Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows
January		85000		20000		10000		115000		35000		12000		4500		5000		56500		58500
February		92000		0		5000		97000		35000		12000		4200		6000		57200		39800
March		88000		15000		0		103000		35000		12000		4800		5500		57300		45700
April		105000		0		15000		120000		38000		12000		5000		7000		62000		58000
May		112000		0		5000		117000		38000		12000		5200		7500		62700		54300
June		118000		25000		0		143000		38000		12000		5600		8000		63600		79400
July		125000		0		20000		145000		40000		12000		5800		8500		66300		78700
August		121000		0		0		121000		40000		12000		5700		8000		65700		55300
September		130000		10000		5000		145000		40000		12000		5400		9000		66400		78600
October		138000		0		10000		148000		42000		12000		5000		9500		68500		79500
November		145000		0		0		145000		42000		12000		4800		10000		68800		76200
December		155000		20000		15000		190000		42000		12000		4600		12000		70600		119400

Date	Description	Type	Category	Amount
Jan 05	cake sales	Inflow	Sales Revenue	Rs.50000
Jan 10	Customer advance	Inflow	Customer Advances	Rs.15000
Jan 12	Bank loan	Inflow	Loan Proceeds	Rs.100000
Jan 15	Salaries	Outflow	Fixed cost	Rs.25000
Jan 18	Raw materials	Outflow	Variable cost	Rs.12000
Jan 20	Marketing	Outflow	Variable cost	Rs.50000
Jan 25	Loan interest	Outflow	Financing cost	Rs.3000
Jan 30	Debt Repayment	Outflow	Financing cost	Rs.100000

Cash inflow categories	Cash outflows categories
- Sales revenue	-Fixed Costs-Salaries,rent
-Customer advances	Variable cost -raw materials, marketing
-Loan Proceeds	–Financing Costs-Interest, Debt Repayment
-Other income	

Column 1	Column 2	Column 3
Parameter	**Assumption**	**Notes**
Starting Monthly Sales	100000	Base sales
Sales Growth %	5%	Per quarter
Salaries Growth %	3%	Per month
Rent Growth %	0%	Fixed
Utilities Growth %	3%	Per month
Marketing Growth %	5%	Per month
Raw Material Cost Growth %	3%	Per month
Loan Amount	500000	Example
Annual Interest Rate	10%	Example
Loan Tenure	12	Months
Beginning Cash Balance	100000	Example
Starting Monthly Salaries	30000	Base monthly cost
Monthly Rent	15000	Fixed monthly cost
Starting Monthly Utilities	5000	Base monthly cost
Starting Monthly Marketing	5000	Base monthly cost
Starting Monthly Raw Material	20000	Base monthly cost

Month	# Sales	# Loans	# Investment	# Total inflows	# Salaries	# Rent	# Utilities	# Marketing	# Total Outflows	# Net Cash flows

Seasonality factors

Month	Seasonality Factor	Notes
January	0.95	5% below normal sales
February	0.95	5% below normal sales
March	1	Normal sales
April	0.95	5% below normal sales
May	0.95	5% below normal sales
June	1	Normal sales
July	0.95	5% below normal sales
August	1	Normal sales
September	1.05	5% above normal sales
October	1.2	20% above normal sales
November	1.15	15% above normal sales

Month	Opening Balance	EMI	Interest	Principal	Closing Balance
1	500000	43958	4167	39791	460209
2	460209	43958	3835	40123	420086
3	420086	43958	3501	40457	379629
4	379629	43958	3164	40794	338834
5	338834	43958	2824	41134	297700
6	297700	43958	2481	41477	256223
7	256223	43958	2135	41823	214400
8	214400	43958	1787	42171	172229
9	172229	43958	1435	42523	129706
10	129706	43958	1081	42877	86829
11	86829	43958	724	43234	43595
12	43595	43958	363	43595	0

