

Report On

Feasibility Analysis of Purbani Agro's Expansion Venture under Purbani Group.

By

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Student Id: 21264083

An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Masters of Business Administration

Masters of Business Administration
Brac University
January, 2023

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Susmoy Saha

Student Full Name
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Supervisor's Full Name & Signature:

Sayla Sowat Siddiqui



Supervisor Full Name
Assistant Professor, Finance Department
BRAC University

Letter of Transmittal

Date: 13th May, 2024

Sayla Sowat Siddiqui

Assistant Professor

Finance Department

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report.

Dear Madam,

I am grateful to provide my internship report on “Feasibility Analysis of Purbani Agro's Expansion Venture under Purbani Group”. During my internship period, I tried a lot to gather relevant information which provide general understanding of this report. I have tried my best to meet the requirement and valuable guidelines provided by you.

Gaining knowledge and experience through internship is a great opportunity because it provides a practical knowledge which help me in the future. Thank you for offering me the chance to participate in this internship program and for your ongoing assistance throughout the process.

Sincerely yours,

Susmoy Saha

Student ID: 21264083

BRAC Business School

BRAC University

13th May, 2024

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between Purbani Group and the undersigned student at Brac University.....**Susmoy Saha**.....

Acknowledgement

First, I am grateful to the Almighty for allowing me to complete my internship report on “Feasibility Analysis of Purbani Agro's Expansion Venture under Purbani Group “which covered the forecasting cash flow analysis of the company. I would like to thank my supervisor, Sayla Sowat Siddiqui at BRAC University for his guidance and support.

I would like to express my gratitude to Abu Syed, Deputy Manager of Purbani Group for his valuable support and guidance. He provided ample guidance and time for my report. I'd want to thank everyone of Purbani Group employees and personnel. Without their assistance, it was impossible for me to complete my internship report.

I want to thank everyone who helped me prepare this internship report. I would want to express my gratitude to everyone who assisted me during this process.

Executive Summary

It is very fortunate for every intern to get ideas about various company aspects and implement the knowledge gained in the future. Purbani Group is a well-known conglomerate with diverse economic holdings in agriculture, textiles, spinning, and healthcare. Purbani Agro, one of the group's core businesses, mainly focuses on agricultural related production, processing and distribution. Purbani Agro's management processes and organizational dynamics were thoroughly investigated, with consideration given to factors including corporate culture, team dynamics, and leadership style. The internship offered insightful knowledge on cross-functional cooperation, employee engagement activities, and efficient communication tactics, highlighting their critical significance for improving organizational performance. I worked in Finance and Accounts Department of purbani Group.

As part of my research, I analyzed the financial performance of purbani group based on operating cash flow analysis, Projected Cash flow, and NPV analysis to better understand the report I have analyzed forecasting Cash Flows, Forecasting Sales Revenue. I have also mentioned the departmental work activities, Challenges, SWOT analysis and economic impact.

Keywords: Financial Performance, SWOT Analysis, Projected Cash Flow, NPV Analysis.

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Chapter 1: Overview of Internship at Purbani Group

1.1 Information about Student

Name: Susmoy Saha

ID: 21264083

Department: Master of Business Administration

Major: Finance

1.2 Information about the Internship

1.2.1 Details about Organization

Organization Name: Purbani Group

Address: Richmond Concord, 1st, 5th Floor, &6th floor 68, Gulshan Avenue, Gulshan I

Internship Period: 6 Month

1.2.2 Details about the Supervisor

Supervisor Name: Abu Syed

Designation: Deputy Manager

Division: Finance & Accounts

1.2.3 Job Responsibilities

I participated in a Six Month internship program at the Finance and Accounts department in the purbani Group. I'm a member of the accounts payable team, where our primary goal is to effectively handle the company's outstanding payment to customers. Suppliers and creditors. My main task is that to check the bills, Manual data entry and calculation of Vat and Tax. After data are organized, the reporting team delivers financial reports to company executives. Along

with gathering data from financial analysts and specialists and preparing the audit report for external auditors, they help set up, present, and manage the filing of reports.

1.3 Outcome of Internship

1.3.1 Student's Contribution to The Company

My main responsibility was to help my coworkers complete the several duties that the clients had given them. I did my best to do my assignments by carefully according to their directions. I had to double-check and confirm the amount, Bill number, date, and name of the Vendor, Purchase order and Goods received number on behalf of the company. Sometimes, in spite of our best efforts, the workload associated with checking bill and manual payment data entry became too much for me to handle, and I was unable to help. But my supervisor gave me great advice and assistance, which enabled me to finish all of my task.

1.3.2 Benefits to the Student

For students who are about to enter the corporate world, completing an internship is a great way to kickstart their professional careers. To finish my internship, I had to send my curriculum vitae and resume to many different firms. I gained knowledge of the competencies that companies look for in fresh graduates and entry-level employees throughout the assessment process. An intern would have the opportunity to put their classroom learning into practice every day by gaining knowledge of Microsoft Excel, SAP Logon Software, teamwork, collaboration, and new terms related to group of industry. Internships provide students with valuable feedback from supervisors and industry professionals, as well as hands-on experience that cannot be replicated independently.

