise of its management and support from the parent company, the PBIL has the competitive advantage in providing investment banking related services to its clients.

(as on 31st December 2022)

Table 19: Equity Position

Authorized Capital	BDT 10,000 million
Paid-up-Capital	BDT 3,000 million
Net worth	BDT 2,942.80 million

Shareholding Position of the PBIL:

(as on 31st December 2022)

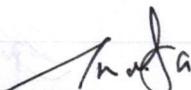
Table 20: Shareholding Position of the PBIL

Sl.	Name of Shareholder's	Nos. of Shares	%
1	Prime Bank Limited	299,999,994	99.99
2	Others	06	0.01
Total		300,000,000	100

Board of Directors of the PBIL:

Table 21: Board of Directors of the PBIL

Sl.	Name of the Director	Position
1	MR. C Q K MUSTAQ AHMED	Chairman
2	MR. M FARHAD HUSSAIN FCA	Director
3	DR. G M KHURSHID ALAM	Director
4	MR. SHAMSUDDIN AHMAD PhD	Director
5	MR. HASSAN O. RASHID	Director
6	SYED M OMAR TAYUB	Managing Director & CEO


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


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Joydul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Section 18: Modus Operandi of the issue

15.1. Application Procedure

The Bond shall be offered through Private Offer to the eligible investors. Issuer and/or Arranger shall ensure that the prospective Investors shall have been provided with a copy of the Information Memorandum either in hard copy or soft copy and an invitation letter to subscribe. Based on the Information Memorandum and subsequent clarification of queries (if any), the Investors shall submit a letter of commitment to the Arranger and/or Issuer with the amount of intended subscription specified.

15.2. Allotment;

Issuer shall issue Allotment Letter(s) in the name of all allottees of the Bonds in electronic form with digital signatures and credit the allotted Bonds to the respective BO accounts on the basis of allotment data via their CDBL VeDAS Terminal upon receipt of the final allotment list. Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bond for all purposes.

15.3. Payment of net issue proceeds:

The Investors shall pay the purchase price of the Bonds set forth in the Subscription Agreement or Subscription Form or offer documents to the Issuer in Bangladesh Taka for same day value to the account prescribed in the same. Statement of subscription received against issuance of securities under these rules along with bank statement(s) shall be submitted to the Commission stipulated time as mentioned in the consent letter.

15.4. Refund;

If any payment for subscription of Bonds have been made, but not allotted for whatever reason, the subscription amount to be refunded in accordance with applicable law and practice.

15.5. Transfer

The Bonds shall be in dematerialized form and shall not be tradable in the trading platforms of the stock exchanges but may be traded in the Alternative Trading Board if it is required by BSEC as per Consent Letter. However, transfer of Bonds may be allowed by way of,

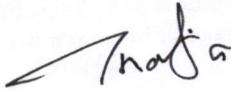
- a) gift among the family members i.e. spouse, son, daughter, father, mother, brother and sister;
- b) transfer of Bonds for execution of a court order;
- c) acquisition of Bonds in consideration of other than cash; and
- d) transfer of Bonds in case of confiscation/loan default.

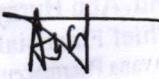
15.6. Listing with the Stock Exchange(s)

The bond shall not be listed with the Stock Exchanges(s). However, the bond may be listed in the Alternative Trading Board only if it is required by BSEC as per Consent Letter.

15.7. Redemption upon payment

Unless the rights under Condition VIII (Redemption of Bond) of the Schedule I (*Terms and Conditions of the Bonds*) of the Trust Deed have been exercised and redemption period is extended for further term(s), the issued Bonds will be redeemed at their Face Value, (the “Redemption Amount”) and any accrued and unpaid Coupon.


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

15.8. Coupon payment

The Coupon in respect of the Outstanding Bonds shall be payable in semiannual basis calculated from Subscription Date (each, a "**Coupon Payment Date**") for the Coupon Period. Each period beginning on (and including) the Subscription Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date is herein called "**Coupon Period**". The Issuer shall make Coupon Payment in accordance with the obligation as set out in Condition X (Payments) of Schedule I (*Terms and Conditions of the Bonds*) of the Trust Deed at Coupon Rate to the bondholders.

15.9. Conversion or exchange

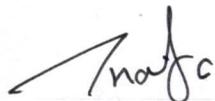
60% of the Aggregate Face Value of the Bond have conversion features. The Bondholders will receive Ordinary Shares of the Issuer in accordance with Condition IX (Conversion of Bond) of the Schedule I (*Terms and Conditions of the Bonds*) of the Trust Deed.

15.10. Details of conversion or exchange option exercise procedures

60% of the Aggregate Face Value of the Bond will be converted in Three equal installments per annum starting from the end of 3rd Year, and will be fully converted into shares of the Issuer by at the end of the tenure.

The conversion strike price for each conversion shall be at 10% discount from the weighted average of Last 6 (Six) months' market price of the issuer at Dhaka Stock Exchange Limited (DSE) on Conversion Price Determination Day.

Notwithstanding anything contained herein, the subscription period for the Bonds and the terms of the subscription shall be as per conditions of the consent letter issued by BSEC.


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

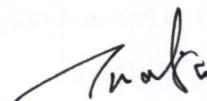

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Company Secretary
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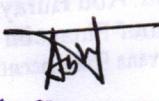
Section 19: Details of Fees Structure and Expenses

Table 22: Details of Fees Structure and Expenses

Particulars	Basis of Fees	
Offer amount		1,500,000,000
Arranger and Manager to the Issue fees:		25,875,000
Issue Arranger & Manager fees	1.5% of the Issue Size (One Time)	22,500,000
VAT against Issue Management fee	15% of Arrangement and Management fees	3,375,000
BSEC Fees:		1,510,000
Application Fee	Fixed (One Time)	10,000
Consent Fee	0.10% on the offering amount (One Time)	1,500,000
Trustee Fees		717,500
Trustee Fee	Fixed (Annually)	450,000
VAT on Trustee Fees		67,500
Trustee Application Fee	Fixed (One Time)	50,000
Trustee Registration Consent fee	Fixed (One Time)	100,000
Trustee Annual Fee	Fixed (Annually)	50,000
Legal Advisor Fee		172,500
Legal Advisor Fee	Negotiable (One Time)	150,000
VAT on Legal Advisor		22,500
Credit Rating Fee		92,000
Credit Rating Fee of the Bond	Negotiable (Annually)	80,000
VAT on Credit Rating Fee		12,000
CDBL Fees and Expenses:		833,500
Dematerialization fee	0.015% on market Value	225,000
Annual Fee	Above TK 20 crore 100,000 (Annually)	100,000
Security Deposit	Above TK 50 crore 500,000 (One Time)	500,000
Documentation Fee	(One Time)	2,500
Connection Fee	(One Time)	6,000
Total Estimated Cost		29,200,500

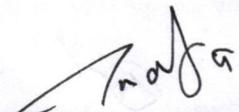
*Listing fees may be added if BSEC instructs to be listed in the Alternative Trading Board


Prof. Dr. Jonaid Shafiq
 Managing Director
 Navana Pharmaceuticals Ltd.

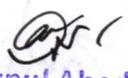

Md. Abu Hurayra FCA
 Chief Financial Officer
 Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
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Conditions imposed by the Commission in the consent letter


Prof. Dr. Jonaid Shafiq
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Joynul Abedin, ACS
Company Secretary
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Bangladesh Securities and Exchange Commission
Corporate Finance Division
Capital Restructuring Department
Bond and Debt Issue Section
www.sec.gov.bd

BSEC/CFD/CRD/DS-235/2023/87

March 27, 2024

Managing Director

Navana Pharmaceuticals Limited,
Plot 99, Road 04, Block B, Banani,
Dhaka 1213, Bangladesh.

Subject: Consent for raising of capital by Navana Pharmaceuticals Limited through issuance of Unsecured, Coupon bearing bond of BDT 1,500,000,000/- with 60% conversion feature through private placement in cash consideration

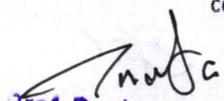
Dear Sir,

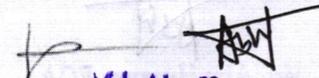
This refers to your application dated August 07, 2023 and further correspondence regarding raising of capital by Navana Pharmaceuticals Limited through issuance of Unsecured, Coupon bearing bond of BDT 1,500,000,000/- with 60% conversion feature through private placement in cash consideration.

The undersigned is directed to convey the Bangladesh Securities and Exchange Commission's consent under the provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 to Navana Pharmaceuticals Limited for issuance of Unsecured, Coupon bearing bond of BDT 1,500,000,000/- with 60% conversion feature. The consent has been accorded subject to the condition that the Company shall comply with the relevant laws and regulatory requirements, and also shall adhere to the following conditions imposed under Section-2CC of the Securities and Exchange Ordinance, 1969:

1. The Issuer shall ensure the compliance of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021;
2. The issuer shall notify the Commission about converting the aforesaid bond to equity before the said conversion;
3. The proceeds or fund of the bond shall be placed in an escrow or specified issuer account, and utilization of such proceeds or fund shall also be made from the escrow or specified issuer account;
4. Utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The issuer shall furnish status report on utilization of bond proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the Information Memorandum (IM). The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or

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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

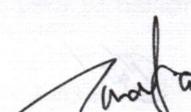

Md. Abu Hurayra FCA
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Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Bangladesh Securities and Exchange Commission
Corporate Finance Division
Capital Restructuring Department
Bond and Debt Issue Section
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- inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the IM.
6. While auditing the utilization of bond proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
- (a) Whether bond proceeds have been utilized for the purposes/heads as specified in the prospectus/ IM;
 - (b) Whether bond proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether utilization of bond proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of bond proceeds is accurate and for the purpose of the company as mentioned/specified in the published Information Memorandum; and
 - (e) The auditors should also confirm that auditors' report has been made on verification of all necessary documents/papers/vouchers in support of bond proceeds making reconciliation with Bank Statement.
7. The report on utilization of proceeds as well as implementation status shall be submitted to the Commission, the trustee and to the stock exchange(s) along with all supporting documents, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds. If the bond proceed utilize to pay the bank liabilities of other entities, the issuer will have to provide all bank statements and all supporting documents of other entities regarding the payment of the said bank liabilities;
8. The issuer shall always maintain 30% shareholding by the sponsors or promoters and directors along with 2% shareholding individually by shareholder directors;
9. The conversion strike price for each conversion shall be determined based on the 10% discount from the last 6 (six) months' weighted average market price of Navana Pharmaceuticals Limited at Dhaka Stock Exchange Limited (DSE) prior to conversion date;
10. Shares that will be allotted through conversion, in favor of sponsors, directors or shareholders having 10% or more shares shall be subject to lock-in period of 2 (two) years and other than that will be subject to a lock-in period of 01(one) year from the date of conversion.
11. The Conversion Date shall be the last day of 36th month from the issuance date and thereafter, last day of every 12 months period on the said date until Maturity. Issuer shall serve a notice to the bondholders at least thirty (30) working days prior to the Conversion date informing the conversion date through Two (2) widely circulated national daily newspapers one in Bengali and another in English and in the trading platform of the stock exchanges. After receiving of the notice from the Issuer, the bondholders shall intimate their option to the Issuer regarding exercise of the Conversion Option at least ten (10) days prior to the Conversion Date.

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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

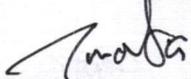

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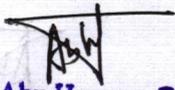

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Bangladesh Securities and Exchange Commission
Corporate Finance Division
Capital Restructuring Department
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Provided further that if any bondholder does not intimate its option regarding exercise of Conversion Option within the time as mentioned above to the Issuer, the right of that bondholder to exercise Conversion Option at the relevant year shall not be considered by the Issuer for that year only;

12. The issuer shall not change or modify the submitted Approved Draft Information Memorandum (IM), Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
13. The issuer, the arranger and the trustee shall publish the approved Information Memorandum (IM) in their own official websites, within 03 (Three) working days upon receipt of this consent of the Commission to the issuance of the bond;
Provided further that a notice regarding the publication of Information Memorandum in the websites mentioning web-addresses shall be circulated in the national daily newspaper at least one in Bangla and another in English by the Company;
14. Approved Information Memorandum (IM) shall be made available in the websites of the issuer, till the closure of the subscription list;
15. The issuer shall disseminate the receipt of the Commission's approval along with the purpose of the issue, amount and price of the bond etc. as price sensitive information, as prescribed by the Commission. The issuer shall disseminate the above information to the Stock Exchanges within half an hour (30 minutes) of receipt of this letter;
16. The Trustee shall place the IM and the Deed of Trust in electronic form on the websites of the issuer or originator and the trustee and also shall make them available in the aforementioned websites up to the maturity of the securities;
17. The issue shall be rated by a credit rating company and its Periodical Surveillance Rating shall be done by the said rating company in line with the provisions of the Credit Rating Companies Rules, 2022 up to the full and final redemption or conversion of the issued securities;
18. The issuer shall execute the Deed of Trust as approved by the Commission in favor of the Trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the issuer and the trustee to the Commission before issuance of securities;
19. Auditors' report along with Audited Financial Statements of the issuer made up to a date not older than 270 (two hundred seventy) days from the date of issue of the Information Memorandum (IM) and shall be incorporated in IM before private offer.
20. This consent for issuance of debt securities shall remain valid for 06 (six) months from the date of consent failing which the permission will stand cancelled to the extent of unsubscribed portion;


Prof. Dr. Jonaid Shafiq
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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

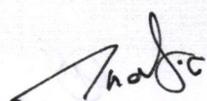
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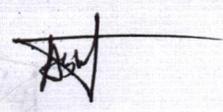
21. The issuer shall issue the aforesaid debt securities in dematerialized form and apply to the Stock Exchange(s) for listing in the Alternative Trading Board (ATB) preferably from the date of availing ATB facilities under Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard;
22. The issuer shall submit a status report, containing the name and address of the bondholders along with number of bonds purchased and issuer statements for the issue, to the Commission, within 10 (ten) days of closing of the subscription list or issue of the securities or expiry of the period mentioned above, whichever comes earlier;
23. The issuer shall submit List of Subscribers, Issuer Statement and Banker's Certificate for the amount of capital to be issued to the Commission upon completion of the subscription;
24. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers;
25. Financial Statements shall be prepared in accordance with International Accounting Standards (IAS) and Audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
26. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar;
27. A copy of audited financial statements and a copy of annual report and the minutes of Annual General Meeting shall be submitted to the Commission within fourteen days (14) of the completion of the audit or, as the case may be, holding of the Annual General Meeting;
28. The Company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;
29. Any further issue of capital except this issue shall require Commission's prior consent;
30. If there is any FDI or External Debt, the issuer shall report it to Bangladesh Issuer; and
31. The Commission may impose conditions/restrictions from time to time as and when required.