# Column 1	# Column 2	# Column 3	# Column 4	# Column 5	# Column 6	# Column 7	# Column 8	# Column 9	# Column 10	# Column 11	# Column 12	# Column 13
Particulars	January	February	March	April	May	June	July	August	September	October	November	December
CASH INFLOWS												
Sales Revenue	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
Other Cash Inflows	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Inflows	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
CASH OUTFLOWS												
Salaries	30000	30900	31827	32782	33765	34778	35821	36896	38003	39143	40317	41526
Rent	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
Utilities	5000	5150	5305	5464	5628	5797	5971	6150	6335	6525	6721	6923
Marketing	5000	5250	5513	5788	6077	6381	6700	7035	7387	7756	8144	8551
Raw Material	20000	20600	21218	21854	22509	23184	23880	24616	25355	26115	26898	27705
Loan Principal	39791	40123	40457	40794	41134	41477	41823	42171	42523	42877	43234	43595
Loan Interest	4167	3835	3501	3164	2824	2481	2135	1787	1435	1081	724	363
Total Cash Outflows	128958	130858	132821	134846	136937	139098	141330	143655	146038	148497	151038	153663
Net Cash Flow	-33958	-34558	-35221	-40846	-41637	-42498	-46030	-47055	-44338	-28597	-33738	-23663
Opening Cash Balance	100000	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476
Closing Cash Balance	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476	-352139

Month	# Sales	# Loans	# Investment	# Total inflows	# Salaries	# Rent	# Utilities	# Marketing	# Total Outflows	# Net Cash flows
Month	Opening Balance	EMI	Interest	Principal	Closing Balance					
1	500000	43958	4167	39791	460209					
2	460209	43958	3835	40123	420086					
3	420086	43958	3501	40457	379629					
4	379629	43958	3164	40794	338834					
5	338834	43958	2824	41134	297700					
6	297700	43958	2481	41477	256223					
7	256223	43958	2135	41823	214400					
8	214400	43958	1787	42171	172229					
9	172229	43958	1435	42523	129706					
10	129706	43958	1081	42877	86829					
11	86829	43958	724	43234	43595					
12	43595	43958	363	43595	0					

# Column 1	# Column 2	# Column 3	# Column 4	# Column 5	# Column 6	# Column 7	# Column 8	# Column 9	# Column 10	# Column 11	# Column 12	# Column 13
Particulars	January	February	March	April	May	June	July	August	September	October	November	December
CASH INFLOWS												
Sales Revenue	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
Other Cash Inflows	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Inflows	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
CASH OUTFLOWS												
Salaries	30000	30900	31827	32782	33765	34778	35821	36896	38003	39143	40317	41526
Rent	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
Utilities	5000	5150	5305	5464	5628	5797	5971	6150	6335	6525	6721	6923
Marketing	5000	5250	5513	5788	6077	6381	6700	7035	7387	7756	8144	8551
Raw Material	20000	20600	21218	21854	22509	23184	23880	24616	25355	26115	26898	27705
Loan Principal	39791	40123	40457	40794	41134	41477	41823	42171	42523	42877	43234	43595
Loan Interest	4167	3835	3501	3164	2824	2481	2135	1787	1435	1081	724	363
Total Cash Outflows	128958	130858	132821	134846	136937	139098	141330	143655	146038	148497	151038	153663
Net Cash Flow	-33958	-34558	-35221	-40846	-41637	-42498	-46030	-47055	-44338	-28597	-33738	-23663
Opening Cash Balance	100000	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476
Closing Cash Balance	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476	-352139

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13
Cash Flow Summary	January	February	March	April	May	June	July	August	September	October	November	December
Total Cash Inflows	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
Total Cash Outflows	128958	130858	132821	134846	136937	139098	141330	143655	146038	148497	151038	153663
Net Cash Flow	-33958	-34558	-35221	-40846	-41637	-42498	-46030	-47055	-44338	-28597	-33738	-23663
Opening Cash Balance	100000	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476
Closing Cash Balance	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476	-352139
Minimum Cash Balance	66042	31484	-3737	-44583	-86220	-128718	-174748	-221803	-266141	-294738	-328476	-352139

Key Forecast Findings	Value
Total Annual Cash Inflows	0
Total Annual Cash Outflows	1235600
Total Annual Net Cash Flow	1687739

Month	# Sales	# Loans	# Investment	# Total inflows	# Salaries	# Rent	# Utilities	# Marketing	# Total Outflows	# Net Cash flows
Beginning Cash Balance	100000									
Ending Cash Balance	-23663									
Maximum Cash Requirement	23663									