1.3.3 Limitations of the Internship

During my internship at the Purbani Group, I experienced difficulty in organizing the analysis. The key objective was for the report to gain widespread recognition and significance. However, the images and descriptions offered were inadequate. Furthermore, all information was kept private and only a few individuals were notified. During my internship at Purbani group, I identified certain problems. I've included details below.

1. Workers were kept busy all day since they had to do many duties at the same time.
2. Another constraint might be the size and breadth of the organization. If Purbani Group is a major conglomerate with several divisions or subsidiaries, interns may struggle to obtain an in-depth knowledge of the entire firm or engage with experts from other departments.
3. There may be limited possibilities to gain exposure to other parts of the business or meet with experts from various backgrounds.

Despite limitations, obtaining business experience was a thrilling adventure that inspired me to pursue this field further in the future.

1.3.4 Recommendation

Establishing a structured mentorship program where interns can easily get guidance and support from their seniors that would greatly benefit their learning. Remember that interns are still becoming used to the professional world, so show them constant consideration. Being more understanding and encouraging.

Chapter 2: Industry Overview

2.1 Introduction

Bangladesh, a South Asian nation that is expanding quickly. It has a wide variety of sectors that make up a significant portion of its GDP. These sectors are essential to GDP growth, employment creation, and foreign exchange profits. The textile and apparel industry is one of the Purbani Group's primary business sectors. Global recognition for Bangladesh's textile and apparel industry has been earned by Purbani Group, a major participant in this field. With an emphasis on efficiency and quality, Purbani Group's textile sector has made a name for itself in both local and foreign markets thanks to its cutting-edge production facilities. The textile businesses within the company produce a broad variety of textile goods, such as yarn, fabrics, and completed clothing, to meet the various demands of clients around the globe. As of right now, Purbani Group is one of the nation's most well-known textile manufacturers. The firm enjoys a solid reputation among the participating nations in the company. The group is working really hard to become one of the biggest textile manufacturing enterprises in the world. Particularly important to rural living and the country's economy are the agro-based sectors. Purbani Group, with an emphasis on agro-processing and agricultural production, contributes significantly to rural development, food security, and the agricultural value chain in Bangladesh.

2.2 An Overview of the Company

2.2.1 The Background of Purbani Group

PURBANI is one of Bangladesh's biggest and most established textile corporations, having focused solely on exports since 1973 and operating with distinction for almost 50 years. The Purbani group's first venture was purbani traders in 1973. Since then, though, the group has grown into one of Bangladesh's leading groups of companies thanks to its dynamic nature. It is a vertically integrated textile manufacturing company and the title holder of 12 business groups involved in spinning, yarn dyeing, fabrics manufacturing and dyeing, and ready-made garments. PURBANI is one of the largest and oldest established 100% export oriented textile conglomerates in Bangladesh, having been in business for more than 50 years with eminence. The agro-based enterprises of Purbani Group are essential to Bangladesh's economic expansion and advancement of agriculture.

2.2.2 Vision of the Purbani Group

To establish a strong local and international presence via enhanced integration for greater synergy and a committed focus on establishing and preserving connections with its principals, suppliers, customers, and staff.

2.2.3 Mission of the Purbani Group

To work with our partners to create sustainable practices so that we can innovate and diversify fashionable products to meet the needs of all international customer segments, support community development, and maintain a sustainable environment, all while offering stylish, high-quality products and services that adhere to international standards.

