CHAPTER 11

A Study on Projected Cash Flow Statement

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ABSTRACT

This Study focuses on the importance of projected cash flow statements in financial planning, liquidity management, and managerial decision making. The main purpose is forecast future cash inflows and outflows that helps a business to maintain enough liquidity, avoid financial problems, and run its operations smoothly there contributing to identify future cash needs, spot possible cash surpluses or shortages, and support long- term planning. This study employs an analytical approach, using secondary data for the period of 11 years, from 2014-2025. The findings reveal that projected cash flow statements provide a clear picture of the company's future financial positions. The projections indicate that SBOF Pvt. Ltd. generally, has stable operating cash inflows, though some ups and downs may occur due to changes in expenses or investment activities. These projections help management plan better, avoid liquidity problems, and make timely financial decisions. The study's value lies in its practical approach, as it uses actual company data to demonstrate how cash flow forecasting works in real business situations. It offers useful insights for students, researchers, and professionals who want to understand the importance of projected cash flow statements in improving financial control and overall performance.

Keywords: Projected cash flow; Financial forecasting; Liquidity; Cash inflows; Cash outflows; Financial planning; Working capital; Investment decisions.

1.0 Introduction of the Topic

A cash flow statement is a key balance sheet statement of a major financial statement, which demonstrates the flow of money in and out of a business within a given time interval. In contrast to the income statement, revenues and expenses are accrued in the income statement but there is no focus of actual cash transactions in the cash flow statement.

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It will assist in determining whether a company is making enough cash to run, invest and be able to finance its financial commitments. This statement is prepared as an annual financial report where transparency concerning liquidity, solvency, and financial health is given.

A statement of cash flow is a financial statement that presents all the incomes and outflows of cash and cash equivalents of an organization. It describes how the initial cash balance has been transformed into the final cash balance by classifying cash receivables and payables into various activities. Liquid assets which can be converted into cash easily and include cash, demand deposits, treasury bills and short-term investments are considered as cash and cash equivalents. The cash flow statement gives the current financial strength since it shows the actual amount of cash receipt and expenditure by the business in the period.

1.1 Significance of cash flow statement

A cash flow statement is very important in the financial analysis to the management, investors, creditors and other interested parties. The reasons why it is important include some of these:

- **Liquidity Assessment:** It indicates the availability of sufficient cash to cover the short-term liabilities of the company like salaries, rent, interest payments and supplier dues. A company can be profitable yet liquidity crisis might occur in case the inflow of cash is not enough.
- **Financial Planning and Decision Making:** Managers utilize the cash flow information in order to prepare a budget and make predictions about future cash requirements. It assists in making investment plans, managing cost and facilitating smooth running of investment without cash crunch.
- **Assessing the Quality of Profits:** Sometimes profits indicated in the income statement are not the actual cash since such aspects as depreciation are not cash. The cash flow statement assists in the estimation of the quality of profit by showing actual cash earned.
- **Assistance in Investment Decisions:** Investors are using cash flow statements to identify when a business is producing positive cash to fund its core operations. Regular inflows of cash is an appealing factor to investors as it demonstrates constant business performance.
- **Compliance and Transparency:** It aids transparency in the financial reporting and aid the stakeholders in comprehending how the company creates and utilizes its finances.

1.2 Classification of cash flow statement

- Operating Activities
- Investing Activities
- Financing Activities

1.2.1 Operating Activities

These have been the main business operations that bring in revenue. Operating cash flows indicate the amount of cash that has been earned during the day-to-day operations. Examples include: Money taken by the customers; Cash paid to suppliers, Wages and operating expenses are paid in cash. Proceeds received on trading. When the positive cash flow of operating activities, is observed, it means that the main business is healthy and is not dependent.

formula: Operating cash flow = Net Income + Non-cash Expenses-Changes in (WC) Working Capital.

1.2.2 Investing activities

These activities are associated with purchasing and selling long-term assets and investments. Examples include: Acquisition of plant and equipment or buildings, Sale of fixed assets, Investment in stock or bonds, Revenue obtained on investments. Investing activities assist in the cash flows in order to determine the expansion or management of the long-term assets of a business.

formula: Net cash used in investing activities = Contribution from sales of Assets – Outflows for purchase of assets.

1.2.3 Financing activities

Such operations include the raising of capital or giving back to shareholders and lenders. Examples include: Issuing debentures or shares, Raising loans, Repayment of loans, Payment of dividends. Financing cash flows indicate how an organization finances its operations and how it operates its capital structure.