Particulars	January	February	March	April	May	June	July	August	September	October	November	December
BUDGETED INFLOWS												
Sales Revenue	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
Other Cash Inflows	0	0	0	0	0	0	0	0	0	0	0	0
Total Budgeted Inflows	95000	96300	97600	94000	95300	96600	95300	96600	101700	119900	117300	130000
BUDGETED OUTFLOWS												
Salaries	30000	30900	31827	32782	33765	34778	35821	36896	38003	39143	40317	41526
Rent	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
Utilities	5000	5150	5305	5464	5628	5797	5971	6150	6335	6525	6721	6923
Marketing	5000	5250	5513	5788	6077	6381	6700	7035	7387	7756	8144	8551
Raw Material	20000	20600	21218	21854	22509	23184	23880	24616	25355	26115	26898	27705
Loan Principal	39791	40123	40457	40794	41134	41477	41823	42171	42523	42877	43234	43595
Loan Interest	4167	3835	3501	3164	2824	2481	2135	1787	1435	1081	724	363
Total Budgeted Outflows	128958	130858	132821	134846	136937	139098	141330	143655	146038	148497	151038	153663
Particulars	January	February	March	April	May	June	July	August	September	October	November	December
ACTUAL INFLOWS												
Sales Revenue	97000	95000	99000	93000	96000	98000	94000	97000	103000	121000	116000	132000
Other Cash Inflows	0	0	0	0	0	0	0	0	0	0	0	0
Total Actual Inflows	97000	95000	99000	93000	96000	98000	94000	97000	103000	121000	116000	132000
Particulars	January	February	March	April	May	June	July	August	September	October	November	December
ACTUAL OUTFLOWS												
Salaries	30000	31000	32000	33000	34000	35000	36000	37000	38000	39500	40500	42000
Rent	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
Utilities	5100	5200	5400	5500	5700	5900	6000	6200	6400	6600	6800	7000
Marketing	4800	5300	5600	5800	6100	6500	6800	7100	7500	7800	8200	8600
Raw Material	19800	20700	21500	22000	22700	23500	24000	24800	25600	26300	27000	28000
Loan Principal	39791	40123	40457	40794	41134	41477	41823	42171	42523	42877	43234	43595
Loan Interest	4167	3835	3501	3164	2824	2481	2135	1787	1435	1081	724	363
Total Actual Outflows	128658	131158	138458	139258	142458	144858	146758	150058	153458	156158	161458	165558

Particulars	January	February	March	April	May	June	July	August	September	October	November	December
VARIANCE												
Total Inflows Variance	2000	-1300	1400	-1000	700	1400	-1300	400	1300	1100	-1300	2000
Total Outflows Variance	-300	300	5637	4412	5521	5760	5428	6403	7420	7661	10420	11895
Net Cash Flow Variance	2300	-1600	-4237	-5412	-4821	-4360	-6728	-6003	-6120	-6561	-11720	-9895

Month	Opening Balance	Inflows	Outflows	Net Cash Flow	Closing Balance
January	100000	95000	128958	-33958	66042
February	66042	96300	130858	-34558	31484
March	31484	97600	132821	-35221	-3737
April	-3737	94000	134846	-40846	-44583
May	-44583	95300	136937	-41637	-86220
June	-86220	96600	139098	-42498	-128718
July	-128718	95300	141330	-46030	-174748
August	-174748	96600	143655	-47055	-221803
September	-221803	101700	146038	-44338	-266141
October	-266141	119900	148497	-28597	-294738
November	-294738	117300	151038	-33738	-328476
December	-328476	130000	153663	-23663	-352139

Scenario	% Sales Growth %	% Expense Growth %	Column 1
Base Case	5%	3%	
Best Case	15%	-2%	

Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows
Worst Case		0%		13%																

Scenario	Change	Expected Impact
Base Case	Standard assumptions	Normal cash flow projection
Best Case	Sales growth +10%; expense gr	Higher ending cash balance
Worst Case	Sales growth -5%; expense grow	Lower ending cash balance

Base Case	5%	3%
Best Case	15%	-2%
Worst Case	0%	13%

KPI	Exact Value
Opening Balance	100000
Closing Balance	-352139
Net Cash Flow	-452139
Variance	-9895

Opening Balance
-100000

Closing Balance
352139

Net Cash Flow
452139

Variance
9895

Month	Closing Balance
January	66042
February	31484
March	-3737
April	-44583
May	-86220
June	-128718
July	-174748
August	-221803
September	-266141
October	-294738
November	-328476
December	-352139

Column 1	Column 2	Column 3
Month	Total inflows	Total outflows
January	92000	117003
February	94200	125402
March	95000	128958
April	96300	130858
May	97600	132821
June	94000	134846
July	95300	136937
August	96600	139098
September	95300	141330

Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows
October		96600		143655																
November		101700		146038																
December		119900		148497																