2.2.4 Organizational Management Hierarchy

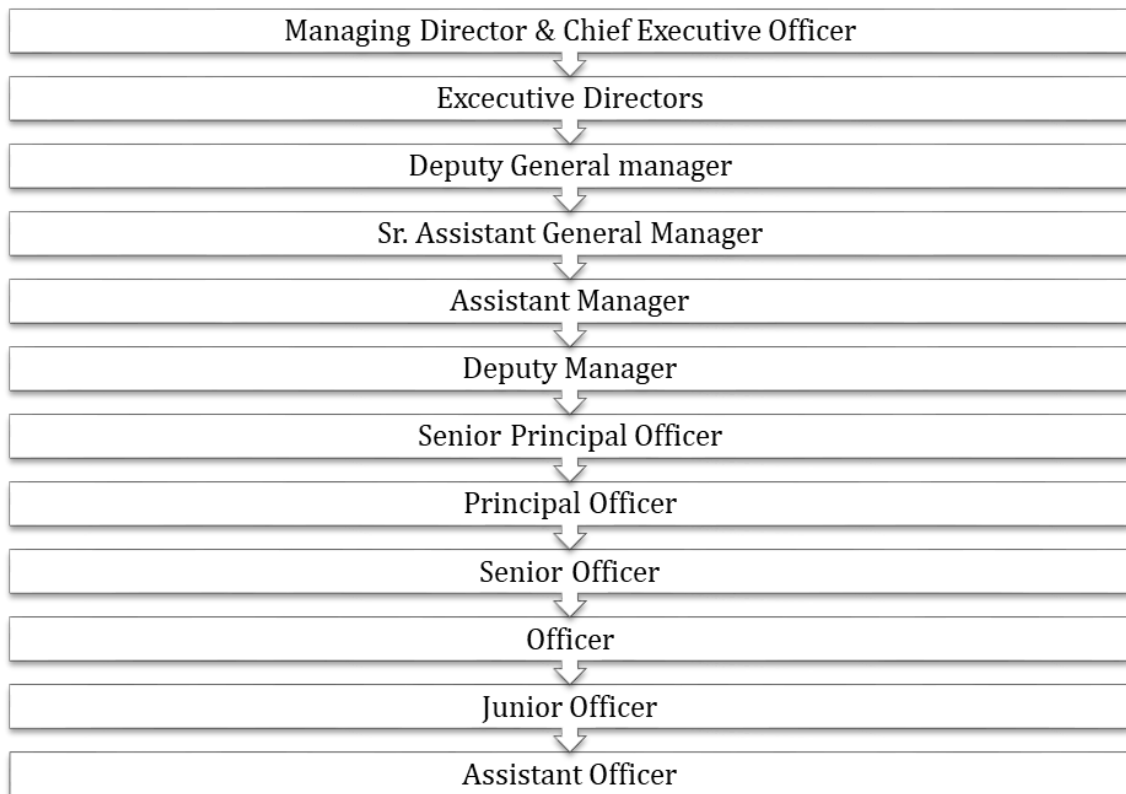


Figure 1: Organizational Hierarchy of Purbani Group

2.2.5 ACCOLADES & CERTIFICATIONS

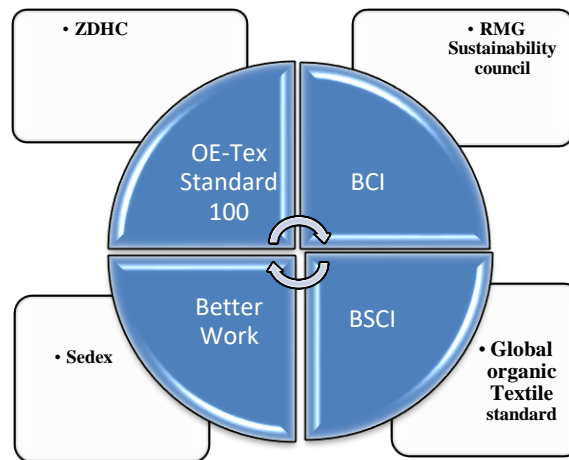


Figure 2 : Accolades & Certifications

Purbani has received a number of accolades and certificates in acknowledgment of its exceptional work and adherence to numerous international norms. To assure excellence, achieving all the most recent certifications is our main objective.

Products of Purbani Group:

1. Apparel
2. Knitting
3. Spinning
4. Yarn Dyeing
5. Fabric Dyeing
6. Agro
7. Fisheries

2.2.6 Commitment to the Environment

Being a pioneer in its field, Purbani has always understood how vital protecting the environment is in the modern world. Purbani is dedicated to reducing its environmental impact and has taken a multipronged approach to environmental responsibility. Purbani places a high priority on environmentally friendly activities at every stage of its company operations, from energy-efficient operations to sustainable sourcing methods. The Purbani Group implemented "DETOX to ZERO, BVeCUBE, CLEANCHAIN, BHive, and ZDHC" to guarantee Cleaner Chemistry and keep dangerous chemicals out of the textile manufacturing process. Because doing so is essential to maintaining clean water and sanitary conditions for future generations, as well as to safeguard the ecosystem and life under the surface. The Green Button certification mark assesses whether a business is carrying out its corporate due diligence requirements by assuming responsibility for the supplier chain. Reforestation campaigns, wildlife conservation initiatives, clean energy projects, and carbon emission reduction projects are a few examples of these green activities. Because textile effluents have the potential to seriously contaminate water supplies, endangering both human health and the environment, Purbani Group makes sure that there is never a hazardous chemical discharge into the environment by properly treating industrial waste water through an on-site effluent treatment plant. Purbani installs a VOC (Volatile Organic Compounds) scrubber system as one of its proactive efforts to reduce its environmental effect. Through the capture and removal of hazardous volatile organic compound (VOC) emissions produced during different industrial operations, this technology is essential in lowering air pollution. The main Purpose of the Purbani group is build a Zero waste future. In terms of returning to human contact and consumption, industrial sludge has the potential to combine with water or land, which might have detrimental effects on the environment and public health.