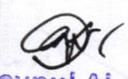
If the issuer fails to comply with any of the conditions as stated above, the Company would be penalized under penal provisions the Securities and Exchange Ordinance, 1969 or any other related securities laws.

By the order of Bangladesh Securities and Exchange Commission,

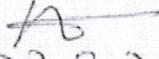
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Prof. Dr. Jonaid Shafiq
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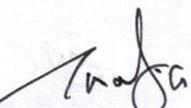
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Corporate Finance Division
Capital Restructuring Department
Bond and Debt Issue Section
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22.3.2024

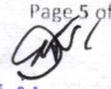
Md. Ariful Islam
Assistant Director
Phone: 01828619265
Email: arif09h@sec.gov.bd

Copy to:

1. Managing Director, Dhaka Stock Exchange Limited;
2. Managing Director, Chittagong Stock Exchange Limited;
3. Managing Director, CDBL;
4. Managing Director, Prime Bank Investment Limited (Trustee to the Issue);
5. PS to Chairman, BSEC;
6. PO to Commissioner (CFD), BSEC;
7. Office Copy.


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

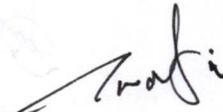
Declaration and Due Diligence certificates

Annexure- I

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit. We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Yours Faithfully,


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Annexure- II

Due Diligence Certificate of the Trustee

To
The Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Sub: Issuance of 15,000 Unsecured, Coupon bearing bond with 60% conversion feature of Tk. 100,000 (face value) each of Navana Pharmaceuticals PLC.

We, the under-noted trustee to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while acting as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer

WE CONFIRM THAT:

- a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM and draft deed of trust forwarded to the Commission has been approved by us;
- b) we have also examined all documents of the assets to be charged (none in the case of this issuance in discussion) with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- f) the above declarations are unequivocal and irrevocable

For Trustee,

Sd/-
Syed M Omar Tayub
Managing Director & CEO

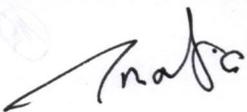

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


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Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Credit Rating Report of the Bond

**CREDIT RATING REPORT
ON
BDT 1,500 MILLION UNSECURED COUPON BEARING
BOND WITH 60% CONVERSION FEATURE**

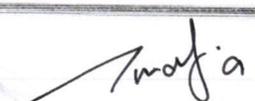

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joyntul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

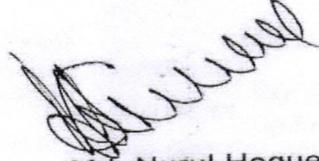

Md. Moinul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

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

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Md. Abu Hurayra FCA
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Ioynul Abedin, ACS
Company Secretary
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**EXECUTIVE SUMMARY OF
UNSECURED COUPON BEARING BOND WITH 60% CONVERSION**

**Initial Instrument Rating
Unsecured Coupon Bearing Bond with 60% Conversion Feature**

Rating Grade	AA- (Double A Minus) Indicative
Date of Declaration	01.08.2023
Validity	31.07.2024
Issuer- Navana Pharmaceuticals Limited	
Issuer Rating	AA (Double A)
Date of Declaration	01.08.2023

Issuer Performance Highlights:

Particulars	(TK in Million)	
	FY 2022-23 (09 months)	FY 2021-22
Total Assets	8,893.18	7,084.10
Equity	4,393.45	3,483.05
Net Turnover	4,234.62	4,758.71
Net Profit	248.54	274.00
Operating Margin (%)	13.36	12.38
Net Profit Margin (%)	5.87	5.76
EBITDA	621.45	705.70
ROE (%)	6.31	8.07
ROA (%)	3.11	4.46
DSCR (X)	0.23	0.40
Current Ratio (X)	1.05	0.88
Debt/(Debt + Equity) (%)	46.66	45.46

Details of the Issue:

Salient Features	
Borrower	Navana Pharmaceuticals Limited
Name of Instrument	Unsecured Coupon Bearing Bond with 60% Conversion
Advisor & Lead Arranger	City Bank Capital Resources Limited
Trustee	Prime Bank Investment Ltd
Instrument Type	Unsecured, Coupon Bearing and Convertible
Offering Style	Private Offer
Purpose	Balance sheet realignment through refinance the existing bank loans
Issue Size (Face Value)	BDT 1,500.00 Million
Repayment Frequency	Semi-Annual
Coupon Rate	Floating rate with floor 8% per annum and Ceiling 10% per annum
Tenor	5 Years
Issue Price per Unit	BDT 1,00,000
Lot Size	10 Units (BDT 10,00,000.00)
Convertibility	60% of total issue size will be converted
Transferability	The bond is transferable as per Modus Operandi conditions
Security	Unsecured
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) if required by BSEC by Consent Letter.

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 Company Secretary
 Navana Pharmaceuticals Ltd.

Initial Instrument Rating	
Unsecured Coupon Bearing Bond with 60% Conversion Feature	
Rating Grade	AA- (Double A Minus) Indicative
Date of Declaration	01.08.2023
Validity	31.07.2024
Issuer- Navana Pharmaceuticals Limited	
Issuer Rating	AA (Double A)
Date of Declaration	01.08.2023

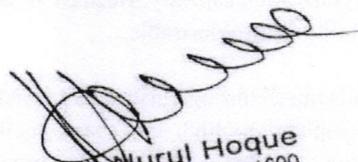
RATING BASIS

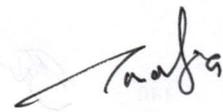
Rating is based on the features of the issue, audited financial statements of five years up to 3rd Quarter- 2023 (09 months), and six years' projected financial statements up to June 30, 2028 along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration. Followed Short term debt instrument Rating Methodology of NCR published in our website. It is pertinent to mention that FY 2022-23 in the report will refer 09 month's performance of the company from July 01, 2022 to March 31, 2023.

RATING DEFINITION

AA- (Double A Minus) rating indicates Below Very Strong Credit Quality.

In the view of NCR the term "**Indicative**" reflects the awarded rating based on the draft documents as well as term sheet. The final rating is predicated to get approval from respective authorities, receive final documents & issue the bond confirming all the information received in the time of awarding the rating.


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Joynul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

Reference:- Agreement No. NCRL/2023/1029

RATING RATIONALE

NCR has awarded above rating to BDT 1,500.00 million Unsecured Coupon Bearing Bond with 60% Conversion Feature of Navana Pharmaceuticals Limited. The issue rating has considered the terms and conditions of the issue like nature of the instrument, redemption procedure, offering style etc. While assigning issue rating, NCR has incorporated the counterparty surveillance (the issuer) rating declared on August 01, 2023 that has been assigned 'AA' (Double A) for long term & 'ST-2' for short term on the basis of Audited Financial Statements up to March 31, 2023 (09 months) for five years along with the other relevant financial as well as non-financial information provided by the company up to the date of rating declaration. NCR furthermore considered the six years Projected Financial Statements up to June 30, 2028 to predict the profit generation capacity and ability of repayment of debt obligations of the issuer.

The rating has been assigned favorably considering the scale of operation, trend of revenue over the years, profitability parameters, satisfactory EPS, positive net cash flow from operation, moderate liquidity and coverage indicators and increase in total asset base of the company. The business performance of the issuer revealed from the key financial parameters therefore anticipate ability to repay the principal payment behind the issue of bond and thus factored the rating congenially.

Furthermore, the projected growth in turnover & asset base, increase in net profit, reduction in long term and short term loans, positive & increasing net operating cash flow and net cash inflow subsequently disclose financial credibility to service the bank loan all are taken into account while assigning the rating. The issue also underpins from the issuer market positioning, complied factory premise, professionally experienced sponsors and qualified & veteran management team. NCR duly takes into account of the issuance of low cost external finance affirmatively and its supportive impact on the projected key financial parameters. With a conservative view, NCR believes that the firm may be able to meet its working capital requirements and the amount required to repay instrument from the revenue generation capacity. Because of issuing low cost debt obligations, the consequential effect on bottom line profitability is also desirable.

Anticipated utilization of funds raised through instrument consists of balance sheet realignment through refinance the existing bank loans. Compared to high cost bank facilities the instrument will boost the bottom line profitability as significant reduction in financial expenses are expected.

Besides, unsecured nature of the instrument, fluctuating interest rate, vulnerable foreign exchange rate and bank loan dependency in the recent years have factored the rating negatively while assigning the rating although the main purpose of issuing bond repayment of bank loan.

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Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd

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1. ISSUE FEATURES

1.1 Navana Pharmaceuticals Limited (hereinafter referred as 'NPL' 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 whereas the paid up capital stood at 1,073.79 million divided by 107.38 million outstanding shares as on March 31, 2023. The company operates under the drug license from Directorate General of Drug Administration.

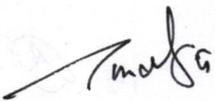
1.2 Navana Pharmaceuticals Limited produces both human and animal drugs comprising Tablet, Syrup, Powder, Cream, Oral Solution, Capsule, Gel, Ointment, Drops, and Suppository of various trade names. Some of NPL's products are exported to different countries like Myanmar, Vietnam, Sri Lanka, Cambodia, Togo and Georgia.

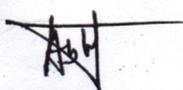
1.3 The company is going to raise external funds by issuing unsecured coupon bearing bond with 60% conversion of BDT 1,00,000 each, totaling Face Value of BDT 1,500.00 million through private placement, subject to the approval of the Bangladesh Securities and Exchange Commission (BSEC) and other relevant regulatory bodies. The yield of issue will be floating rate with floor SMART +2 per annum (ceiling 10% p.a) with redemption starting from the end of year 1 and completed at maturity at the end of year 5. Total 60% of the Face Value, BDT 900.00 million, of the issue size shall be converted into ordinary shares of Navana Pharmaceuticals Limited. The conversion arrangement at 20% rate of the Face Value will start at the end of 3rd year up to the maturity of 5th year. The fund will be used for Balance sheet realignment through Refinance the Existing Bank Loans. The issuer has mandated City Bank Capital Resources Limited as the lead arranger of above-mentioned long-term debt instrument.

1.4 Having the total Face Value of BDT 1,500.00 million for 15,000 bonds, BDT 600.00 million (40%) of the total Face Value is to be redeemed at the end of each year of BDT 120.00 million starting from 1st year from the issue date at Face Value.

1.5 The salient features of the issue are provided as follows:

Details of the Issue	
Borrower	Navana Pharmaceuticals Limited
Name of Instrument	Unsecured Coupon Bearing Bond with 60% Conversion
Advisor & Lead Arranger	City Bank Capital Resources Limited
Trustee	Prime Bank Investment Ltd
Instrument Type	Unsecured, Coupon Bearing and Convertible
Offering Style	Private Offer
Purpose	Balance sheet realignment through refinance the existing bank loans
Issue Size (Face Value)	BDT 1,500.00 Million
Repayment Frequency	Semi-Annual
Coupon Rate	Floating rate with floor 8% per annum and Ceiling 10% per annum
Tenor	5 Years
Issue Price per Unit	BDT 1,00,000
Lot Size	10 Units (BDT 10,00,000.00)


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Minimum Subscription	01 Lot (BDT 10,00,000.00)
Investment Value/ Price of Each Lot	BDT 10,00,000.00
Redemption Procedure	Total 40% of the face value of the issue will be redeemed in 5 equal annual installments. An amount of BDT 120,000,000 will be redeemed at the end of each year starting from the end of first year.
Late Redemption	The Issuer shall pay a late payment penalty of 2% percent higher than the declared coupon rate which will be payable on the amount not paid on the due date till the date of actual payment.
Convertibility	60% of total issue size will be converted in 3 different phases starting from the end of 3rd year. In each phase, an amount equivalent to BDT 300,000,000 will be converted. For the purpose of conversion as stated above, the Bond shall be valued at face value.
Conversion Price	The conversion strike price for each conversion shall be determined at 10% discount from the last 6 (six) months' weighted average market price of Navana Pharmaceuticals Limited at Dhaka Stock Exchange Limited (DSE) prior to conversion date. Conversion Strike Price = Weighted Average of Last 6 months' market Price of Navana Pharmaceuticals at Dhaka Stock Exchange on Conversion Price Determination Day * (1-10%) Any fractional converted share shall be considered to the nearest integer at the time of calculating the total converted shares.
Transferability	The bond is transferable as per conditions mentioned in Modus Operandi
Tax Features	Taxable as per laws of the country
Security	Unsecured
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) if required by BSEC by Consent Letter.
Jurisdiction	Laws of People's Republic of Bangladesh

2. CURRENT ISSUE SCENARIO

Funds will be raised only upon the approval from Bangladesh Securities and Exchange Commission (BSEC).

Illustration of Bond Issuance

Year	Date	Redemption of Bonds	Conversion to Ordinary Shares
0	Subscription Date	-	-
1	1 st Anniversary	8% of Total Issue Size	-
2	2 nd Anniversary	8% of Total Issue Size	-
3	3 rd Anniversary	8% of Total Issue Size	20% of Total Issue Size
4	4 th Anniversary	8% of Total Issue Size	20% of Total Issue Size
5	5 th Anniversary	8% of Total Issue Size	20% of Total Issue Size
	Total	40% of Total Issue Size	60% of Total Issue Size

Terms of Investment: Investments in the Coupon Bond must be in lot(s) with a minimum investment (subscription amount) of 01 lot (BDT 1.00 million).


