

Independent Auditors' Report
on
Partial Convertible Bond Issued and Utilization
Statement of
Navana Pharmaceuticals PLC
For the quarter ended on 30 June, 2024



Independent auditor's report

To the shareholders of **Navana Pharmaceuticals PLC.**

Report on the Audit of the Partial Convertible Bond Issued and Utilization Statement.

Opinion

We have audited the partial convertible bond issued and utilization statement of **Navana Pharmaceuticals PLC.** for the quarter ended on 30 June, 2024.

In our opinion, the financial transactions and related statements give a true and fair view of Partial Convertible Bond Issued and Utilization of the Company as at 30 June, 2024 in accordance with Generally Accepted Accounting Principles (GAAP) and 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 Auditor's Responsibilities for the Audit of the Financial transactions and related statements section of our report. We are independent of the Company in accordance with the ethical requirement that is relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In our opinion, the transactions are appropriately accounted for and the statements are properly prepared. We did not receive the quarterly financial statements for this quarter, so that we were unable to see the reflection of these transactions in the quarterly financial statements of the quarter ended on June 30, 2024.

We recommend that the company ensures the timely preparation of complete financial reports in the future to facilitate comprehensive auditing processes.

Responsibilities of Management and those charged with Governance for partial convertible bond issue and utilization statements

Management is responsible for the preparation of the statements that give a true and fair view in accordance with IFRSs 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.

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





Auditor's responsibilities for the audit of the partial convertible bond issue and utilization statements

Our objectives are to obtain reasonable assurance about whether the statements of partial convertible bond issue and its utilization 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 decision on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Commission, we also report the following:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company as it appeared from our examination of those books; and
- c) The statement of issued and utilization of partially convertible bond dealt with by the report are in agreement with the Prospectus and the conditions of BSEC's consent letter.
- d) The utilization of the bond proceeds has been completed within the time schedule as specified in the published prospectus.

Place: Dhaka, Bangladesh
Dated: July 15, 2024



Md. Abdur Rahim Miah FCA
Partner
Enroll. No:0858
Islam Jahid & Co.
Chartered Accountants

Introduction

Brief introduction of the company and the bond debenture issuance.

Navana Pharmaceuticals PLC was incorporated in Bangladesh on 31st March 1986 vide registration number 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 the Company has been listed with Dhaka Stock Exchange PLC. And Chittagong Stock Exchange PLC. On October 11, 2022, and October 12, 2022, respectively. In line with the companies Act, 1994 (Amended in 2020) the company has changed its Registered Name of Navana Pharmaceuticals PLC. to Navana Pharmaceuticals Ltd. thereafter the Registrar of Joint Stock Companies & Firms has approved the same on January 18, 2024 vide registration No. C-15428.

Subsequently the company get approval from the Securities & Exchange Commission to raise fund from issuance of partial convertible bond on 27th March 2024.

Objective, Scope and Methodology of the audit.

The company appointed us an auditor for the fund raised from the issuance of debenture and utilization of the proceeds during the quarter of April to June 2024.

Audit Objectives

- To evaluate the compliance with regulatory requirements.
- To assess the accuracy and completeness of financial records related to Bond.
- To ensure proper documentation and disclosure of debenture transactions.

Audit Scope

- Period covered by the audit: April – June 2024 quarter.
- Specific areas reviewed: Fund collected from debenture issue and utilization of the raised fund.

Methodology

- We conducted our audit according to the terms of reference (TOR) as specified by the Bangladesh Securities and Exchange Commission on the consent letter. The terms of references are:
 - a) Whether bond proceeds have been utilized for the purpose/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 auditor's report has been made on verification of all necessary documents/papers/vouchers in support of bond proceeds making reconciliation with Bank Statement.



Executive Summary of Navana Pharmaceuticals PLC Partial Convertible Bond:

Bond issue size five	: BDT 1,500,000,000/- (Taka one billion & hundred million only)
Face value per unit only)	: BDT 100,000/- (Taka one hundred thousand only)
Number of Securities	: 15,000 Nos.
Rate of Interest on debenture	: Average the upper limit of 6 month FDR rate of all commercial banks (except foreign and Islamic Banks) +5%
Debenture issued and fund collected	: BDT 80,000,000/- (Taka Eighty million only)
Fund utilized during the period	: BDT 80,000,000/- (Taka Eighty million only)

Financial Records**Fund Raising Status of Navana Pharmaceuticals Partial Convertible Bond:**

Navana Pharmaceuticals PLC has obtained consent from BSEC to issue Navana Pharmaceuticals Partial Convertible Bond amounting BDT 150.00 crore at face value per unit BDT 1.00 lac.

Fund raising status of Navana Pharmaceuticals Partial Convertible Bond during the quarter ended on June 30, 2024 is as follows:

SL #	Name of Investor	Date of Subscription	Number of Securities	Amount received (BDT)
01	Capitec Grameen Bank Growth Fund	June 26, 2024	800	80,000,000/-



Utilization of Proceeds and utilization status of Navana Pharmaceuticals Partial Convertible Bond:

Navana Pharmaceuticals PLC. has obtained consent to Issue Navana Pharmaceuticals Partial Convertible Bond amounting BDT 150 crore to refinance the existing bank loan of the company. As a part of that Utilization of Proceeds Navana Pharmaceuticals Partial Convertible Bond are as follows:

Sl. No.	Name of the Bank	Estimated Utilization Amount (in BDT)	Fund utilization during the period of from 01 April, 2024 to 30 June, 2024		Variance BDT	Unutilized %
			BDT	%		
1	Al Arafah Islami Bank PLC.	432,852,964	-	0.00%	432,852,964	100.00%
2	Dhaka Bank PLC.	345,070,153	-	0.00%	345,070,153	100.00%
3	Bengal Commercial Bank PLC.	200,000,000		0.00%	200,000,000	100.00%
4	Community Bank PLC.	200,000,000	80,000,000	40.00%	120,000,000	60.00%
5	Shimanto Bank PLC	250,000,000		0.00%	250,000,000	100.00%
6	IPDC Finance PLC.	45,291,028		0.00%	45,291,028	100.00%
7	IDLC Finance PLC.	26,785,855	-	0.00%	26,785,855	100.00%
Total Bond Proceeds		1,500,000,000	80,000,000	5.33%	1,420,000,000	94.67%

Accounting for Partial Convertible Bond transactions:

We checked and found all accounting transactions relating to debenture issue and loan adjustments. During this period no interest on debenture has been calculated and charged.

Reconciliation of debenture ledger with general ledger:

We found no deviation in general ledger and debenture ledger.



Compliance:

Adherence to relevant laws and regulations: Bangladesh Securities and Exchange Commission (BSEC).

The purpose of raising fund and utilization of the raised fund is complying with the approved terms and conditions. The Trustee is to manage and administer the Bonds in accordance with the terms of this Trust Deed and the Conditions, and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith, and to hold the benefits deriving from the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders as beneficiaries.

Conclusion

Overall assessment done of the company's compliance and financial transactions related to bond debentures.

The financial records present a true and fair view of debenture transactions.



Md. Abdur Rahim Miah FCA

Partner

Enroll. No:0858

Islam Jahid & Co.

Chartered Accountants



Chief Financial Officer

Navana Pharmaceuticals PLC



Company Secretary

Navana Pharmaceuticals PLC



Director

Navana Pharmaceuticals PLC



Director

Navana Pharmaceuticals PLC