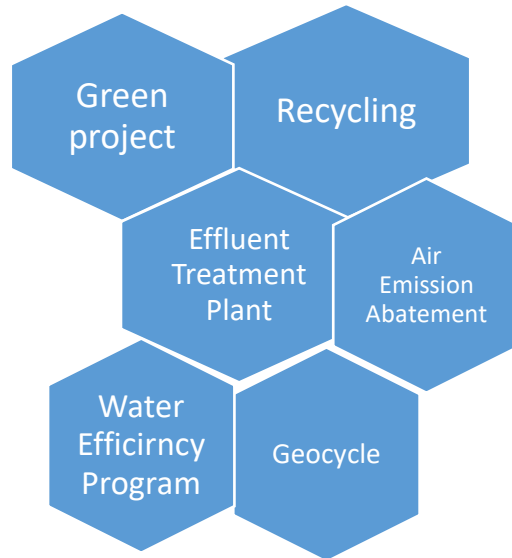


Figure 3: Commitment to the Environment

2.2.7 The Business Process of Purbani Group

Within a company, business procedures act as the guide for how work is carried out. Establishing uniformity and lucidity throughout the enterprise is made possible by standardizing processes and recording protocols. Every worker at Purbani puts up a lot of effort to meet consumer demand, from forecasting to the ultimate delivery of completed items. The description of each function are described below –

Strategic Planning: Purbani always focuses on strategic plan for achieving a long term objective. This entails analyzing the market, spotting development prospects, and establishing strategic objectives for every business unit in the organization.

Demand Forecasting: This is totally on market demand and market situation. This industry following the SAP Logon Software for updating the production data then commercial department designed the MRP for upcoming month.

Product Development and Innovation: To remain Competitive in the market, Purbani Group places a strong emphasis on ongoing product development and innovation. In order to develop new goods, enhance current ones, and adjust to shifting consumer tastes and market trends, research and development activities are necessary.

QC check and Production: When materials are received the QC team of the purbani checks the materials. If the materials is ok the team gives the pass. If not, the supplier will be billed for the compensation and the material will be rejected.

Banking Issues: They are facing some banking issues such as discrepancies bank charges and mistakes made by the banks participating in the L/C transaction, either as advisors or as issuers. Following the issuance of the LC, the seller ships the items in accordance with the conditions mentioned in the LC.

Corporate Social Responsibility (CSR): The Purbani Group is dedicated to CSR programs that enhance the environment and society. This might involve charitable giving, neighborhood improvement schemes, and environmentally conscious sustainability programs.

2.2.8 DuPont Analysis of Purbani Group

DuPont analysis is a framework for financial analysis that offers a thorough study of a company's return on equity (ROE). It is also referred to as the DuPont identity or DuPont model. The proportion of income that remains as profit after all costs have been deducted is known as the net profit margin, and it is used to gauge profitability. For a more thorough assessment of a company's return on equity, use the DuPont Analysis. The company was able to raise its Return on Equity from 3.3% in the prior year to 8% in 2023, according to the DuPont research. The expansion in net interest income and investment income was the main driver of the increase in return on assets, which went from 2% to 3%.

DuPont	Description	2021	2022	2023
Net Profit Margin	Profit After Tax/Sales	0.035226492	0.033698602	0.040105932
Total Asset Turnover	Revenue/Average asset	0.8	0.914755012	0.938695529
Return On Asset	Net Income / Average Asset	0.027074712	0.030825965	0.037647259
Financial Leverage	Average Asset/ Average Equity	2.433736025	2.11404516	2.1973075
Return On Equity	Profit After Tax/ Average Equity	0.006589269	0.033698602	0.082722605

2.3 Operations Management and Information System Practices of Purbani Group

In order to be competitive in a variety of industries, including retail, textiles, real estate, and agriculture, Purbani Group places a strong emphasis on efficiency, quality assurance, and innovation.

Purbani Group increases yield and production in agriculture by utilizing technology-driven procedures and contemporary agricultural methods. By employing sophisticated irrigation systems, precision farming, and crop monitoring technology, the team maximizes resource efficiency and reduces waste, guaranteeing sustainable farming methods. Purbani Group uses cutting-edge project management techniques and construction procedures throughout its real estate portfolio to produce high-caliber properties on schedule and under budget. Through the use of Building Information Modeling (BIM) and Construction Management Software (CMS), the team optimizes resource allocation, reduces construction risks, and fosters stakeholder cooperation. Furthermore, the incorporation of customer relationship management (CRM) systems facilitates efficient correspondence with clients and stakeholders, guaranteeing openness and contentment for the entirety of the project's duration. Purbani Group's operations management and information system procedures, taken as a whole, demonstrate a dedication to quality, innovation, and ongoing development in all of its business verticals. Through the integration of cutting-edge technology and industry-leading processes, the group fosters sustainable development, improves operational agility, and sustains a competitive edge in ever-changing market conditions.