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3. RATIONALE FOR ISSUE

The issue is rationalized by very obvious reason to use the fund regarding construction of new General Production Building and Modernization and Expansion of the Small Volume Parenteral and Ophthalmic (SVPO) facility along with modernization and expansion of General Liquid Facility with Dispensing as well as Animal Health Facility. Longstanding presence in the industry, quality medicine supply, and noticeable market position with local and international customer base of the issuer in pharmaceutical industry justifies the growth potentiality in near future. NPL already has outstanding liability of TK 4,587.72 million against availed sanctioned credit facilities of total TK 5,907.61 million (funded & non-funded; short term & long term) as on June 30, 2023 with Al-Arafah Islami Bank Limited, Simanto Bank Limited, Community Bank Limited, Bengal Commercial Bank Limited, Dhaka Bank Limited, Prime Bank Limited, Standard Chartered Bank Limited, IPDC Finance Limited and IDLC Finance Limited. The fund that will be raised by issuing bond for balance sheet realignment through refinance the existing bank loans. The issue of bond will patronize the issuer by supplying required fund that will be the motive to sustain and grow by ensuring sustainable profit. Eventually, the redemption and conversion to ordinary share of bond will be started after at 1st and 3rd year respectively from the issue and after five years the borrower estimated to off-set the full amount of redemption value of bond.

4. REDEMPTION OF BOND

Having the total Face Value of BDT 1,500.00 million for 15,000 bonds, BDT 600.00 million (40%) of the total face value is to be redeemed at the end of each year starting from 1st year from the issue date at Face Value. Rest 60% of total issue size will be converted in 3 different phases starting from the end of 3rd year. In each phase, an amount equivalent to BDT 300,000,000 will be converted. In case of late redemption, the Issuer shall pay a late payment penalty of 2% percent higher than the declared coupon rate which will be payable on the amount not paid on the due date till the date of actual payment.

Repayment schedule of the Coupon Bonds is as under:

Year	Redemption (%)	Principal Redemption (TK in Million)	Principal Conversion (TK in Million)	Remaining Principal (TK in Million)
0	0.00	Nil	Nil	Nil
1	20.00	120.00	Nil	1,380.00
2	20.00	120.00	Nil	1,260.00
3	20.00	120.00	300.00	840.00
4	20.00	120.00	300.00	420.00
5	20.00	120.00	300.00	Nil
Total		600.00	900.00	-

5. CONVERSION OF BOND

Total BDT 900.00 million (60%) of BDT 1500.00 million bond will be converted to ordinary share at the end of each year starting from end of 3rd year from the issue date at Face Value. The conversion schedule and impact on paid up capital is presented in the following table:

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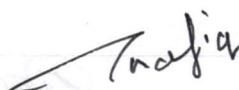
Impact of Conversion on Paid-up Capital							
Existing Number of Shares	Conversion Price	New Share Issuance	New Number of Shares	Increase in Paid-up	New Paid up Capital in BDT	Share Premium	Director Holding
107,416,217		-	107,416,217	-	1,074,162,170	-	
107,416,217			107,416,217		1,074,162,170	-	
107,416,217			107,416,217		1,074,162,170	-	
107,416,217			107,416,217		1,074,162,170	-	
107,416,217			107,416,217		1,074,162,170	-	
107,416,217	100.00	3,000,000	110,416,217	30,000,000	1,104,162,170	270,000,000	34.53%
110,416,217			110,416,217	-	1,104,162,170	-	
110,416,217	100.00	3,000,000	113,416,217	30,000,000	1,134,162,170	270,000,000	33.61%
113,416,217			113,416,217	-	1,134,162,170	-	
113,416,217	100.00	3,000,000	116,416,217	30,000,000	1,164,162,170	270,000,000	32.75%
Total		9,000,000		90,000,000		810,000,000	

6. POTENTIALITY OF THE ISSUER'S BUSINESS

6.1 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 to 2021), the sector has grown at a CAGR of 7.08 percent. Currently, the size of the industry is USD 3.20 billion and expected to be USD 6.00 billion by 2025. Brief overview of pharmaceutical industry along with market size and growth trend is given below:

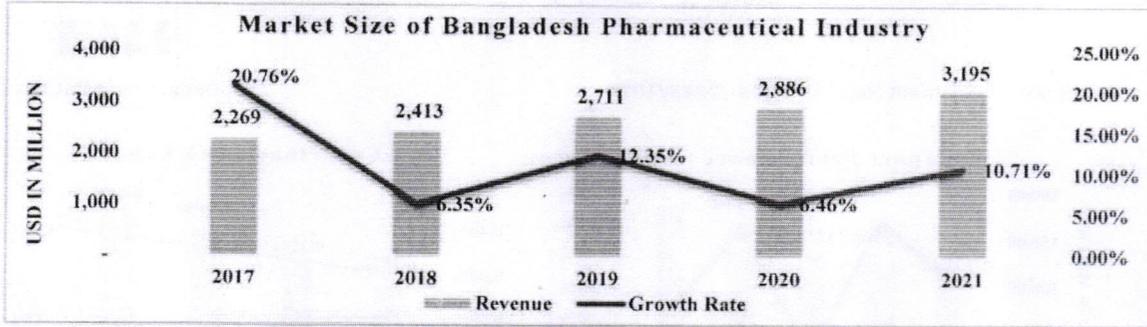
Particulars	Details
Current Market Size	USD 3,195 million
CAGR of Market Size (2017 to 2021)	7.08%
Local Demand Met by the Industry	98% (Approx.)
GDP Contribution	1.83%
Total Export (FY 2021-22)	USD 188.78 million
Contribution to Total Export (FY 2021-22)	0.36%
CAGR of Export (FY 2017-18 to FY 2021-22)	12.78%
No. of Allopathic Manufacturers	289
No. of Registered Drugs (Allopathic)	32,558
No. of Unani Manufacturers	285
No. of Registered Drugs (Unani)	7,841
No. of Ayurvedic Manufacturers	203
No. of Registered Drugs (Ayurvedic)	4,678
No. of Herbal Manufacturers	37
No. of Registered Drugs (Herbal)	732

Source: Bangladesh Association of Pharmaceutical Industry (BAPI), Directorate General of Drug Administration (DGDA), Export Promotion Bureau (EPB), EBL Securities Ltd. (EBLSL)


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Source: Bangladesh Association of Pharmaceutical Industry (BAPI)

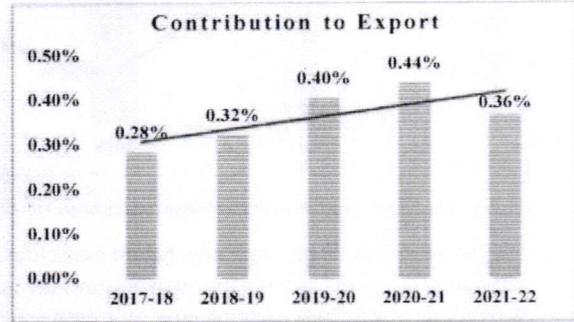
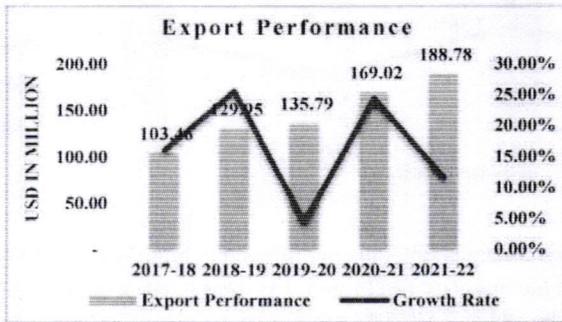
6.2 Increased per capita income, health consciousness among people, unconditional tax holiday to all APIs and laboratory reagents producers, waivers on Advance Income Tax (AIT) and Tax Deducted at Source (TDS), waivers on VAT, 20% cash incentive for producers who add at least 20% value, 12-year tenure 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 20% are patented drugs. Local manufacturers capture 90 percent of the market whereas the remaining 10 percent is captured by the multinational companies.

6.3 Bangladesh signed Trade-Related Aspects of Intellectual Property Rights (TRIPS) in 1995 with the World Trade Organization (WTO). Under this agreement, Least Developed Countries (LDCs) get the benefit of manufacturing or reverse-engineering patented medicines as well as reducing costs. After the third extension of validity of the agreement, Bangladesh can now manufacture patented medicines till 2033. This facility is also one of the major reasons behind the growth of the pharmaceutical industry of the country. Along with meeting the local demand, the industry is also contributing to export earnings. Bangladesh now exports pharmaceutical items to around 144 countries. The country mainly exports generic medicines. 5 to 7 companies of the country got approval from top regulatory bodies around the world and the industry hopes to occupy 10 percent of the global generic medicine market. In the supply side, 95 percent of all Advanced Pharmaceutical Ingredients (API), most important material for pharmaceutical formulation, are imported mainly from China, South Korea and India. According to Bangladesh Investment Development Authority (BIDA), the country imports approximately USD 600 millions of API in FY 2018-19. At present, 26 of API producers of the country produce around 40 API molecules. Reduction of dependency on imports of API is essential for cost minimization and achievement of self-sufficiency. An API Park is being constructed in Munshiganj with a view to reducing import dependency to 80 percent by 2032.

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Source: Export Promotion Bureau (EPB)

6.4 Pharmaceutical industry has the potential to be the next multi-billion-dollar industry of Bangladesh and the country is on the right track. From favorable policy support to TRIPS agreement, everything is pushing the industry forward. However, the country is in the way to be graduated to a developing country from least developed country. The facility of TRIPS agreement may not be available after the graduation. So, the country must focus on research and development to produce more patented drugs. Investment in the education sector to produce qualified and technical personnel for the industry should be increased to support the growing industry. Besides, development of backward industry is another important issue to fuel the expanding industry.

7. PROJECTED IMPACT ON KEY FINANCIAL PARAMETERS

TK in Million

Particulars	Actual Business Performance	Projected Business Performance					
	FY 2022-23 (09 months)	FY 2023-24 (Year-01)	FY 2024-25 (Year-02)	FY 2025-26 (Year-03)	FY 2026-27 (Year-04)	FY 2027-28 (Year-05)	FY 2028-29 (Year-06)
Net Turnover	4,234.62	5,705	6,846	8,307	10,093	12,001	14,296
Gross Profit	1,896.22	2,600	3,111	3,820	4,595	5,561	6,526
Operating Profit	565.66	760	913	922	1,153	1,662	2,149
Net Profit	248.54	342	516	542	739	1,158	1,619
Non-Current Assets	4,372.70	5,579	5,654	5,681	5,960	6,174	6,179
Inventories	1,067.78	1,004	1,243	1,367	1,504	1,654	1,819
Account Receivables	764.03	828	821	914	1,110	1,320	1,573
Cash & Cash Equivalents	471.25	370	152	188	199	376	498
Total Current Assets	4,520.49	3,709	3,899	4,468	5,027	5,946	6,939
Total Assets	8,893.19	9,288	9,553	10,149	10,987	12,119	13,118
Long Term Loan	71.41	24	21	18	16	14	13
Current Liabilities	4,267.49	4,479	3,048	3,216	3,424	3,514	3,004
Total Liabilities	4,499.74	4,722	3,477	3,525	3,613	3,583	2,953
Paid up Capital	1,074.16	1,074	1,074	1,074	1,104	1,134	1,164
Retained Earnings	334.62	546	1,062	1,604	2,343	3,501	5,120
Total Equity	4,393.45	4,566	6,076	6,624	7,374	8,536	10,165
Total Liability & Equity	8,893.19	9,288	9,553	10,149	10,987	12,119	13,118
Net operating cash flow	275.85	373	404	268	436	609	831
Net cash flow from investing activities	(1,111.12)	(1,390)	(75)	(27)	(279)	(214)	(5)
Net cash flow from financing activities	(1,240.04)	1,321	(547)	(206)	(145)	(219)	(704)
Net cash inflow/(outflow)	404.77	304	(218)	36	12	177	122

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Managing Director
Navana Pharmaceuticals Ltd.

Md. Abu Hurayra FCA
Chief Financial Officer
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Company Secretary
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7.1 The issue provided 06 years projected and 09 month's audited financial statements of Navana Pharmaceuticals Limited of March 31, 2023 (Up to third quarter of FY 2022-23) along with five years audited financial statements up to June 30, 2022. As per the disclosures, the issuers' scale of operation in terms of sales is projected to increase over the years. The financial analysis has been made in the report based on above mentioned financial position. It is pertinent to mention that FY 2022-23 in the report will refer 09 month's performance of the company from July 01, 2022 to March 31, 2023.

7.2 In FY 2022-23, the 09 month's turnover was recorded TK 4,324.62 million and after that it is expected to increase at 20.00% in Year-1 and subsequently anticipate to have growth in revenue at 20.00%, 21.00% and 21.00% in Year-2, Year-3 and Year-4 respectively. After incurring all related expenses like operating expenses, finance cost, tax expenses etc. The issue's net profit was reported at TK 248.54 million in FY 2022-23 and anticipate to increase at the rate of 6.00% in FY 2022-23 at amounting TK 342.00 million. At the end of projected Year 04 the net profit is expected to stand at TK 739.00 million. So, the net profit is anticipated to show an increasing trend during the projected years.