Cash used in Financing Activities = Stock Issuance + Borrowings – Dividends Payment and Debt repayment.

1.3 Benefits of cash flow statement

- Helps Maintain Adequate Cash Balance: The statement allows the management to ensure a balance exists between the inflows and outflows of the cash so as to avoid shortage or idle cash.
- Assists in Planning and Budgeting: It assists in estimating cash needs in future and formulating effective budgets.
- Assesses Financial Flexibility: The statement indicates how simple a business is when facing unforeseen cash requirements.
- Evaluates Liquidity and Solvency: It shows the ability of the company to fulfil its short-term and long-term debts.

- Improved Performance Analysis: The management can analyze the trend and performance of the cash flows by comparing cash flows of various periods.
- Beneficial to the Investors and Lenders: The interested parties can compare the financial stability and viability of the business.
- Eliminates the Deficiencies of the Accrual Accounting: It emphasizes actual cash flow eliminating the use of non-cash transactions as recorded in the profit-and-loss accounts.

1.5 Introduction of the research topic

Projected Cash Flow Statement is a financial plan that approximates the anticipated cash inflow and outflow of an organization in future. Contrary to the conventional cash flow statement in which past cash flows are registered, a projected cash flow statement is aimed at protecting the state of the business in the future. It assists managers, investors and lenders to know the amount of money that will be available at various points of the business cycle and how the organization will be capable of covering its future financial liabilities. This projection is made keeping in view, the projected sales, projected expenditure, investment actions, and decision on financing. Projected cash flow statement is a future-looking financial statement which contains the estimated receipts and payments of cash in the future of a given period. It demonstrates the expected liquidity level of a company and helps foresee cash deficits or excesses. It is usually prepared after every month, quarter or year according to the organizational requirements.

1.5.1 Importance of projected cash flow statement

The projected cash flow statement plays a crucial role in financial planning, budgeting, and decision-making.

- Ensures Liquidity Availability: The primary importance of a projected cash flow statement is that it helps determine whether the business will have sufficient cash to carry out daily operations. It predicts future shortages so that timely actions can be taken.
- Supports Financial Planning and Budgeting: Managers can use projections to allocate resources, plan expenses, and prepare budgets accurately. It provides an estimate of when money will come in and when payments need to be made.
- Helps in Credit Management: Lenders, banks, and financial institutions often require projected cash flow statements before providing loans. It assures them about the repayment ability of the business.
- Assists in Investment Decisions: When companies plan to purchase new machinery, expand operations, or invest in new projects, projected cash flow statements help evaluate whether sufficient funds will be available.

- Prevents Overdraft and Cash Crises: By forecasting low cash balance periods, businesses can prepare in advance either by arranging short-term loans, reducing expenses, or delaying certain payments.
- Enhances Business Stability: It promotes better financial discipline and ensures that the organization avoids unnecessary financial risks.

1.5.2 Advantages of projected cash flow statements

- Improves Cash Management: It allows businesses to maintain an optimal level of cash, preventing both excess and shortage.
- Strengthens Decision-Making: Managers can make informed decisions about investments, borrowings, and expenses based on projected cash availability.
- Facilitates Strategic Planning: Businesses can plan long-term projects and expansion activities more efficiently.
- Enhances Control over Cash: It provides management with a tool to monitor and control future financial activities.
- Reduces Financial Risk: Early identification of cash shortages helps in adopting preventive measures.

1.5.3 Limitations of projected cash flow statements

- Based on Estimates and Assumptions: Projections may not always be accurate because they depend on estimated sales, expenses, and market conditions.
- Subject to External Influences: Changes in economic conditions, inflation, government policies, or competition can affect the accuracy of projections.
- Time-Consuming Process: Preparing a detailed and reliable projected cash flow statement requires extensive data analysis.
- Ignores Non-Cash Items: Like actual cash flow statements, projected cash flow statements do not consider non-cash items such as depreciation, which can affect financial performance.
- May Become Outdated Quickly: In dynamic industries, projections may need frequent revisions.
- Risk of Managerial Bias: Sometimes, managers may prepare overly optimistic projections to show better financial conditions.

2.0 Objectives of the Study

1. To study the cash flow statements of the company
2. To analyze the net cash flow using projected cash flows
3. To forecast the projected cash flow of SBOF Agrosmart Pvt. Ltd.