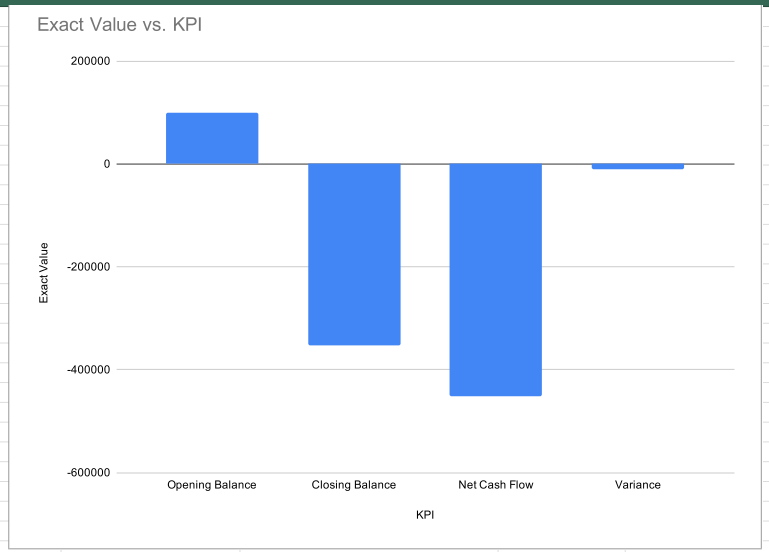
Month	#	Budget inflows	#	Actual inflows	Budgeted Outflows	#	Actual Outflows
January		117300		151038	630000		1127490
February		130000		153663	720000		1220023
March		120000		720000	450000		124040
April		270000		95000	125000		127004
May		95000		97000	128958		128658
June		96300		95000	130858		131158
July		97600		99000	132821		138458
August		94000		93000	134846		139258
September		95300		96000	136937		142458
October		96600		98000	139098		144858
November		95300		94000	141330		146758
December		96600		97000	143655		150058

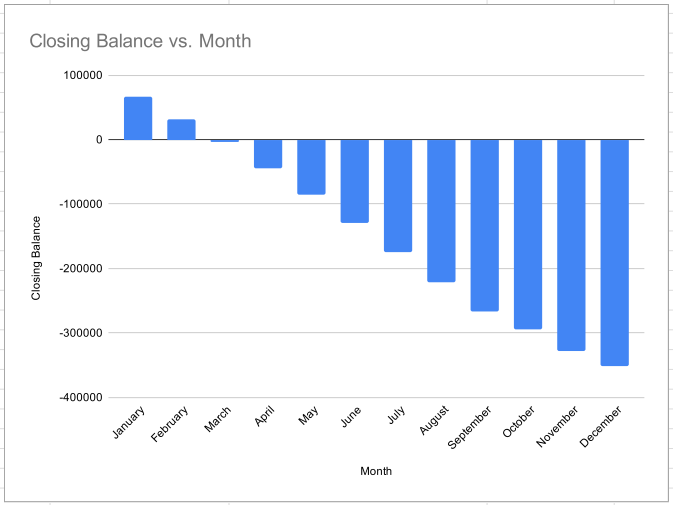
Month	Inflows Variance	Outflows Variance	Net Cash Flow Variance
January	2000	-300	2300
February	-1300	300	-1600
March	1400	5637	-4237
April	-1000	4412	-5412
May	700	5521	-4821
June	1400	5760	-4360
July	-1300	5428	-6728
August	400	6403	-6003
September	1300	7420	-6120
October	1100	7661	-6561
November	-1300	10420	-11720
December	2000	11895	-9895

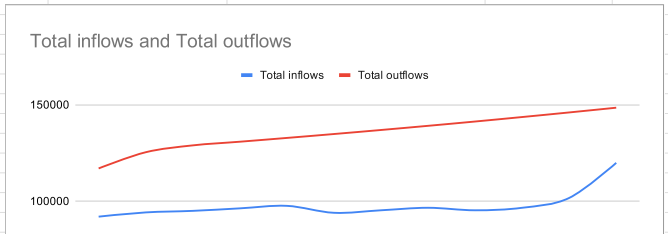
July

Month	%	Sales Growth %	%	Expense Growth %
January		2%		2%
February		8%		4%
march		12%		3%
April		10%		5%
May		6%		2%
june		10%		-2%
July		11%		-1%
August		18%		12%
September		5%		3%
October		15%		13%
November		0%		13%