7.3 The projected financial position of the company shows that, the prime liquidity indicator i.e. current ratio stood at 1.05 times in FY 2022-23 and anticipate to stand at moderate level up to year 04 and thereafter gradually find at deficient level as such 0.83 times in Year 01, 1.28 times in Year 02, 1.39 times in Year 03 and 1.47 times in Year 04. Therefore, the current assets shows mix trend precisely anticipate to increase bit by bit after Year 01 whereas current asset expected to increase over the years mostly during redemption period. Despite the company can meet the increasing current obligations through its volume of current assets and will generate positive working capital to support the business operation that will serve the purpose of issuing bond. After issuing the bond, the fixed assets of the company will increase at TK 3,709.00 million, TK 3,899.00 million, TK 4,468.00 million and TK 5,027.00 million in Year 01, Year 02, Year 03 and Year 04 respectively. Followed by, total assets of the company is also anticipated to increase accordingly in the next fourth years of operation. Furthermore, the long term debt obligation of the company is expected to be nil immediately at the end of year-1 after issuing the bond.

7.4 NCR duly takes into account of the issuance of cost effective external finance affirmatively and its supportive impact on the key financial parameters. With a conservative view, NCR believes that the issue might be able to meet its long term capital need which are supposed to be resulted from the amount to repay instrument with current level of turnover. Because of issuing cost effective debt obligations, the consequential effect on bottom line profitability is also desirable.

8. ADEQUACY OF FUTURE CASH FLOW

8.1 The projected cash flow in the coming years particularly after issuing the bond shows positive operating cash flow (OCF) that indicate the ability of the company to maintain and grow its operations. Although the OCF is projected to increase over the years, the anticipated net cash flow shows mixed trend precisely increase in Year 01, Year 03 and Year 04. Cash flow from investing activities is anticipated negative in the 04 years of operation.

8.2 The net cash flow from financing activities is expected to be positive in Year 01 but after the year of bond issuance while the payment of bond redemption started, the financing activities anticipated generating substantial negative cash flows amounting TK (547.00) million in Year 02, TK (206.00) million in Year 03, TK (145.00) million in Year 04, TK (219.00) million in Year 05 and TK (704.00) million in Year 06.


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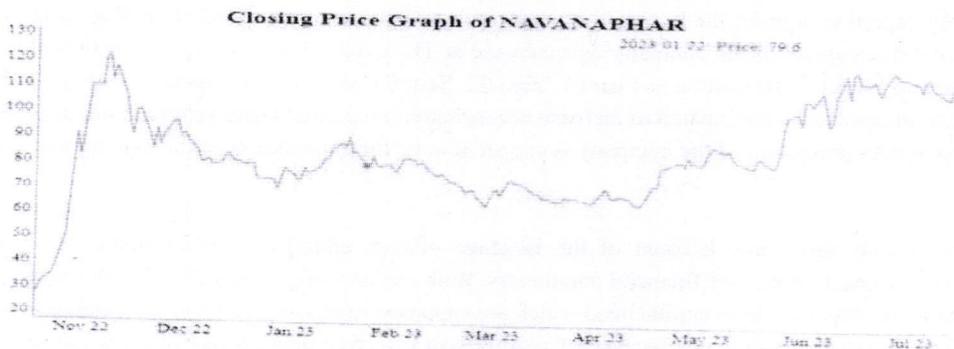

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Reference:- Agreement No. NCRL/2023/1029

9. ISSUER'S BUSINESS OVERVIEW

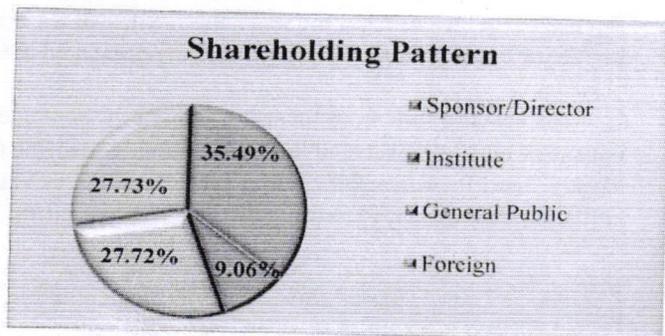
9.1 Navana Pharmaceuticals Limited (hereinafter referred as 'NPL' or The Company) was first incorporated as a Private Limited Company on March 31, 1986 under the Company Act of 1913 which was later replaced by the Companies Act 1994. Later on December 30, 2021 the company has been transformed to public limited company and has been listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on October 1 and October 12, 2022 respectively. Authorized capital of the company is TK 2,000.00 million divided by 200.0 million ordinary shares whereas the paid up capital stood at 1,073.79 million divided by 107.38 million outstanding shares as on October 31, 2022. The company operates under the drug license from Directorate General of Drug Administration.

9.2 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 in December 22, 2022. The Board of Directors has approved 11.00% Cash Dividend for the year ended June 30, 2022. The Company has also reported Consolidated EPS is TK 3.42, NAV per share is TK 43.41 and NOCFPS of TK is TK 2.48 for the year ended on June 30, 2022 as against EPS TK 2.52, NAV per share TK 41.19 and NOCFPS of TK 1.52 respectively for the same period of the previous year. The following graph reveals the closing price of NPL's stock at DSE over a period of last one year.



9.3 Corporate office of the company is located at House 99, Road 4, Block B, Banani Dhaka -1213, while the manufacturing plant is established at Rupshi, 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.

9.4 The major portion of the shares is held by sponsors (35.49%) of the company and rest outstanding shares is held by general public (27.72%) Foreign (27.73%) & institutions (9.06%) as on June 30, 2023. The distribution of share of Navana Pharmaceuticals Limited is depicted in the adjacent graph:



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10. STRENGTH OF ISSUER

10.1 The credit risk of an issuer is typically function of its standalone business and financial risk profile, to some extent, the issuer's credit quality could also be driven by partially or significantly by its association with group. If the issue becomes financially weak in any time, it can have unhindered access to operational and strategical support as well as financial support from other associate companies. The issuer has an opportunity to grab new market and of widening operational potential in other international market space.

10.2 In the financial assessment, it is found that the company has approximate TK 3,219.45 million outstanding funded loan as on June 30, 2023 and in the 09 month's performance of FY 2022-23 it holds 53.34% equity and 46.66% debt of its capital structure. The issuer has been maintaining consistent growth in business over the years and after the issuance of the bond it expects to maintain 20%-21% annual growth in revenue. Further its assets base will increase significantly in the next seven years of operation. Even, dependency on bank financing will also be minimum in those years.

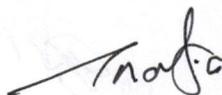
11. GOVERNANCE

11.1 The company's BOD comprises of twelve members including three independent directors. All the members have experience in businesses. The board is responsible for policy formulation and overseeing the management functions. The BOD is a key source of guidance to the management. Brief profile of the board members is given below:

Name	Designation	Educational Qualification	Experience
Mr. Anisuzzaman Chowdhury	Chairman	Graduate in Business Administration from Palm Beach Atlantic College of USA	29 Years
Professor Dr. Md. Jonaid Shafiq	Managing Director	MBBS, Research Fellowship of Kyushu University, Japan, PhD in anesthesiology	41 years
Mrs. Imrana Zaman Chowdhury	Director	Master's in Business Administration	11 years
Dr. Zahara Rasul MD, CCFP FCFP	Director	CCFP and FCFP from Canada, MBBS	16 years
Mr. Javed Kaiser Ally	Director	Bachelor of Business Administration in Finance	32 years
Mrs. Tarana Ahmed	Director	BA	23 years
Dr. Sayeed Ahmed	Director	MBBS	21 years
Mrs. Masuma Parvin	Director	Masters of Public Administration, University of Dhaka	14 years
Mohammad Bul Hassan, FCS	Independent Director	Chartered Secretary, Post Graduate in Accounting from University of Dhaka	28 years
Khondaker Sabbir Mohammad Kabir	Independent Director	Master's in Business Administration	31 years
Mohammad Arife Billah (Bar-at-law)	Independent Director	MSS in Criminology & Criminal Justice, DU, Barrister-At-Law	15 years

12. MANAGEMENT

12.1 The management team is organized with a good blend of young and experienced personnel from different professional background which includes Pharmacists, Engineers, Accountants, Marketing, Medical Regulatory Specialist, Business Development Executive and Market Research Specialist. Professor. Dr. Md. Jonaid Shafiq, Managing Director of NPL, has vast experience in pharmaceutical sector.


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12.2 The organizational structure of the company is divided into seven functional divisions, namely: (1) Factory (2) Finance & Accounts Department (3) Sales & Marketing Department (4) Distribution Department (5) Administration & IT Department (6) Commercial & Purchase Department, 7) Secretarial Department. All the divisions are supervised by the Professor. Dr. Md. Jonaid Shafiq, Managing Director of the company. The heads of the divisions have the capability to promote and run the business smoothly. NPL offers good compensation packages to its employees including festival bonus and efficiency bonus etc. At present, there are 3176 officers and workers employed in the factory, office and filed level. The details of the key professionals of the management team are given below:

Name	Designation	Department	Qualification	Experience
Professor. Dr. Md. Jonaid Shafiq	Managing Director	-	PhD, MBBS	41 years
Mr. Javed Kaiser Ally	Director Finance	Finance & Accounts	MBA	32 Years
Dr. Sayeed Ahmed	Director Sales and Marketing	Marketing, Sales	MBBS	21 Years
Mr. Shamim Rabbani	Director Operations	Administration	M. Pharm	37 Years
Mr. Md. Abu Hurayra FCA	Chief Financial Officer	Finance & Accounts	FCA, M.Com	22 Years
Mr. Joynul Abedin ACS	Company Secretary	Company Secretariat	ACS, M.A.	17 Years
Mr. Mustafa Khalid Shams	Sr. General Manager (Plant Head)	Factory Administration	M. Pharm	37 Years

13. OPERATIONAL RISKS

The company is exposed to other risks associated with the operation. The operational risks are:

13.1 INTERNAL CONTROL SYSTEM

NPL offers good compensation packages to its employees including festival bonus, production bonus, medical expense, maternity benefits, holiday allowance, tiffin bills etc. With the motivation and support of their executives and workers, they look forward to attain sustainable growth. The company has written HR policy for the employees. The company abides by the labor law 2006 and actively encourages employee involvement in company's business through various types of benefits. According to the HR Policy they provide Health care facilities (first aid facilities, In House Medical treatment, Outside medical Treatment including emergency ambulance service), Maternity facilities (Maternity Treatments, Maternity awareness Program, and Maternity leave) and Group Insurance Facility. Moreover, the company also abides by self-designed as well as international standard policies like Discrimination Policy Health & Safety Policy, Wastage policy, Child-Care Policy, Harassment & Abuse Policy, Canteen Management Policy, Grievance policy Anti-Forced Labor Policy, Child Labor Policy, Career Development Policy, Environmental Safety Policy, Leave Policy & Maternity Facility, Working Hour & Over Time Policy, Remediation of Child labor Policy, Anti-Corruption and Anti-Bribery Policy for maintaining an excellent working environment ensuring human, workers and employee right.

13.2 COMPLIANCE AND QUALITY ISSUES

The company complies with all legal and compliance requirements for producing best quality product under good manufacturing practices. Trade license, environmental clearance, fire license, drug license, cGMP license all are up to date. Moreover, NPL has a detailed Quality Control Policy complying with International Standard requirements of ISO 9001:2000 through continually developed Human Resource. The company is committed to comply with WHO cGMP standard and follow local drug regulatory norms in every phase of product development, manufacturing, quality assurance and distribution of medicine.

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13.3 INFRASTRUCTURAL RISK

The company has sufficient number of machineries to start its manufacturing unit. The company has a well-equipped quality control department with branded machinery. Stringent quality control measures are adopted to make sure consistent fine quality products are manufactured. The concern has 64 private cars, 07 microbus and 62 covered vans to smoothen the transportation purpose. The factory premise of NPL has 01 main entry and exits points. NPL has required fire equipment's to take appropriate measures against fire exposure i.e. central fire hydrant system, PA system, fire door, gas musk etc.

13.4 UTILITY RISK

The company meets its electricity requirements from REB (Narayanganj Palli Bidyut Samity) & uses 04 diesel generators with total capacity of 2375 KVA to support the backup power requirement.

13.5 ENVIRONMENTAL RISK

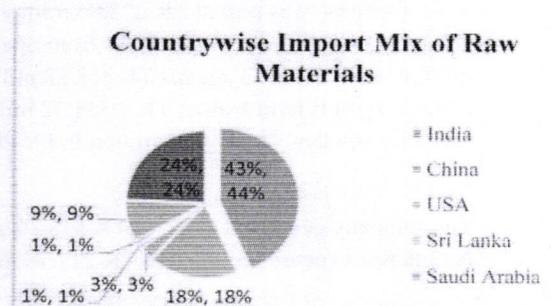
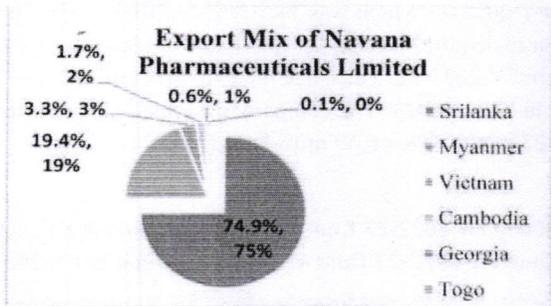
To ensure pollution free environment the company has setup 01 effluent treatment plant 10,000 liter per day and 02 Water Treatment Plant with total capacity of 3,000 liter per hour.

13.6 INFORMATION TECHNOLOGY

NPL uses advanced Information Technology for MIS reporting. The company exercises ERP system. In addition the company uses manual system for handling procurement, production, inventory management and the other activities.

13.7 ISSUERS COMPETITIVE POSITION

The company sources raw materials from the local and international markets. The major sourcing countries are India, China, USA, Sri Lanka, SE Asia, and Europe. Again, NPL is exporting to five major countries besides serving the local market. Export and import composition to different countries are presented in the graph below:



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14. HISTORICAL FINANCIAL PERFORMANCE

14.1 Trend/Stability of Revenue

The business performance of Navana Pharmaceuticals Limited has been evaluated on the basis of five years' audited reports up to June 30, 2022 and last 09 month's audited financial statements up to March 31, 2023. The performance of the company satisfactory for last three years. The company recorded turnover of TK 4,234.62 million in FY 2022-23 against TK 4,758.71 million in FY 2021-22.