Industry and Competitive Analysis Purbani Group



2.3.1 SWOT Analysis

Every business organization has to assess its performance in the context of its opportunities, challenges, vulnerabilities, and strengths. The following is the Bank's SWOT (Strength, Weakness, Opportunity, and Threat) analysis:

Strengths:

1. First off, its diverse portfolio, which spans several industries including retail, real estate, textiles, and agricultural, offers protection against both market and economic downturns. By dispersing risk and improving overall stability, the group's diversification also enables it to take advantage of possibilities across several industries.
2. Strategic alliances and joint ventures with international industry titans provide Purbani Group access to state-of-the-art resources, knowledge, and market intelligence.
3. Throughout all of its companies, Purbani Group places a strong emphasis on operational excellence and uses best practices in supply chain management, production, and customer support.

Weakness:

1. The Purbani Group may face financial difficulty as a result of its aggressive investment and development goals, which might result in higher debt levels or liquidity issues.
2. Employee accountability is decreased by centralized authority delegation, which lowers worker morale.
3. The group restricts portfolio diversification by allocating a sizable amount of its capital to government securities.

Opportunities:

1. The group may become more competitive by offering more modern and innovative customer services.
2. Purbani Group can explore new markets or broaden its product offerings within current sectors by utilizing its infrastructure and experience.
3. Growing consumer consciousness and regulatory demands related to sustainability provide Purbani Group chances to set its brands apart and draw in eco-aware customers.
4. Purbani Group may get access to new technologies, markets, and skills via collaborating with research institutes, industry peers, and technology partners.

Threat:

1. Purbani Group may be subject to regulatory constraints, higher operational expenses, or restricted market access if laws, trade agreements, or industry standards change.
2. Local rivals that provide comparable services and goods to the group might likewise take a sizable chunk of the market.

3. Purbani Group's competitiveness and market relevance might be threatened by the unpredictability of disruptive developments and rapid technical breakthroughs that could make current goods or business models outdated.

4. Purbani Group's growing dependence on digital technology and networked systems exposes company to cyber security risks such as ransom ware events, malware assaults, and data breaches.

2.4 Recommendation

Purbani Group should keep funding digital transformation projects and technologies in order to boost consumer engagement, increase operational effectiveness, and open up new income sources. This might entail modernizing its information technology infrastructure, adopting e-commerce platforms to reach a larger audience, and using data analytics to make well-informed decisions. The organization should continue to place a high priority on sustainability and CSR, coordinating its economic operations with social and environmental concerns. By using sustainable methods across the whole value chain.

Chapter 3: Feasibility Analysis of Purbani Argo's Expansion

3.1 Literature Review

The planning that comes from the feasibility study is significantly more comprehensive than the more cursory evaluation carried out during the earliest phases of the start-up process, such as the identification or screening of the new company concept. Market feasibility research assesses the industry's size, general attractiveness, and the existence of specialized markets that a new business may effectively penetrate and service (Allen, 2016). The resources required for start-up expenses, possible revenue estimates, and the required cash reserves to cover losses until break-even is reached—which might take many years—are the main topics of financial feasibility study. Without giving venture feasibility analysis enough thought, a discussion of new venture performance will fall short and be only a partial presentation of the topic. This is so because feasibility studies come before the creation of business plans and the launch of new ventures (Nicholas & Chinedum, 2017). Entrepreneurs who rush into starting a new business after realizing there is a sizable market for their intended products will undoubtedly lose all of the money they have invested, will not be aware of the risks and uncertainties that come with starting a new venture, and will have wasted a great deal of time, effort, and start-up money. A new venture's performance—that is, its capacity to effectively implement methods that will allow it to accomplish its stated goals—determines its likelihood of success (Randeree & Al Youha, 2009)

3.2 Methodology

The primary source of data used in this research was reports from different Purbani Group departments. These reports proved to be useful sources of data on sales numbers, industry trends, and vendor opinions. I was able to build a strong empirical data base for my analysis and suggestions by utilizing these primary sources. Furthermore, the veracity and accuracy of

the data in these reports guaranteed the accuracy of our results and the strength of our conclusions. This research project was successful in producing insightful findings that would assist the Purbani Group in making strategic decisions because of the careful data collecting and in-depth primary source analysis.

3.3 Objective

1. To understand Purbani Agro present investment status.
2. To understand their level of performance in the cutthroat industry.
3. To project whether Purbani agro's will succeed or fail.

Evaluating a project, initiative, or company idea's viability and practicality is the goal of a feasibility analysis. A review of Purbani Agro's viability may concentrate on evaluating the agricultural industry of Bangladesh's potential for expansion, profitability, and sustainability. To assess Purbani Agro's capacity to make cash from operations, finance investments, and pay debts, perform a cash flow analysis. Evaluate the company's working capital management skills, cash flow volatility, and liquidity status. Projecting cash flow would entail estimating the amount of money coming in and going out over the course of the project. In financial analysis, both cash flow forecasting and Net Present Value (NPV) computation are popular feasibility study methods for evaluating a project's viability. The next section will discuss the results step-by-step.