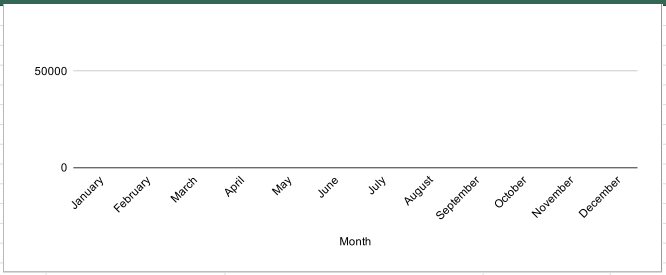
Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows

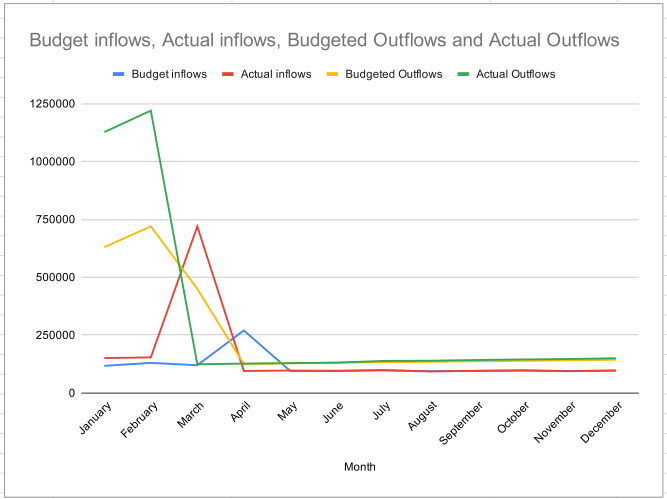


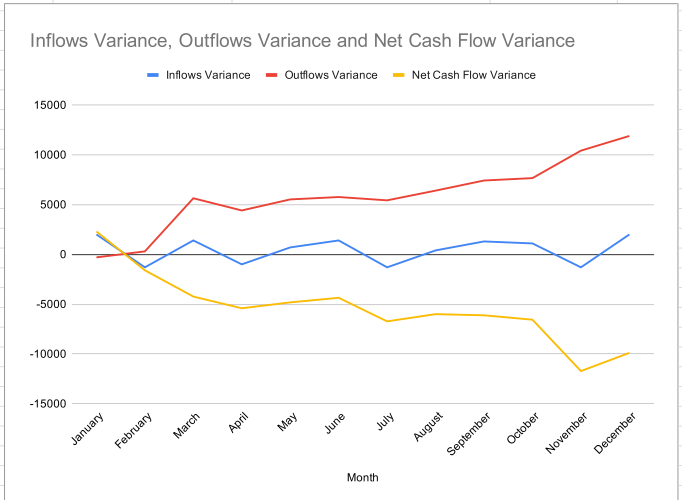




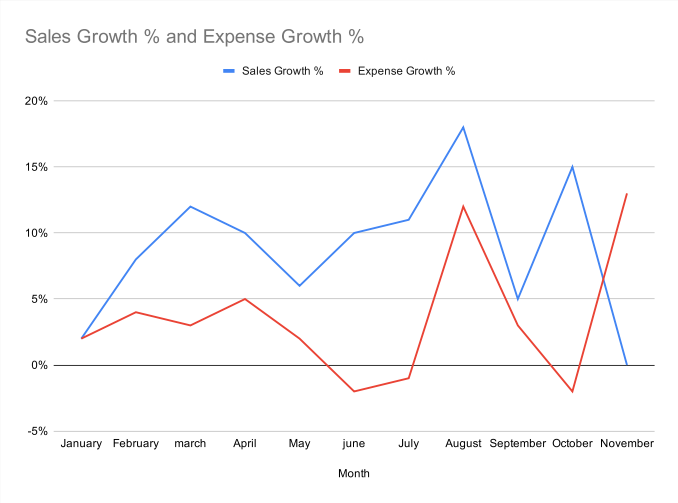
Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows







Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows



Cash Flow Forecasting & Budgeting Report

12-Month Financial Analysis

January–December

Prepared for Management Decision-Making

EXECUTIVE SUMMARY

Beginning Cash Balance: Rs.100,000

Total Budgeted Cash Inflows: Rs.1,171,600

Total Budgeted Cash Outflows: Rs.1,698,000

Budgeted Net Cash Flow: -Rs.526,400

Ending Cash Balance: -Rs.352,139

Maximum Cash Requirement: Rs.352,139

Key Finding:

The business faces a significant liquidity shortfall during the forecast period because cash outflows consistently exceed cash inflows.