14.2 Operating Expenditure and Profitability

The gross profit of the company was recorded to TK 1,896.22 million in FY 2022-23 from TK 2,172.57 million in FY 2021-22 while gross margin was 44.78% and 45.65% respectively. The operating margin was recorded to 13.36% in FY 2022-23 against 12.38% in the previous year. The net income of the company was reported TK 248.54 million in FY 2022-23 and TK 247.00 million in FY 2021-22 representing net profit margin of 5.87% in FY 2022-23 from 5.76% in FY 2021-22.

Particulars	FY 2022-23 (09 Months)	FY 2021-22
Turnover (TK in Million)	4,234.62	4,758.71
Cost To Revenue Ratio (%)	55.22%	54.35%
Gross Margin (%)	44.78%	45.65%
Operating Margin (%)	13.36%	12.38%
Net Profit Margin (%)	5.87%	5.76%

14.3 Cash Flow Activities

The company generated positive net cash flow from operation for the last three reporting years. The net cash flow from operation was posted TK 275.85 million in FY 2022-23 which was TK 199.34 million in FY 2021-22. The company used these net cash flows from operation to acquire fixed assets and made investment of TK 1,527.26 million in FY 2022-23 against TK 468.28 million in FY 2021-22. To bridge the gap, the company needed to raise additional short term loan of TK 1,551.32 million in FY 2022-23. The company generated net cash flow from all activities stood at TK 404.77 million in FY 2022-23 against TK 40.59 million in FY 2021-22.

14.4 Debt Coverage

The company generated EBIT of TK 535.29 million in FY 2022-23 from TK 609.48 million in FY 2021-22. The net interest expense recorded to TK 217.78 million in FY 2022-23 from TK 198.11 million in FY 2021-22.

Particulars	FY 2022-23 (09 months)	FY 2021-22
EBIT (TK in Million)	535.29	609.48
Financial Expenses (TK in Million)	217.78	200.42

The generated EBITDA was TK 621.45 million in FY 2022-23 against 705.48 million in FY 2021-22. The recorded growth in EBITDA was (11.94%) against the growth in turnover by (11.01%) in last 09 months performance of FY 2022-23. Besides, the Debt Service Coverage Ratio (DSCR) was found at 2.85 times in FY 2022-23 from 3.52 times in FY 2021-22. The debt payback period was 5.43 years in FY 2022-23.

Particulars	FY 2022-23 (09 months)	FY 2021-22
EBITDA (TK in Million)	621.45	705.48
DSCR (X)	2.85	3.52
Debt Payback Period (Years)	4.43	4.02


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14.5 Working Capital Intensity and Liquidity

The liquidity indicator, current ratio was found moderate and recorded 1.05 times in FY 2022-23 and 0.88 times in FY 2021-22. The cash cycle was 100 days in FY 2022-23 which was 79 days in FY 2021-22. The company has been recorded TK 211.76 positive working capital in FY 2022-23.

Particulars	FY 2022-23 (09 months)	FY 2021-22
Current Ratio (X)	1.05	0.88
NWC (TK in Million)	211.76	(391.14)
Cash Cycle (Days)	100	79

14.6 Internally provided liquidity cover

An issuer's liquidity position is indicative of an issuer's ability to refinance its bond from internal sources. NCR assesses issuer's liquidity position based on internally provided liquidity cover which indicates to repay its short term debt obligation from internally provided liquidity that is OCF, retained earnings, inventory, cash & equivalents. Therefore, the issuer has moderate internal controls over liquidity risk management.

14.7 Financial Structure

The capital structure was composed of 46.66% of debt and 53.34% of equity as on March 31, 2023. The asset turnover ratio was increase at 0.53 times in FY 2022-23. The total assets base of the company was posted to TK 8,893.18 million in FY 2022-23 against TK 7,084.10 million in FY 2021-22.

Particulars	FY 2022-23 (09 months)	FY 2021-22
Debt (Total Debt + Total Equity) (%)	46.66	45.46
Equity Multiplier (X)	2.03	1.81
Asset Turnover (X)	0.53	0.77
Total Asset (TK in Million)	8,893.18	7,084.10

15. ISSUER'S CREDIT HISTORY AND SECURITY COVERAGE

NPL is enjoying a credit facility from Al-Arafah Islami Bank Limited (VIP Road Branch), Dhaka Bank Limited (Banani Branch) Shimanto Bank Limited (Corporate Head Office) Community Bank Limited (Head Office), Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch), Standard Chartard Bank Limited (Gulshan Branch), IPDC Finance Limited (Head Office, Dhaka), and IDLC Finance Limited. The details of the credit facility are given below:

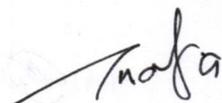
Name of Bank	Nature of Facility	Limit	Outstanding*	Purpose
Al-Arafah Islami Bank Limited (VIP Road Branch, Dhaka)	L/C (Foreign-Sight/Deferred/UPAS)	1,500.00	331.84	= To import raw materials of medicine, packing materials, spare parts and accessories
	Bills		680.72	
	MPI-TR	(150.00)	151.36	= To retire goods to be imported
	Bai-Muazzal	850.00	1,071.36	= To procure raw materials of medicine, packing materials, spare parts and accessories
	Specific Bai Muazzal (Blocking LC)	(200.00)		
	MDB/MDB-FC	20.00	1.34	= To purchase Local/Foreign Bill
	Bank Guarantee	20.00	7.86	= To provide performance guarantee for participating in tenders

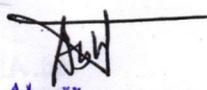
BDT 1,500 MILLION UNSECURED COUPON BEARING BOND WITH 60% CONVERSION FEATURE

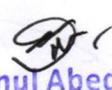
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Dhaka Bank Limited (Banani Branch)	HPSM (Transport)	150.00	72.46	= To procure vehicles from local market
	HPSM (Machinery)	150.00	65.54	= To import machinery
	L/C (Import/Local-Sight/Deferred)	300.00	7.22	= To import raw materials of medicine, packing materials, spare parts and accessories
	Accepted bills against UPAS		118.29	
	LTR	(285.00)	10.01	= To retire import/shipping documents
	Revolving STL	(100.00)	96.25	= To procure raw materials of medicine and packing materials from local market
	Revolving STL	(100.00)	Nil	= To meet selling & distribution related expense
	Rev. Time Loan	15.00	15.24	= To pay Duty, VAT, ALT etc.
	OD	180.00	183.26	= To meet working capital requirements
	Time Loan (Stimulus)	95.00	96.89	= To meet urgent requirement of fund to pay wages & salary
Rev. Bank Guarantee	10.00	NIL	= To issue bank guarantee favoring utility authorities	
Shimanto Bank Limited (Corporate Head Office)	L/C (Sight/Deferred/UPAS)	100.00	NIL	= To import raw materials, Packaging materials, spare part and accessories
	LTR	(50.00)	NIL	= To retire the import documents
	Time Loan-I	10.00	NIL	= For payment duty, Tax, and other expense
	Time Loan-II	40.00	40.89	= To procure raw materials and packaging materials
	OD	250.00	254.39	= To meet up day to day operational expenses
Community Bank Limited (Head Office)	L/C(Foreign/Local-Sight/Deferred/UPAS)	150.00	NIL	= To import the raw materials and others business related items
	Acceptance	(150.00)	NIL	= To retire the LC Documents
	LTR	(135.00)	NIL	= To retire Sight LC Documents
	Time Loan (Earmark LTR)	(135.00)	135.83	-
	BG (Bid/PG)	10.00	NIL	= To provide the guarantee against different works orders
	Time Loan-I	400.00	399.80	= To procure raw materials from local sources
	Time Loan-II	60.00	52.84	= To pay different required government revenue
OD	200.00	203.79	= To meet overhead and day to day sense	


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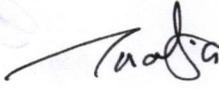

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Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch)	Murabaha LC	50.00	0.76	= To import pharmaceuticals raw materials
	Bai Muajjal - TR	(45.00)	14.81	= To retire shipping documents
	Bai Muajjal (WC)	200.00	206.91	= To procure raw materials, packing & Packaging materials
	Shipping Guarantee	3.12	3.12	= To issue guarantee
Prime Bank Limited (Gulshan Branch)	LC (Sight/UPAS/DP)	400.00	65.40	= To import raw materials for pharmaceutical industry
	Acceptance	(400.00)	1.69	= To retire LC documents
	LTR	(360.00)	NIL	
	Time Loan-I	(50.00)	25.38	= To meet operational expenses
	Time Loan-II	(50.00)	23.41	= To make payments of customs Duty/VAT and other similar expense
	One Off Facilities			
	LC (Sight/UPAS/DP)	231.15	NIL	= To import warehouse related equipment
	Acceptance	(231.15)	NIL	= To retire import documents
	Term Loan-I	20.00	19.77	= For construction work of warehouse
	Term Loan-II	(161.80)	NIL	= To retire import documents
Standard Chartered Bank Limited (Gulshan Branch)	Term Loan-III	38.20	5.02	= For procurement of local equipment for warehouse
	Import LC	300.00	42.67	= For issuance of LC
	Acceptance	(300.00)	102.63	= To provide acceptance against deferred LC
	Overdraft	(20.00)	NIL	= For general operation purpose
	Shipping Guarantee	(150.00)	3.16	= To issue shipping guarantee
IDLC Finance Ltd. (Gulshan Branch)	LATR	(300.00)	NIL	= To release imported goods
	Import Loan	(300.00)	NIL	= To release imported goods
IPDC Finance Limited (Head Office, Dhaka)	Lease Finance	36.87	15.62	= To purchase vehicles
	Lease Finance	13.25	12.44	= To purchase vehicles
	Lease Finance	12.02	12.02	= To purchase vehicles and capital machineries
	Term Loan	23.00	18.95	= To meet additional fund requirement for business expansion
	Lease Finance	20.00	16.53	= To purchase reconditioned vehicles

*Outstanding as on 30.06.2023

Note: Outstanding loans of Islami Banks are including anticipated profit


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15.1 SECURITY ARRANGEMENT

Name of Bank	Security Collateral	Description
Al-Arafah Islami Bank Limited (VIP Road Branch, Dhaka)	Collateral	Registered Mortgage of 644.00 decimal along with the factory building located (1,23,100.00 sft.) at Dist: Narayanganj, P.S. & S.R.O: Rupgonj, Mouza: Uttar Rupshi having forced sale value (FSV) of TK 747.50 million (As per branch valuation dated 21.10.2020)
Dhaka Bank Limited (Banani Branch)	Collateral	Pledge of 3.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 30.00 million and Market Value of TK 246.30 million as on 11.05.2023
Shimanto Bank Limited (Corporate Head Office)	Collateral	Pledge of 2.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 20.00 million and Market Value of TK 138.60 million as on 20.02.2023
Community Bank Limited (Corporate Branch)	Security	Pledge of 3.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 30.00 million
Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch)	Security	<ul style="list-style-type: none"> Lien of shipping documents Hypothecation of stock 5% cash margin on LC Personal guarantee of the directors of the company Usual charge documents
Prime Bank Limited (Gulshan Branch)	Collateral	Pledge of 2.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 20.00 million
Standard Chartered Bank Limited (Gulshan Branch)	Collateral	RM on pari-passu basis with other lenders over factory building and land measuring 472 decimals land located at Rupshi, Rupganj, Narayanganj
IDLC Finance Ltd. (Gulshan Branch)	Security	<ul style="list-style-type: none"> Ownership of lease asset. One MICR cheque covering lease amount. Postdated cheque for monthly rentals Demand promissory note in cash or in shares
IPDC Finance Limited (Head Office, Dhaka)	Security	<ul style="list-style-type: none"> Ownership of lease asset. One MICR cheque covering lease amount. Postdated cheque for monthly rentals Demand promissory note in cash or in shares.

16. RATING OBSERVATION

Positive Stimulates	Negative Stimulates
<ul style="list-style-type: none"> Praiseworthy business track record Professionally experienced BODs Qualified and veteran Management squad Moderate liquidity position Positive net cash flow Private placement of the instrument 	<ul style="list-style-type: none"> Volatile price of raw materials Attenuate operation High financial obligations Extreme competition Stressed liquidity and coverage position Global economic devastation

Analysts:	SHEIKH ZAKARIA AHMED +88-02-47120156 zakaria@ncrbd.com	MOHAMMAD MOHI UDDIN +88-02-47120156 mohiuddin@ncrbd.com
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Prof. Dr. Jonaid Shafiq
Managing Director
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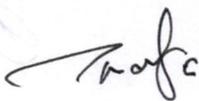
Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

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Abdul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

APPENDIX-I: RATING SCALE

<i>Long Term Rating Scale and Definitions</i>	
Rating Notches	Definition
AAA	Strongest Credit Quality
AA+	Below Strongest Credit Quality
AA	Very Strong Credit Quality
AA-	Below Very Strong Credit Quality
A+	Very Good Credit Quality
A	Above Average Credit Quality
A-	Moderately Good Credit Quality
BBB+	Moderate Credit Quality
BBB	Average Credit Quality
BBB-	Below Average Credit Quality
BB+	Moderately Below Average Credit Quality
BB	Slightly Below Average Credit Quality
BB-	Less Than Average Credit Quality
B+	Significantly Below Average Credit Quality
B	Weak Credit Quality
B-	Very Weak Credit Quality
C	Poor Credit Quality
D	Default (Failed to meet their rated financial commitment on time or when due)

<i>Short Term Rating Scale and Definitions</i>	
Rating Notches	Definition
ST-1	Strongest Ability to Meet Short Term Financial Commitments
ST-2	Above Average Ability to Meet Short Term Financial Commitments
ST-3	Average Ability to Meet Short Term Financial Commitments
ST-4	Below Average Ability to Meet Short Term Financial Commitments
ST-5	Well Below Average Ability to Meet Short Term Financial Commitments
ST-6	Default (Failed to meet their short-term financial commitments)

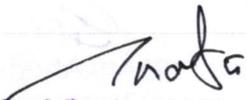

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Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Credit Rating Report of the Issuer

**CREDIT RATING REPORT
ON
NAVANA PHARMACEUTICALS LIMITED**


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

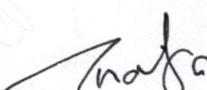

Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd

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Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

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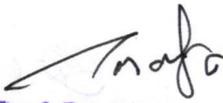
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Disclaimer

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Navana Pharmaceuticals Ltd.