3.3.1 Balance Sheet

The computation started using financial statement data from 2022 to 2023. Sequential data entry is used for the balance sheet data from 2022 to 2023. In this scenario, only the percentage is calculated using the total as the base for a specific year. It represents the proportionate change in the volume of an asset or liability based on the total for that specific year.

Asset Proportion

Particulars	Formula	Avg. Growth	2022	2023
Cash & Cash equivalents	Cash/Total Asset	0.00709	0.00665449	0.007532953
Inventories	Inventory/Total Asset	0.01385	0.01330508	0.015553723
Advances , Deposit	Loan & Advances/ Total Asset	0.1	0.09974039	0.101671392
Fixed Assets	Fixed Asset/ Total Asset	0.8775	0.88030004	0.875241932
Total Property & Assets	Present Year - Previous Year/ Previous Year	0.132178825	0	0.132178825

Liabilities Proportion

Liabilities And Shareholders Equity				
Particulars	Formula	Avg. Growth	2022	2023
Trade And Other Payable	Trade and Other Payable/ TotalLiabilities	0.0289	0.02905097	0.028962723
Retained Earning	Retained Earning/ TotalLiabilities	-0.12	-0.1306995	-0.11849501
Borrowing From Other Bank	Borrowing from other bank/Total Liabilities	0.98	1.0	0.971037277
Total liabilities	Total Liabilities/ Total Liabilities And shareholders Equity	0.786	0.76865686	0.803869761
Total shareholders equity	Shareholders equity/Total Liabilities And shareholders Equity	0.66	0.33180622	1.000000001
Total Liabilities And Shareholders Equity	Present Year TL & SE -Previous year TL & SE/ previous year	0.138721796	0	0.138721796

Forecasted Balance Sheet

In that order. First, calculating the Total Asset using the average growth rate is the first stage, which starts with the Asset part. Next, I forecast the other details of the Asset section based on each typical growth proportion, using the total asset that was determined in the previous step as our starting point.

Particulars	Formula
Cash	Average Proportion Of Cash* Total Assets
Inventories	Average Proportion Of Inventories* Total Assets
Advances And Deposit	Average Proportion Of Advances & Deposit* Total Assets
Fixed Assets	Average Proportion Of Fixed Assets* Total Assets
Total Assets	Total Assets Of Previous Year* (1+ Average growth Rate)
Particulars	Formula
Trade And Other Payable	Average Proportion Of Trade* Total Liabilities & SE
Borrowing From Other Bank	Average Proportion Of Borrowing from Bank* Total Liabilities & SE
Total liabilities	Average proportion of Total Liabilities*Total Liabilities & SE
Total shareholders equity	Average proportion of SE & Total Liabilities & SE Of Present Year
Total Liabilities And Shareholders Equity	Total Liabilities and SE of previous year* (1+ Average Growth)

Assets:	2024	2025	2026	2027	2028
Non-current assets					
Property, Plant & Equipment	272743882	308773348	349562308	395739489	448016675
Capital Work-in-Progress					
Preliminary Expenses					
Start-up Cost					
Current assets	37590479	42556181	48177852	54542147	61747164
Inventories	4304846	4873517	5517308	6246145	7071260
Trade & other receivables					
Intercompany Trade Receivable					
Intercompany Current Account					
Advances, deposits & prepayments	31081924	35187846	39836160	45098517	51056031
Cash & Cash Equivalents	2203708	2494818	2824384	3197485	3619873
Suspense Account	418461059	478039658	546081975	623787955	712527354
Total Assets	728795419	829369187	943822135	1074069590	1222291193
Equity and Liabilities:					
Shareholder's Equity	206209799	234666751	267050763	303903768	345842488
Share capital					
Retained earnings	-37492690.71	-42666682	-48554684	-55255230.6	62880452.4
Non-current Liabilities					
Director's loan					
Long-term borrowing					
Current Liabilities	314501187	357902351	407292875	463499292	527462195
Trade and other payables	8310880	9457781	10762955	12248243	13938500
Intercompany Trade Payable	306190307	348444570	396529920	451251050	513523694
Intercompany Current Account					
Short-term borrowing					
Accrued expenses					
Total Liabilities	245577124	279466767	318033181	361921760	411866963

Total liabilities and shareholders equity	728795419	829369187	943822135	1074069590	1222291193
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Table 1: Forecasted Balance Sheet

3.3.2 Profit & Loss Account

For the computation's first start, I input the profit and loss account data for the years 2022 through 2023. In this instance, the balance of Purbani Agro is the source of all data.

