

**Independent Auditor's Report
and
Audited IPO Proceeds Utilization Statement
of
Navana Pharmaceuticals Ltd.**

**As at and for the quarter ended
30 September 2023**

Independent Auditor's Report**To Navana Pharmaceuticals Ltd. and Bangladesh Securities and Exchange Commission****Report on the Audit of IPO (Initial Public Offering) Proceeds Utilization Statement****Opinion**

We have audited the annexed IPO (Initial Public Offering) proceeds utilization statement of Navana Pharmaceuticals Ltd. for the quarter ended 30 September 2023 ("utilization statement").

In our Opinion, the IPO (Initial Public Offering) proceeds utilization statement of Navana Pharmaceuticals Ltd. ("the Company") for the quarter ended 30 September 2023 is prepared, in all material respects, in accordance with Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, conditions laid down in the clause 3 & 4 of PART-D of the consent letter BSEC/CI/IPO-323/2022/853 Dated June 19, 2022.

Basis for Opinion

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

Emphasis of Matter – Basis of Preparation and Restriction on Distribution

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

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

Management is responsible for the preparation and fair presentation of the IPO (Initial Public Offering) proceeds utilization statement prepared in accordance with Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, condition laid down in the clause 3 & 4 of PART-D of the consent letter BSEC/CI/IPO-323/2022/853 dated June 19, 2022 and with other applicable laws and regulations.

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

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

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

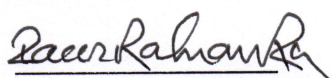
Our objectives are to obtain reasonable assurance about whether the IPO (Initial Public Offering) proceeds utilization statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level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

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

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

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

A. Qasem & Co.
Chartered Accountants



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

Place: Dhaka
Date: 12 October 2023

IPO Proceeds Utilization Statement
For the quarter ended 30 September 2023

Name of the Company : Navana Pharmaceuticals Ltd.
Capital Raised through IPO (Book building method) : BDT 750,000,000
Proceeds Receiving Date : Eligible Investors & Employees on 19 July 2022 (BDT 19,61,50,200) and General Public on 4 October 2022 (BDT 55,38,49,800)
Subscription Closing Date : 19-Sep-22
Last date of full utilization fund as per prospectus : 03-Oct-24

Sl. No.	Name of the projects	Estimated cost of project implementation (in BDT)	Estimated time for completion	Fund utilization during the period from October 01 2022- December 31, 2022		Fund utilization during the period from January 01 2023-March 31, 2023		Fund utilization during the period from April 01 2023-June 30, 2023		Fund utilization during the period from July 01 2023-September 30, 2023		Variance	Unutilized	Remarks
				BDT	%	BDT	%	BDT	%	BDT	%	BDT	%	
1	Construction of new general production building	232,400,000	Within 24 month after receiving IPO proceeds	-	0.00%	-	0.00%	-	0.00%	-	0.00%	232,400,000	100.00%	
2	Construction of new utility and engineering building	97,300,000	Within 24 month after receiving IPO proceeds	43,629,763	44.84%	7,829,842	8.05%	-	0.00%	26,456,773	27.19%	19,383,622	19.92%	Running advances of total BDT 1,49,57,773 have been made to some suppliers based on project progress and recorded as CWIP.
3	Refurbishment of cephalosporin unit	178,500,000	Within 24 month after receiving IPO proceeds	613,255	0.34%	97,811,389	54.80%	6,808,331	3.81%	39,206,994	21.96%	34,060,031	19.08%	Running advances of total BDT 3,12,550 have been made to some suppliers based on project progress and recorded as CWIP.
4	Partial loan repayment	211,800,000	Within 06 month after receiving IPO proceeds	211,800,000	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
5	IPO expenses	30,000,000	N/A	27,929,786	93.10%	2,039,457	6.80%	-	0.00%	-	0.00%	30,757	0.10%	Actual IPO expenses totalled BDT 29,978,208, but only BDT 29,969,243 was utilized from IPO proceeds. Of the total expenditure, BDT 1,266,579 was paid in cash for petty expenses, with the highest single transaction amounting to BDT 193,797.
6	Other expenses (*Charges directly deducted by bank)	0	N/A							58,664	0.00%	(58,664)	0.00%	
Total IPO Proceeds		750,000,000		283,972,804	37.86%	107,680,688	14.36%	6,808,331	0.91%	65,722,431	8.76%	285,815,745.5	38.11%	


Footnotes:

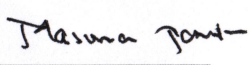
- *Excise Duty of BDT 50,000, bank charge of BDT 1,939, certificate charge of BDT 200, VAT of BDT 877, RTGS charge of BDT 348, cheque issuance charge of BDT 5,000 and accounts maintenance charge of BDT 300 had been debited from IPO Bank account;
- The utilization statement was approved and authorized for issue by the Board of Directors on 12 October 2023 and signed for and on behalf of the Board.

A. Qasem & Co.
Chartered Accountants

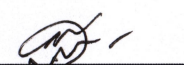

Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

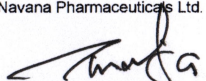
Place: Dhaka
Date: 12 October 2023


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


Masuma Parvin
Director
Navana Pharmaceuticals Ltd.




Joydul Abedin, ACS
Company Secretary
Navana Pharmaceuticals Ltd.


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