EXECUTIVE SUMMARY
9th SURVEILLANCE RATING OF NAVANA PHARMACEUTICALS LIMITED

Declaration Date	01.08.2023	04.12.2022
Long Term Entity Rating	AA (Double A)	AA (Double A)
Short Term Entity Rating	ST-2	ST-2
Outlook	Stable	Stable
Expiry Date	31.07.2024	03.12.2023

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 Limited (VIP Road Branch), Dhaka Bank Limited (Banani Branch) Shimanto Bank Limited (Corporate Head Office) Community Bank Limited (Head Office), Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch), Standard Chartered Bank Limited (Gulshan Branch), Prime Bank Limited (Gulshan Branch), IPDC Finance Limited (Head Office, Dhaka), and IDLC Finance Limited (Gulshan Branch) Chartard Bank Limited (Gulshan Branch), IPDC Finance Limited (Head Office, Dhaka), and IDLC Finance Limited (Head Office, Dhaka).

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	(TK In Million)		STRENGTHS
	FY 2022-23 (09 month)	FY 2021-22	
Total Assets	8,893.18	7,084.10	<ul style="list-style-type: none"> ▪ Experience of the promoters in the related business ▪ Owned manufacturing unit with huge production capacity ▪ Satisfactory turnover, asset base & EBITDA ▪ Positive operating cash flow ▪ Transparent banking performance ▪ Notable export performance ▪ Rich Research & Development wing
Equity	4,393.45	3,483.05	
Net Turnover	4,234.62	4,758.71	
Net Profit	248.54	274.00	
Operating Margin (%)	13.36	12.38	
Net Profit Margin (%)	5.87	5.76	
EBITDA	621.45	705.70	
ROE (%)	6.31	8.07	
ROA (%)	3.11	4.46	
DSCR (X)	2.85	3.52	CHALLENGES <ul style="list-style-type: none"> ▪ Ensuring best quality products with highest customer satisfaction ▪ Reducing dependency on external financing ▪ High global and local market competition ▪ Improving asset utilization capacity ▪ Post pandemic and war induced economic crisis ▪ Timely servicing of financial obligations
Current Ratio (X)	1.05	0.88	
Net Debt/(Net Debt + Equity) (%)	46.66	45.46	

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Declaration Date	01.08.2023
Long Term Entity Rating	AA (Double A)
Short Term Entity Rating	ST-2
Outlook	Stable
Expiry Date	31.07.2024

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 Limited (VIP Road Branch), Dhaka Bank Limited (Banani Branch) Shimanto Bank Limited (Corporate Head Office) Community Bank Limited (Head Office), Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch), Standard Chartered Bank Limited (Gulshan Branch), Prime Bank Limited (Gulshan Branch), IPDC Finance Limited (Head Office, Dhaka), and IDLC Finance Limited (Gulshan Branch)Chartard Bank Limited (Gulshan Branch), IPDC Finance Limited (Head Office, Dhaka), and IDLC Finance Limited (Head Office, Dhaka).
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.*

RATING BASIS

Ratings are based on six years Audited Financial Statements up to 3rd Quarter- 2023 (09 months) of March 31, 2023 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 Methodology and Bank Loan Rating Methodology of NCR published in our website. It is pertinent to mention that FY 2022-23 in the report will refer 09 month's performance of the company from July 01, 2022 to March 31, 2023.

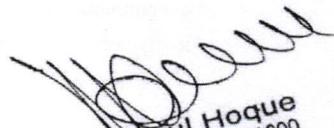
RATING DEFINITION

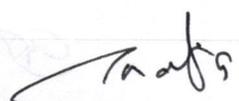
AA (Double A) rating indicates Very Strong Credit Quality.

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.


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 Managing Director
 Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
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 Navana Pharmaceuticals Ltd

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Joyntul Abedin, ACS
 Company Secretary
 Navana Pharmaceuticals Ltd.

RATING RATIONALE

NCR has reassigned the ratings of Navana Pharmaceuticals Limited after duly analyzing the financial as well as non-financial parameters of the company. The ratings have been supported by satisfactory business performance represented by large volume of operation & strong ability to utilize the capacity, use of modern machineries & technologies, favorable industry prospect, diversified supplier and customer base, experienced management team, diversified product line along with expert research and development team, owned manufacturing unit and serving the local as well as international market. Moreover, satisfactory compliance issues such as GMP license, drug license, sufficient fire safety equipment & precautionary activities, providing regular training to the employees and workers and environment friendly manufacturing unit have been taken into account while assigning the ratings. Numerically, the ratings have been supported by good financial profile epitomized by growth in turnover, asset base & EBITDA, improvement in bottom line profit margin, high debt absorption capacity, positive cash flow from operations, moderate export performance, transparent banking performance and moderately levered capital structure of the company. The ratings are, however, constrained to some extent by weak liquidity position excessive financial obligations and below standard asset utilization capacity. Moreover, high price hike of raw materials in the international market, high exchange rate fluctuation and global economic devastation were also taken into consideration while 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, 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.

Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.**Md. Abu Hurayra FCA**
Chief Financial Officer
Navana Pharmaceuticals Ltd.**Md. Joynul Abedin, ACS**
Company Secretary
Navana Pharmaceuticals Ltd.

1.0 BUSINESS OVERVIEW

1.1 Navana Pharmaceuticals Limited (hereinafter referred as 'NPL' 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 whereas the paid up capital stood at 1,073.79 million divided by 107.38 million outstanding shares as on March 31, 2023. The company operates under the drug license from Directorate General of Drug Administration.

1.2 Navana Pharmaceuticals Limited 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 NPL's products are exported to different countries like Myanmar, Vietnam, Sri Lanka, Cambodia, Togo and Georgia. The current production capacity of the company is follows:

Dosage Form	UOM	Utilization	2021-22	
			Installed Capacity Yearly	Actual Production Yearly
Tablet, Capsule, Syrup, Bolus	Pcs.	95%	580,343,048	549,370,220
Liquid, PFS, Oral Solution	Pcs.	53%	5,858,751	3,077,637
Powder	Pcs.	83%	4,399,701	3,656,538
Nasal Drops, Nasal Spray, Eye Drops	Dropper	95%	6,736,858	6,292,191
Ointment, Cream	Vial	21%	205,574	42,871
Injection	Bottle	90%	2,931,298	2,635,416
Total			600,475,630	565,074,873

1.3 Veterinary Division of NPL started operation in the year 2002. The division produces various range of Animal Health 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: Montajat Pharmaceuticals Co. Ltd. (Saudi Arabia), Meriden Animal Health (UK), LAPROVET (France), Novus International Pte. Ltd. (Singapore), Polymix B. V. (Holland), Anpario PLC (UK), BASF (Germany), Zoetis (India), AJINOMOTO (China).

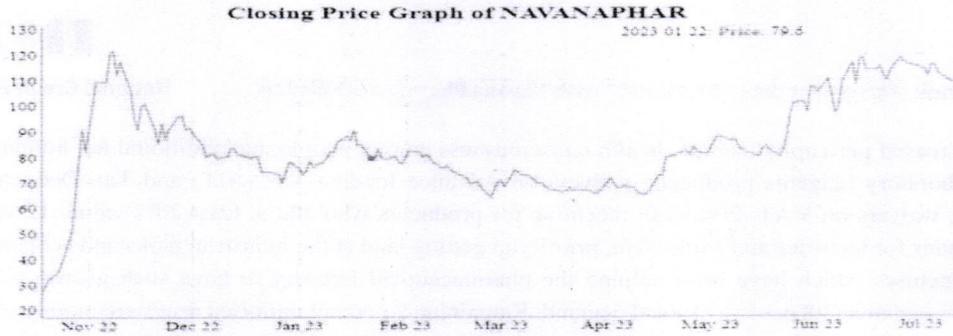
1.4 Corporate office of the company is located at House 99, Road 4, Block B, Banani Dhaka -1213, while the manufacturing plant is established at Rupshi, Rugganj, Narayanganj on 834.00 decimals own land constructed as per standard of WHO-cGMP, clean room technology, segregate air-handling system and safe 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 in December 22, 2022. The Board of Directors approved 11.00% Cash Dividend for the year ended June 30, 2022. The Company has also reported Consolidated EPS is TK 3.42, NAV per share is TK 43.41 and NOCFPS of TK is TK 2.48 for the year ended on June 30, 2022 as against EPS TK 2.52, NAV per share TK 41.19 and NOCFPS of TK 1.52 respectively for the same period of the previous year. The following graph reveals the closing price of NPL's stock at DSE over a period of last one year:

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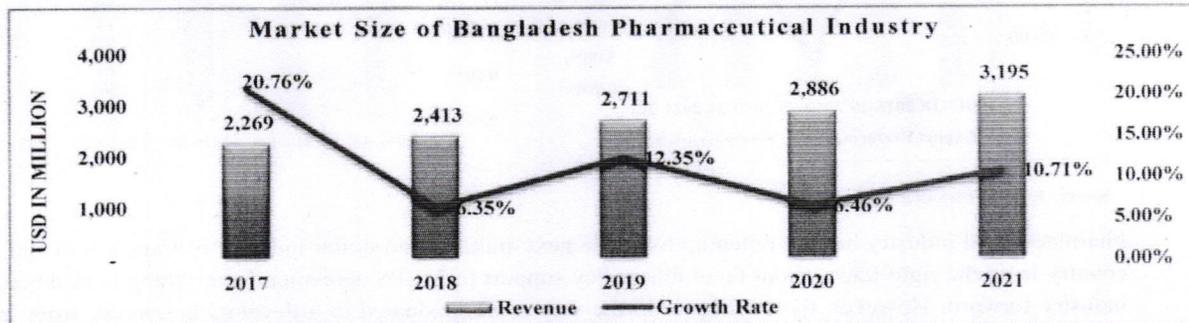


2.0 INDUSTRY RISK ANALYSIS

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 to 2021), the sector has grown at a CAGR of 7.08 percent. Currently, the size of the industry is USD 3.20 billion and expected to be USD 6.00 billion by 2025. Brief overview of pharmaceutical industry along with market size and growth trend is given below:

Particulars	Details
Current Market Size	USD 3,195 million
CAGR of Market Size (2017 to 2021)	7.08%
Local Demand Met by the Industry	98% (Approx.)
GDP Contribution	1.83%
Total Export (FY 2021-22)	USD 188.78 million
Contribution to Total Export (FY 2021-22)	0.36%
CAGR of Export (FY 2017-18 to FY 2021-22)	12.78%
No. of Allopathic Manufacturers	289
No. of Registered Drugs (Allopathic)	32,558
No. of Unani Manufacturers	285
No. of Registered Drugs (Unani)	7,841
No. of Ayurvedic Manufacturers	203
No. of Registered Drugs (Ayurvedic)	4,678
No. of Herbal Manufacturers	37
No. of Registered Drugs (Herbal)	732

Source: Bangladesh Association of Pharmaceutical Industry (BAPI), Directorate General of Drug Administration (DGDA), Export Promotion Bureau (EPB), EBL Securities Ltd. (EBLSL)



Source: Bangladesh Association of Pharmaceutical Industry (BAPI)

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Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.

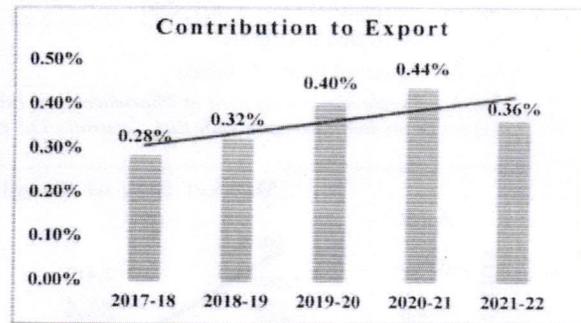
Handwritten Signature
Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

Handwritten Signature
Ioynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

Reference: Agreement dated 03.11.2022 with Navana Pharmaceuticals Ltd.

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 20% are patented drugs. Local manufacturers capture 90 percent of the market whereas the remaining 10 percent is captured by the multinational companies.

2.3 Bangladesh signed Trade-Related Aspects of Intellectual Property Rights (TRIPS) in 1995 with the World Trade Organization (WTO). Under this agreement, Least Developed Countries (LDCs) get the benefit of manufacturing or reverse-engineering patented medicines as well as reducing costs. After the third extension of validity of the agreement, Bangladesh can now manufacture patented medicines till 2033. This facility is also one of the major reasons behind the growth of the pharmaceutical industry of the country. Along with meeting the local demand, the industry is also contributing to export earnings. Bangladesh now exports pharmaceutical items to around 144 countries. The country mainly exports generic medicines. 5 to 7 companies of the country got approval from top regulatory bodies around the world and the industry hopes to occupy 10 percent of the global generic medicine market. In the supply side, 95 percent of all Advanced Pharmaceutical Ingredients (API), most important material for pharmaceutical formulation, are imported mainly from China, South Korea and India. According to Bangladesh Investment Development Authority (BIDA), the country imports approximately USD 600 million of API in FY 2018-19. At present, 26 of API producers of the country produce around 40 API molecules. Reduction of dependency on imports of API is essential for cost minimization and achievement of self-sufficiency. An API Park is being constructed in Munshiganj with a view to reducing import dependency to 80 percent by 2032.