Proportion

Particulars	Formula	Avg. Growth	2022	2023
Net Sales Revenue	$NSR(\text{current}) - NSR(\text{previous}) / NSR(\text{Previous})$	0.53	0	0.53
Cost Of Goods Sold	Cost Of Goods Sold/ Net Sales Revenue	0.44	-0.92	0.9
Operating Expense	Operating Exp./ Net Sales	0.122	0.102	0.0710
Tax	Current Tax/ Net Sales	0.052	0.060	0.022
Finace Cost	Finance cost/ Net Sales	0.49	0.68	0.150
other income	Oher Income/ Net Sales	0.01	0.02	0.003

Details	2024	2025	2026	2027	2028
Revenue	13542844	20720551	31702443	48504738	74212250
Cost of goods sold	5958851	9117043	13949075	21342085	32653390
Gross Profit/(Loss)	7583993	11603509	17753368	27162654	41558860
Administrative expenses	89431	100342	112584	126319	141730
Selling & distribution expenses					
Disposal Accounts					
Others Income	80504	16101	3220	644.033	128.807
Profit/(Loss) from operation	7575066	11519268	17644004	27036979	41417258
Finance costs	11286848	17163709	26289566	40285099	61711714
Net profit/(Loss) before tax	-3711782	-5644441	-8645562	-13248120	-20294456
Income tax expenses	7968969	12118270	18561492	28442902	43570955
Net profit/(Loss) after tax	-11680752	-17762711	-27207054	-41691022	-63865412

Table 2: Forecasted Profit & Loss Account

3.3.3 Operating Cash Flow

I Need To EBIT for Calculating Operating Cash |Flow. I calculated the profit before provision in the projected profit and loss account.

	Operating Cash Flow				
Particulars	2024	2025	2026	2027	2028
EBIT	-3711782	-5644441	-8645562	-13248120	-20294456
(+) Depreciation	-	-	-	-	-
(-) Tax	-7968969	-12118270	-18561492	-28442902	-43570955
OCF	4257187	6473829	9915930	15194782	23276499

Table 3 :Calculation Operating Cash Flow

3.3.4 Projected Cash Flow

In this part I will calculate the projected cash flow to 2024 to 2028. Variations in Capital Spending and Net Working Capital. I had already computed the OCF in the before. The remaining details are explained as follows. Net Working Capital: is a business's short-term liquidity is measured by its net working capital. In this instance, the capital spending between the two periods has been determined by subtracting the long-term investment or fixed asset from the long-term investment or fixed asset in the more recent period. Then I will get the Project Cash Flow of 2024 to 2028. After computing the required rate of return (Ke), I have calculated the cash flows needed to calculate net present value (NPV) by using the following formula:

Formula:

Cash Flows =

Project Cash Flow

$(1 + i)^n$

Where,

i = Required Rate of Return

n = Time Period

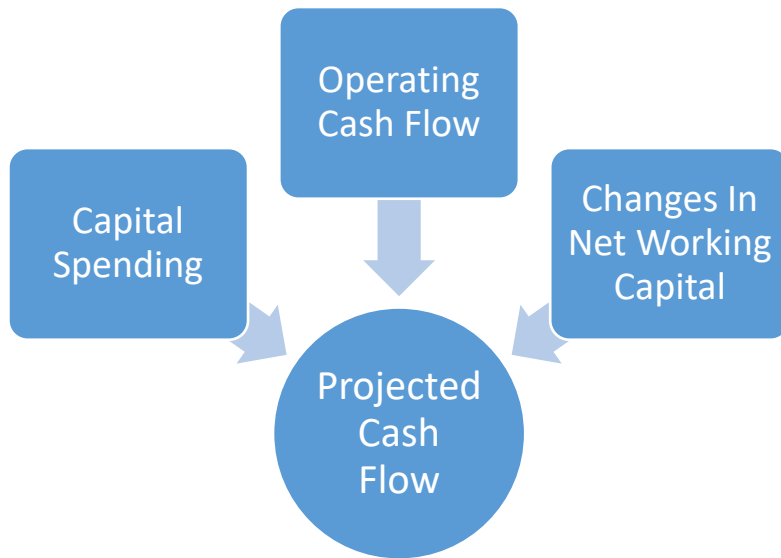


Figure 4: Steps of Projected Cash Flows

	Projected Cash Flow					
Particulars	2023	2024	2025	2026	2027	2028
Net Working CApital	-186450865	-276910708	-315346170	-359115023	-408957145	-465715031
Operating cash Flow		4257187	6473829	9915930	15194782	23276499
(-) CNWC		-463361573	-592256878	-674461193	-768072168	-874672176
(-) Capital Spending		-32445295	-341218643	-690780951	-1086520440	-1534537115
		-768460389	-1242347862	-1714441237	-2248354971	-2851647823
Particular	2024	2025	2026	2027	2028	
Projected Cash Flow	-768460389	-1242347862	-1714441237	-2248354971	-2851647823	
(÷) (1+i) ⁿ	1.12	1.12	1.12	1.12	1.12	
(-) Cash Flows	-686125347	-993878289.6	-1224600884	-1432073230	-1620254445	
NPV	-5956932195					

Table 4 Calculation of Projected Cash Flow & NPV

The cash flow share value of the project has been calculated using this. Here, Using Excel method to determine the project's net present value of cash flow. As needed rate of return, I chose 12% as required rate of return for calculating NPV.