KEY CASH FLOW TRENDS

January Closing Cash Balance: Rs.66,042

June Closing Cash Balance: -Rs.128,718

September Closing Cash Balance: -Rs.266,141

December Closing Cash Balance: -Rs.352,139

Highest Monthly Inflow: Rs.130,000 (December)

Lowest Monthly Inflow: Rs.94,000 (April)

Highest Monthly Outflow: Rs.165,558 (December)

Lowest Monthly Outflow: Rs.128,658 (January)

Overall Trend:

Cash balance declines throughout the year as monthly outflows remain higher than inflows.

BUDGET VS ACTUAL VARIANCE

Annual Budgeted Inflows: Rs.1,171,600

Annual Actual Inflows: Rs.1,190,000

Inflows Variance: +Rs.18,400

Annual Budgeted Outflows: Rs.1,698,000

Annual Actual Outflows: Rs.1,728,400

Outflows Variance: +Rs.30,400

Key Finding:

Actual inflows were higher than budget, but actual outflows increased even more, resulting in weaker cash performance.

VARIANCE ANALYSIS

January Net Cash Flow Variance: +Rs.2,300

March Net Cash Flow Variance: -Rs.4,237

Month	#	Sales	#	Loans	#	Investment	#	Total inflows	#	Salaries	#	Rent	#	Utilities	#	Marketing	#	Total Outflows	#	Net Cash flows
June Net Cash Flow Variance: -Rs.4,360																				
September Net Cash Flow Variance: -Rs.6,120																				
November Net Cash Flow Variance: -Rs.11,720																				
December Net Cash Flow Variance: -Rs.9,895																				
Worst Monthly Variance: November (-Rs.11,720)																				
Key Finding:																				
Cash-flow performance deteriorated particularly during the later months because actual expenses exceeded budget.																				
SCENARIO ANALYSIS																				
BASE CASE																				
Sales Growth: 5%																				
Expense Growth: 3%																				
Expected Impact: Standard cash flow projection																				
BEST CASE																				
Sales Growth: 15%																				
Expense Growth: -2%																				
Expected Impact: Higher ending cash balance																				
WORST CASE																				
Sales Growth: 0%																				
Expense Growth: 13%																				
Expected Impact: Lower ending cash balance																				
LIQUIDITY RISKS IDENTIFIED																				
1. Negative cash balance begins in March: -Rs.3,737.																				
2. Cash deficit increases to -Rs.128,718 by June.																				
3. Cash deficit reaches -Rs.266,141 by September.																				
4. December closing cash balance reaches -Rs.352,139.																				
5. Monthly outflows remain higher than inflows.																				
6. Actual outflows exceed budget in several months.																				
7. Increasing operating expenses create additional pressure on liquidity.																				
Overall Risk:																				
The business may require additional financing or cost reduction to maintain sufficient working capital.																				
RECOMMENDATIONS FOR MANAGEMENT																				
1. Increase sales revenue to improve monthly cash inflows.																				
2. Reduce unnecessary operating expenses.																				
3. Closely monitor salaries, marketing and raw-material costs.																				
4. Review monthly budget vs actual variances.																				
5. Maintain a minimum cash reserve.																				
6. Consider additional short-term financing to cover the projected liquidity gap.																				
7. Control marketing and variable costs when cash inflows are below budget.																				
8. Use scenario analysis regularly to prepare for best-case and worst-case situations.																				
9. Monitor loan principal and interest payments carefully.																				
10. Prepare monthly rolling cash-flow forecasts.																				
KEY FINANCIAL FIGURES																				
Beginning Cash: Rs.100,000																				
December Inflows: Rs.130,000																				
December Outflows: Rs.165,558																				
December Net Cash Flow: -Rs.35,558																				
December Closing Cash: -Rs.352,139																				
Maximum Cash Requirement: Rs.352,139																				
Worst Variance Month: November																				
Worst Net Cash Flow Variance: -Rs.11,720																				
CONCLUSION																				
The 12-month cash flow forecast indicates a significant liquidity challenge.																				
Although cash inflows improve during some months, cash outflows remain consistently higher.																				
The business moves from a positive cash balance of Rs.66,042 in January to a projected negative balance of Rs.352,139 in December.																				
Management should focus on increasing sales, controlling expenses, monitoring budget variances and maintaining adequate liquidity reserves.																				
Cash-flow forecasting should be reviewed monthly to support timely financial decisions.																				