Source: Export Promotion Bureau (EPB)

Pharmaceutical industry has the potential to be the next multi-billion-dollar industry of Bangladesh and the country is on the right track. From favorable policy support to TRIPS agreement, everything is pushing the industry forward. However, the country is in the way to be graduated to a developing country from least developed country. The facility of TRIPS agreement may not be available after the graduation. So, the country must focus on research and development to produce more patented drugs. Investment in the education sector to produce qualified and technical personnel for the industry should be increased to support the growing industry. Besides, development of backward industry is another important issue to fuel the expanding industry.

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Prof. Dr. Jonald Shafiq
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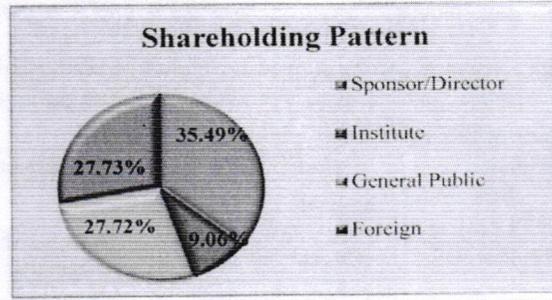
[Signature]
Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.

[Signature]
Joynul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

3.0 BUSINESS RISK

3.1 OWNERSHIP STRUCTURE

The major portion of the shares is held by sponsors (35.49%) of the company and rest outstanding shares is held by general public (27.72%) Foreign (27.73%) & institutions (9.06%) as on June 30, 2023. The distribution of share of Navana Pharmaceuticals Limited is depicted in the adjacent graph:



3.2 CORPORATE GOVERNANCE

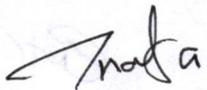
The company's BOD comprises of twelve members including three independent directors. All the members have experience in businesses. The board is responsible for policy formulation and overseeing the management functions. The BOD is a key source of guidance to the management. Brief profile of the board members is given below:

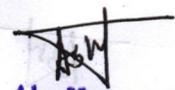
Name	Designation	Educational Qualification	Experience
Mr. Anisuzzaman Chowdhury	Chairman	Graduate in Business Administration from Palm Beach Atlantic College of USA	-
Professor Dr. Md. Jonaid Shafiq	Managing Director	MBBS, Research Fellowship of Kyushu University, Japan, PhD in anesthesiology	41 years
Mrs. Imrana Zaman Chowdhury	Director	Master's in Business Administration	11 years
Dr. Zahara Rasul MD, CCFP FCFP	Director	CCFP and FCFP from Canada, MBBS	16 years
Mr. Javed Kaiser Ally	Director	Bachelor of Business Administration in Finance	32 years
Mrs. Farana Ahmed	Director	BA	23 years
Dr. Sayeed Ahmed	Director	MBBS	21 years
Mrs. Masuma Parvin	Director	Masters of Public Administration, University of Dhaka	14 years
Mohammad Bul Hassan, FCS	Independent Director	Chartered Secretary, Post Graduate in Accounting from University of Dhaka	28 years
Khondaker Sabbir Mohammad Kabir	Independent Director	Master's in Business Administration	31 years
Mohammad Arife Billah (Bar-at-law)	Independent Director	MSS in Criminology & Criminal Justice, DU, Barrister-At-Law	15 years

3.3 MANAGEMENT

The management team is organized with a good blend of young and experienced personnel from different professional background which includes Pharmacists, Engineers, Accountants, Marketing, Medical Regulatory Specialist, Business Development Executive and Market Research Specialist. Professor. Dr. Md. Jonaid Shafiq, Managing Director of NPL, has vast experience in pharmaceutical sector.

The organizational structure of the company is divided into six functional divisions, namely: (1) Factory (2) Finance & Accounts Department (3) Sales & Marketing Department (4) Distribution Department (5) Administration & IT Department (6) Commercial & Purchase Department, 7) Secretarial Department. All the divisions are supervised by the Professor. Dr. Md. Jonaid Shafiq, Managing Director of the company. The heads of the divisions have the capability to promote and run the business smoothly. NPL offers good


Prof. Dr. Jonaid Shafiq
Managing Director
Navana Pharmaceuticals Ltd.


Md. Abu Hurayra FCA
Chief Financial Officer
Navana Pharmaceuticals Ltd.


Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.

compensation packages to its employees including festival bonus and efficiency bonus etc. At present, there are 2,925 officers and workers employed in the factory, office and filed level. The details of the key professionals of the management team are given below:

Name	Designation	Department	Qualification	Experience
Professor. Dr. Md. Jonaid Shafiq	Managing Director	-	PhD, MBBS	41 years
Mr. Javed Kaiser Ally	Director Finance	Finance & Accounts	MBA	32 Years
Dr. Sayeed Ahmed	Director Sales and Marketing	Marketing, Sales	MBBS	21 Years
Mr. Shamim Rabbani	Director Operations	Administration	M. Pharm	37 Years
Mr. Md. Abu Hurayra FCA	Chief Financial Officer	Finance & Accounts	FCA, M.Com	22 Years
Mr. Joynul Abedin ACS	Company Secretary	Company Secretariat	ACS, M.A,	17 Years
Mr. Mustafa Khalid Shams	Sr. General Manager	Factory Administration	M. Pharm	37 Years

3.4 OPERATIONAL RISKS

The company is exposed to other risks associated with the operation. The operational risks are:

3.5 INTERNAL CONTROL SYSTEM

NPL offers good compensation packages to its employees including festival bonus, production bonus, medical expense, maternity benefits, holiday allowance, tiffin bills etc. With the motivation and support of their executives and workers, they look forward to attain sustainable growth. The company has written HR policy for the employees. The company abides by the labor law 2006 and actively encourages employee involvement in company's business through various types of benefits. According to the HR Policy they provide Health care facilities (first aid facilities, In House Medical treatment, Outside medical Treatment including emergency ambulance service), Maternity facilities (Maternity Treatments, Maternity awareness Program, and Maternity leave) and Group Insurance Facility. Moreover, the company also abides by self-designed as well as international standard policies like Discrimination Policy Health & Safety Policy, Wastage policy, Child-Care Policy, Harassment & Abuse Policy, Canteen Management Policy, Grievance policy Anti-Forced Labor Policy, Child Labor Policy, Career Development Policy, Environmental Safety Policy, Leave Policy & Maternity Facility, Working Hour & Over Time Policy, Remediation of Child labor Policy, Anti-Corruption and Anti-Bribery Policy for maintaining an excellent working environment ensuring human, workers and employee right.

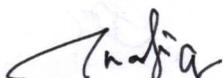
3.5.1 COMPLIANCE AND QUALITY ISSUES

The company complies with all legal and compliance requirements for producing best quality product under good manufacturing practices. Trade license, environmental clearance, fire license, drug license, eGMP license all are up to date. Moreover, NPL has a detailed Quality Control Policy complying with International Standard requirements of ISO 9001:2000 through continually developed Human Resource. The company is committed to comply with WHO cGMP standard and follow local drug regulatory norms in every phase of product development, manufacturing, quality assurance and distribution of medicine

3.5.2 INFRASTRUCTURAL RISK

The company has sufficient number of machineries to start its manufacturing unit. The company has a well-equipped quality control department with branded machinery. Stringent quality control measures are adopted to make sure consistent fine quality products are manufactured. The concern has 64 private cars, 07 microbus and 62 covered vans to smoothen the transportation purpose. The factory premise of NPL has 01 main entry




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Navana Pharmaceuticals Ltd.

and exits points. NPL has required fire equipment's to take appropriate measures against fire exposure i.e. central fire hydrant system, PA system, fire door, gas musk etc.

3.5.3 UTILITY RISK

The company meets its electricity requirements from REB (Narayanganj Palli Bidyut Samity) & uses 04 diesel generators with total capacity of 2375 KVA to support the backup power requirement.

3.5.4 ENVIRONMENTAL RISK

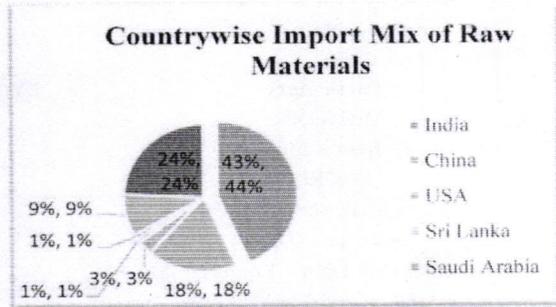
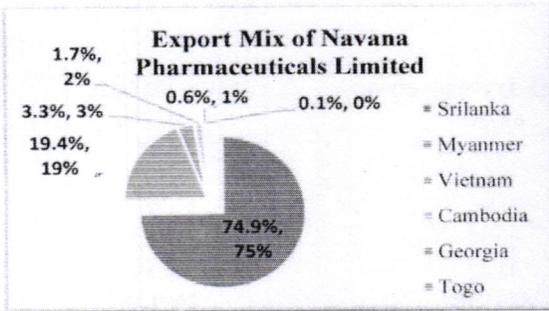
To ensure pollution free environment the company has setup 01 effluent treatment plant 10,000 liter per day and 02 Water Treatment Plant with total capacity of 3,000 liter per hour.

3.5.5 INFORMATION TECHNOLOGY

NPL uses advanced Information Technology for MIS reporting. The company exercises ERP system. In addition the company uses manual system for handling procurement, production, inventory management and the other activities.

3.5.6 PROCUREMENT AND SALES RISK

The company sources raw materials from the local and international markets. The major sourcing countries are India, China, USA, Sri Lanka, SE Asia, and Europe. Again, NPL is exporting to five major countries besides serving the local market. Export and import composition to different countries are presented in the graph below:



3.6 QUANTITATIVE ANALYSIS

Particulars	FY 2022-23 (09 months)	FY 2021-22
Turnover (TK in Million)	4,234.62	4,758.71
Turnover Growth (%)	-11.01	31.95
Cost To Revenue Ratio (%)	55.22	54.35
Gross Margin (%)	44.78	45.65
Operating Margin (%)	13.36	12.38
Net Profit Margin (%)	5.87	5.76
ROA (%)	3.11	4.46
ROE (%)	6.31	8.07

3.6.1 Financial analysis is based on six years Audited Financial statements up to March 31, 2023. It is pertinent to mention that FY 2022-23 in the report will refer 09 month's performance of the company from July 01, 2022 to March 31, 2023.

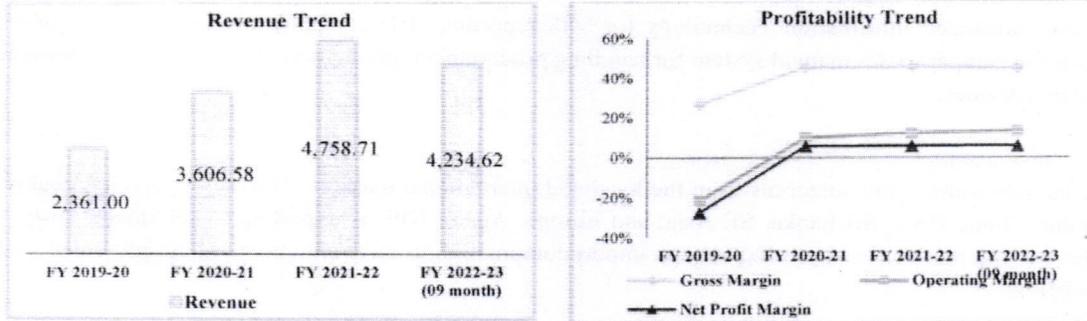
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Prof. Dr. Jonald Shafiq
Managing Director
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[Signature]
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3.6.2 Over the last few years the turnover of the company is enjoying increasing trend and reached to the highest in FY 2021-22. Turnover was reported including export to TK 4,234.62 million in nine months of FY 2022-23 which was TK 4,758.71 million in FY 2021-22.

3.6.3 Profitability parameters of the company was satisfactory over the last few years of operation. The net profit margin was recorded 5.8776% in FY 2022-23 and 5.76% in FY 2020-2021. Although asset turnover ratio was found 0.53 times and 0.77 times in last two financial years respectively.



4.0 FINANCIAL RISKS

Particulars	FY 2022-23 (09 months)	FY 2021-22
EBITDA	621.45	705.70
Current Ratio (x)	1.05	0.88
DSCR(x)	2.85	3.52
Debt payback periods (Years)	5.43	4.02
Cash Cycle (Days)	99.12	78.02
Net Debt (Net Debt + Equity) (%)	43.42	44.89
Total Asset (TK in Million)	8893.18	7084.10

4.1 Debt service coverage ratio (DSCR) of the company was registered 2.85 times in FY 2022-23 which was 3.52 times in the previous year. The prime liquidity indicator, current ratio, was adequate recording 1.05 times from 0.88 times in FY 2022-23 and FY 2021-22 accordingly.