3.3.5 Findings

Since the forecast was entirely dependent on the preceding five years, the conclusions and justifications are based on the prior five years. The major understanding of this calculation is the NPV of this project is Negative. It indicates that the company's investments or initiatives aren't making enough money to cover their expenditures, the investors and Shareholders concerned about the financial health of the company because negative NPV undermine investor trust, resulting in a drop in the company's stock price. The bigger agricultural environment of Bangladesh, which is vulnerable to issues including erosion of soil, unpredictable temperatures, and restricted access to contemporary farming methods, could be one important factor. These

elements may have a negative impact on Purbani Agro's profitability and production. Inadequate transportation and storage infrastructure may also make it more difficult for agricultural products to be delivered efficiently, which could affect the company's ability to effectively reach markets. Purbani Agro's business, agriculture, makes up an important proportion of Bangladesh's GDP (gross domestic product). Through increasing agricultural output, varying crop types, and implementing value-added procedures, Purbani Agro probably helps the agricultural industry as a whole and the country's economy as a whole.

3.4 Recommendation

Purbani agro should diversify their marketing channel and try to gather opportunities both domestic and international market expansion. To gain knowledge about local populations' needs, worries, and goals, Purbani Agro should be engaged with them. This could entail carrying out corporate social responsibility (CSR) programs. For entering foreign markets and boost export revenues, they have to identify niche markets, establishing partnerships with merchants and distributors, and following to export laws. Sustainable agricultural methods that improve biodiversity, soil health, and environmental conservation should be supported by Purbani Agro. This might use agroforestry, organic farming, and water-saving techniques to reduce the hazards associated with climate change and maintain agricultural resilience over the long term.

3.5 Conclusion

Purbani Agro has a lot of potential to improve Bangladesh's agriculture industry and economy as a whole. Purbani Agro has the potential to increase market share both domestically and internationally while likewise boosting productivity and improving product quality. Furthermore, the business could ensure long-term social responsibility and environmental stewardship by encouraging community involvement and sustainable agricultural techniques.

References

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3. Randeree, K., & Al Youha, H. (2009). Strategic management of performance: an examination of public sector organizations in the United Arab Emirates. *International Journal of Knowledge, Culture and Change Management*, 9(4), 123-134.

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Appendix A.

Purbani Agro Processing Limited			
Statement of Financial Position			
As at 30 June 2023			
Particulars	Notes	Amount in Taka	
		30.06.2023	30.06.2022
Assets:			
Non-current assets		240,298,587	212,244,375
Property, Plant & Equipment	4	240,298,587	212,244,375
Preliminary Expenses		-	-
Start-up Cost		-	-
Current assets		34,252,458	28,860,209
Inventories	6	4,270,291	3,207,916
Trade & other receivables	7	-	-

Intercompany Trade Receivable	7.1	-	-
Intercompany Current Account	8	-	-
Advances, deposits & prepayments	9	27,913,987	24,047,865
Cash & Cash Equivalents	10	2,068,180	1,604,428
Total Assets		274,551,045	241,104,584
Equity and Liabilities:			
Shareholder's Equity		53,847,762	55,777,891
Share capital	11	80,000,000	80,000,000
Retained earnings		(26,152,238)	(24,222,109)
Non-current Liabilities		-	-
Director's loan	12	-	-
Long-term borrowing	13	-	-
Current Liabilities		220,703,283	185,326,693
Trade and other payables	14	6,392,168	5,383,921
Intercompany Trade Payable	15	-	-
Intercompany Current Account	16	214,311,115	179,942,772
Short-term borrowing	17	-	-
Accrued expenses	18	-	-
Total Liabilities		220,703,283	185,326,693
Total Equity and Liabilities		274,551,045	241,104,584
Number of Share used to compute NAV		800,000	800,000
Net Asset Value (NAV) per Share		67.31	69.72

Purbani Agro Processing Limited			
Statement of Comprehensive Income			
For the year ended 30 June, 2023			
Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Revenue	19	13,527,692	8,851,532
Cost of goods sold	20	(12,206,249)	(8,195,439)
Gross Profit/(Loss)		1,321,443	656,093
Administrative expenses	21	(960,019)	(901,398)

Selling & distribution expenses	22	-	-
Disposal Accounts		-	-
Others Income	23	37,111	181,574
Profit/(Loss) from operation		398,535	(63,731)
Finance costs	24	(2,024,298)	(5,984,978)
Net profit/(Loss) before tax		(1,625,763)	(6,048,708)
Income tax expenses		(304,365)	(530,548)
Net profit/(Loss) after tax		(1,930,129)	(6,579,256)
Number of shares		800,000	800,000
Earning per share (EPS)		(2.03)	(7.56)