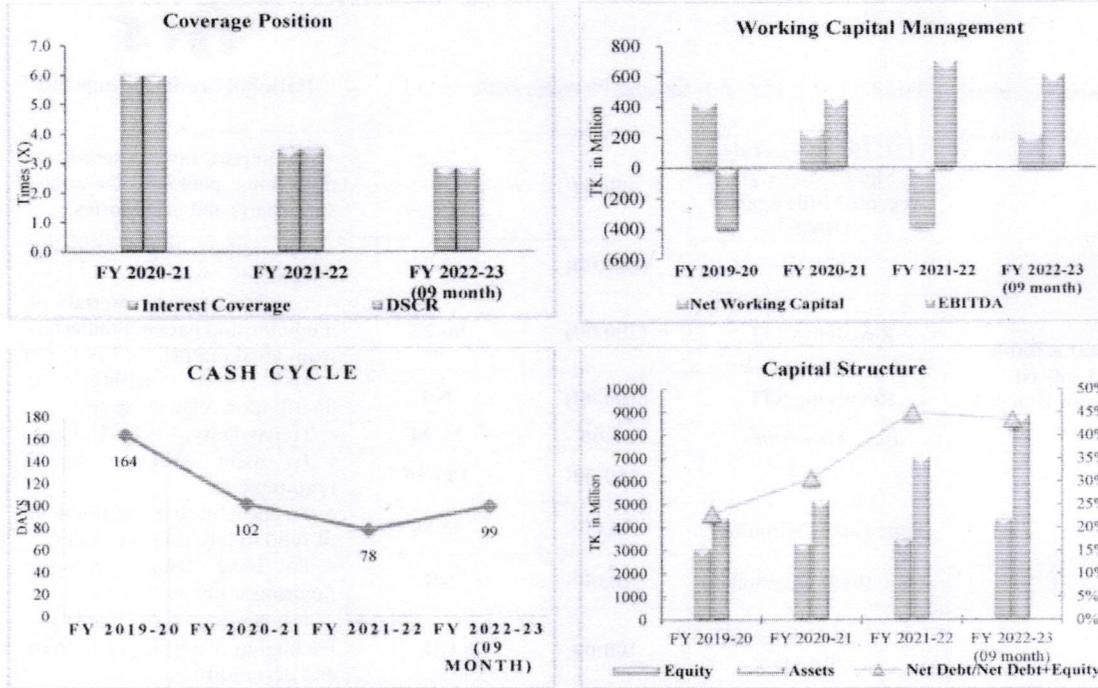
4.2 Cash cycle of the company was recorded to 100 days in FY 2022-23 from 79 days in FY 2021-22 depicting efficiency of the company in the management of debtors and inventory. Working capital of NPL was TK 211 million in FY 2021-22 against TK (391.14) million in FY 2020-21.

4.3 Capital structure of the company was composed of 46.66% debt and 45.46% equity as on March 31, 2023. The company has been using moderate amount of debt in its capital structure which is suitable to challenge any distress situation.

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4.4 CREDIT FACILITIES

NPL is enjoying a credit facility from Al-Arafah Islami Bank Limited (VIP Road Branch), Dhaka Bank Limited (Banani Branch) Shimanto Bank Limited (Corporate Head Office) Community Bank Limited (Head Office), Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch), Standard Chartered Bank Limited (Gulshan Branch), Prime Bank Limited (Gulshan Branch), IPDC Finance Limited (Head Office, Dhaka), and IDLC Finance Limited (Gulshan Branch). The details of the credit facility are given below:

TK in Million				
Name of Bank	Nature of Facility	Limit	Outstanding*	Purpose
Al-Arafah Islami Bank Limited (VIP Road Branch, Dhaka)	L/C (Foreign-Sight/Deferred/UPAS)	1,500.00	331.84	= To import raw materials of medicine, packing materials, spare parts and accessories
	Bills		680.72	
	MPI-TR	(150.00)	151.36	= To retire goods to be imported
	Bai-Muazzal	850.00	1,071.36	= To procure raw materials of medicine, packing materials, spare parts and accessories
	Specific Bai Muazzal	(200.00) (Blocking LC)		
	MDB/MDB-FC	20.00	1.34	= To purchase Local/Foreign Bill
	Bank Guarantee	20.00	7.86	= To provide performance guarantee for participating in tenders
	HPSM (Transport)	150.00	72.46	= To procure vehicles from local market
HPSM (Machinery)	150.00	65.54	= To import machinery	

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[Signature]
Wd. Abu Hurayra FCA
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[Signature]
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Company Secretary
Navana Pharmaceuticals Ltd.

Reference: Agreement dated 03.11.2022 with Navana Pharmaceuticals Ltd.

Dhaka Bank Limited (Banani Branch)	L/C (Import/Local-Sight/Deferred)	300.00	7.22	= To import raw materials of medicine, packing materials, spare parts and accessories
	Accepted bills against UPAS		118.29	
	LTR	(285.00)	10.01	= To retire import/shipping documents
	Revolving STL	(100.00)	96.25	= To procure raw materials of medicine and packing materials from local market
	Revolving STL	(100.00)	Nil	= To meet selling & distribution related expense
	Rev. Time Loan	15.00	15.24	= To pay Duty, VAT, ALT etc.
	OD	180.00	183.26	= To meet working capital requirements
	Time Loan (Stimulus)	95.00	96.89	= To meet urgent requirement of fund to pay wages & salary
Rev. Bank Guarantee	10.00	NIL	= To issue bank guarantee favoring utility authorities	
Shimanto Bank Limited (Corporate Head Office)	L/C (Sight/Deferred/UPAS)	100.00	NIL	= To import raw materials, Packaging materials, spare part and accessories
	LTR	(50.00)	NIL	= To retire the import documents
	Time Loan-I	10.00	NIL	= For payment duty, Tax, and other expense
	Time Loan-II	40.00	40.89	= To procure raw materials and packaging materials
	OD	250.00	254.39	= To meet up day to day operational expenses
Community Bank Limited (Head Office)	L/C(Foreign/Local-Sight/Deferred/UPAS)	150.00	NIL	= To import the raw materials and others business related items
	Acceptance	(150.00)	NIL	= To retire the LC Documents
	LTR	(135.00)	NIL	= To retire Sight LC Documents
	Time Loan (Earmark LTR)	(135.00)	135.83	-
	BG (Bid/PG)	10.00	NIL	= To provide the guarantee against different works orders
	Time Loan-I	400.00	399.80	= To procure raw materials from local sources
	Time Loan-II	60.00	52.84	= To pay different required government revenue
	OD	200.00	203.79	= To meet overhead and day to day sense
Bengal Commercial Bank Limited (Dilkusha Islami Banking Branch)	Murabaha LC	50.00	0.76	= To import pharmaceuticals raw materials
	Bai Muajjal - TR	(45.00)	14.81	= To retire shipping documents
	Bai Muajjal (WC)	200.00	206.91	= To procure raw materials, packing & Packaging materials
	Shipping Guarantee	3.12	3.12	= To issue guarantee
Prime Bank Limited (Gulshan Branch)	LC (Sight/UPAS/DP)	400.00	65.40	= To import raw materials for pharmaceutical industry
	Acceptance	(400.00)	1.69	
	LTR	(360.00)	NIL	= To retire LC documents

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 Chief Financial Officer
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 Company Secretary
 Navana Pharmaceuticals Ltd.

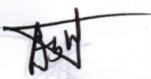
	Time Loan-I	(50.00)	25.38	= To meet operational expenses
	Time Loan-II	(50.00)	23.41	= To make payments of customs Duty/VAT and other similar expense
	One Off Facilities			
	LC (Sight/UPAS/DP)	231.15	NIL	= To import warehouse related equipment
	Acceptance	(231.15)	NIL	= To retire import documents
	Term Loan-I	20.00	19.77	= For construction work of warehouse
	Term Loan-II	(161.80)	NIL	= To retire import documents
Standard Chartered Bank Limited (Gulshan Branch)	Term Loan-III	38.20	5.02	= For procurement of local equipment for warehouse
	Import LC	300.00	42.67	= For issuance of LC
	Acceptance	(300.00)	102.63	= To provide acceptance against deferred LC
	Overdraft	(20.00)	NIL	= For general operation purpose
	Shipping Guarantee	(150.00)	3.16	= To issue shipping guarantee
	LATR	(300.00)	NIL	= To release imported goods
IDLC Finance Ltd. (Gulshan Branch)	Import Loan	(300.00)	NIL	= To release imported goods
	Lease finance	36.87	15.62	= To purchase vehicles
IPDC Finance Limited (Head Office, Dhaka)	Lease Finance	13.25	12.44	= To purchase vehicles
	Lease Finance	12.02	12.02	= To purchase vehicles and capital machineries
	Term Loan	23.00	18.95	= To meet additional fund requirement for business expansion
	Lease Finance	20.00	16.53	= To purchase reconditioned vehicles

**Outstanding as on 30.06.2023*
Note: Outstanding loans of Islami Banks are including anticipated profit

4.4.1 SECURITY ARRANGEMENT

Name of Bank	Security Collateral	Description
Al-Arafah Islami Bank Limited (VIP Road Branch, Dhaka)	Collateral	= Registered Mortgage of 644.00 decimal along with the factory building located (1,23,100.00 sft.) at Dist: Narayanganj, P.S. & S.R.O: Ruggonj, Mouza: Uttar Rupshi having forced sale value (FSV) of TK 747.50 million (As per branch valuation dated 21.10.2020)
Dhaka Bank Limited (Banani Branch)	Collateral	= Pledge of 3.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 30.00 million and Market Value of TK 246.30 million as on 11.05.2023
Shimanto Bank Limited (Corporate Head Office)	Collateral	= Pledge of 2.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 20.00 million and Market Value of TK 138.60 million as on 20.02.2023
Community Bank Limited (Corporate Branch)	Security	= Pledge of 3.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 30.00 million
Bengal Commercial Bank Limited	Security	= Lien of shipping documents = Hypothecation of stock


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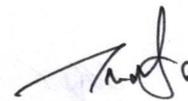

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Company Secretary
Navana Pharmaceuticals Ltd.

Reference: Agreement dated 03.11.2022 with Navana Pharmaceuticals Ltd.

(Dilkusha Islami Banking Branch)		<ul style="list-style-type: none"> = 5% cash margin on LC = Personal guarantee of the directors of the company = Usual charge documents
Prime Bank Limited (Gulshan Branch)	Collateral	= Pledge of 2.00 million shares of Navana Pharmaceuticals Limited with Face Value of TK 20.00 million
Standard Chartered Bank Limited (Gulshan Branch)	Collateral	= RM on pari-passu basis with other lenders over factory building and land measuring 472 decimals land located at Rupshi, Rupganj, Narayanganj
IDLC Finance Ltd. (Gulshan Branch)	Security	<ul style="list-style-type: none"> = Ownership of lease asset. = One MICR cheque covering lease amount. = Postdated cheque for monthly rentals = Demand promissory note in cash or in shares
IPDC Finance Limited (Head Office, Dhaka)	Security	<ul style="list-style-type: none"> = Ownership of lease asset. = One MICR cheque covering lease amount. = Postdated cheque for monthly rentals = Demand promissory note in cash or in shares.

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Md. Nurul Hoque
 Deputy Managing Director and COO
 National Credit Ratings Ltd.

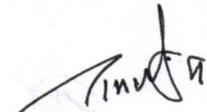

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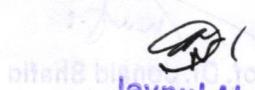

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 Company Secretary
 Navana Pharmaceuticals Ltd.

APPENDIX-I: RATING HISTORY

SURVEILLANCE ENTITY RATING – 2022	
Date of Rating Declaration	Long Term
04.12.2022	AA (Double A)
SURVEILLANCE ENTITY RATING – 2022	
Date of Rating Declaration	Long Term
12.05.2022	AA (Double A)
SURVEILLANCE ENTITY RATING – 2021	
Date of Rating Declaration	Long Term
02.12.2021	AA (Double A)
SURVEILLANCE ENTITY RATING – 2020	
Date of Rating Declaration	Long Term
17.08.2020	AA- (Double A Minus)
SURVEILLANCE ENTITY RATING – 2019	
Date of Rating Declaration	Long Term
25.04.2019	AA- (Double A Minus)
SURVEILLANCE ENTITY RATING – 2018	
Date of Rating Declaration	Long Term
28-Feb-2018	A- (Single A Minus)
SURVEILLANCE ENTITY RATING – 2016	
Date of Rating Declaration	Long Term
16.10.2016	A+ (Single A Plus)
SURVEILLANCE ENTITY RATING – 2015	
Date of Rating Declaration	Long Term
23.04.2015	A+ (Single A Plus)
INITIAL ENTITY RATING – 2011	
Date of Rating Declaration	Long Term
16.11.2011	A+ (Single A Plus)


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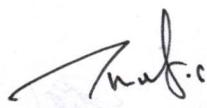

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Chief Financial Officer
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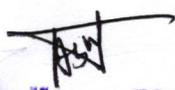

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APPENDIX- II: RATING SCALE AND DEFINITION

Long Term Rating Scale and Definitions	
Rating Notches	Definition
AAA	Strongest Credit Quality
AA+	Below Strongest Credit Quality
AA	Very Strong Credit Quality
AA-	Below Very Strong Credit Quality
A+	Very Good Credit Quality
A	Above Average Credit Quality
A-	Moderately Good Credit Quality
BBB+	Moderate Credit Quality
BBB	Average Credit Quality
BBB-	Below Average Credit Quality
BB+	Moderately Below Average Credit Quality
BB	Slightly Below Average Credit Quality
BB-	Less Than Average Credit Quality
B+	Significantly Below Average Credit Quality
B	Weak Credit Quality
B-	Very Weak Credit Quality
C	Poor Credit Quality
D	Default (Failed to meet their rated financial commitment on time or when due)

Short Term Rating Scale and Definitions	
Rating Notches	Definition
ST-1	Strongest Ability to Meet Short Term Financial Commitments
ST-2	Above Average Ability to Meet Short Term Financial Commitments
ST-3	Average Ability to Meet Short Term Financial Commitments
ST-4	Below Average Ability to Meet Short Term Financial Commitments
ST-5	Well Below Average Ability to Meet Short Term Financial Commitments
ST-6	Default (Failed to meet their short-term financial commitments)


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Navana Pharmaceuticals Ltd.

Particulars of Underwriters and Amount Underwritten, If Any

Not applicable as no underwriter is recruited

Public Issue Application Procedure

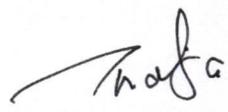
Not Applicable as the bond will be issued through private placement.

Rights option/issue application procedure

Not Applicable as the bond will be issued through private placement.

Private Issue Application Procedure

The Bond shall be offered through Private Offer to the eligible investors. Issuer and/or Arranger shall ensure that the prospective Investors shall have been provided with a copy of the Information Memorandum either in hard copy or soft copy and an invitation letter to subscribe. Based on the Information Memorandum and subsequent clarification of queries (if any), the Investors shall submit a letter of commitment to the Arranger and/or Issuer with the amount of intended subscription specified.


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