2.1 Scope of the study

This research will be limited to the comprehension and analysis of the cash flow position of SBOF Agrosmart Pvt. Ltd. based on the past and the future cash flow statements. It includes the analysis of operating, investing, and financing cash flows done in detail in order to know the liquidity, the financial stability and efficiency of cash management in the company. This research also goes to examine the net cash flow based on the estimated figures in order to determine the financial requirements in future and any cash surplus or deficit.

It also involves an estimate of the expected cash flow of the company to be used in the managerial decision-making, budgeting, and long run financial planning. It is narrowed down to the financial information given by the company and is more cantered towards the cash flow related factors without analysing the other financial reports in detail.

2.2 Limitations of the study

- The research is restricted to the quality and availability of financial information used by SBOF Agrosmart Pvt. Ltd. and information gaps could impact the study.
- The cash flows are projected, and they are subject to assumptions and estimates that might not be a complete reflection of the future market conditions or other unpredictable financial occurrences.
- The research time could be short, and immediate data could not give the full picture of the long-term finances.
- Managerial assumptions and judgment used in forecasting can provide bias in results of projected cash flows.
- The analysis fails to have industry comparisons and this might restrict the knowledge about the financial performance of the company compared to its competitors.

3.0 Literature Review

Hymavathi and Nikhila, (2021): A number of studies have also pointed out the importance of the cash flow statement as an important tool to gauge short term liquidity and financial standing of a company. Stated that cash flow statement is more effective than the funds flow statement in the short run financial planning as it only deals with cash flows, and as such, it is more important to meet short-term requirements of a firm, unlike working capacity-based analysis, which does not provide the same urgency.

Narendra and Haritha, n.d. (2022): It highlighted the predictive capability and excellence of cash flow-based ratios compared to traditional accrual-based ratios in evaluating the liquidity and financial soundness of a company in the long-run, researched cash flow ratios and discovered that cash flow of investing activities which show how a company can pay its future commitments by growing its assets whereas the cash flow of financing activities to total liability ratio indicates quality and sustainability of cash earned by a company by means of borrowings and issuing equity.

Pamela Kasaniak et al., (2025) Pamela Kasaniak, Dr. Julius Miroga, Dr. Elizabeth Nambuswa Makokha (2025) There have been several researchers who have determined that there are a lot of positive relationship between effective cash-flow management practices and overall financial performance of firms and have explored multinational corporations and found that operating cash flows have the strongest relationships with profitability, liquidity, and solvency. Equally cash-flow trends through multinational corporations discovered that cash earned in operations is the key determinant of financial performance although financing cash flow is of great importance in different regions.

Williams Iganran, n.d (2013): The effects and implications of the debtor on the profitability of firms using a retrospective design were investigated to determine the relationship between the two variables and found a positive and significant correlation between cash flows attributed to the banking operations and net profit as a measure of performance. Ali et al., (2022): The statement of cash flows is indispensable in assessing the financial health of a company, such as the performance, solvency, and liquidity of a company through articulating the cash inflows, outflows, and equivalents over a given period under operating, investing, and financing activities. Instead of cash accounting, which is not favored, accrual accounting records revenues and expenses independent of cash timing in order to better reflect the economic impacts and predict cash flows and forecast future cash flows, which is generally better than historical cash flows of operations.

Sri, n.d. (2019): It emphasized the importance of the cash flow statement, as such an important tool was used to evaluate the short-term liquidity and financial health of a company, which differentiates it among the Cash flow statements. Highlighted the fact that the cash flow statement is more convenient than the funds flow statement in short term financial planning as it only deals with the cash movement, which is critical in meeting short term obligations, unlike working capital-based analysis, which would not be urgent in the short term. Pal, (2022): Cash flow statements and organizational performance: connection and importance to profitability and liquidity improvements. It showed that growth in cash flow directly led to growth in net profits and advised organizations to implement practices that would ensure a strong cash flow which promoted better financial performance.

Mouli, (2024): It has been observed that cash flow statements are useful in assessing financial performance using different analytical tools and ratios. The financial performance was analysed based on the cash flow ratios operating cash flow ratio, capital expenditure ratio, the cash coverage ratio to current liabilities, cash coverage ratio to net income, and total debt ratio. It also discussed financial performances of companies based on cash flows utilizing the methods, noting that cash flow generation is one of the primary determinants of company value, and it is more likely to be accurate than accounting profits based on balance sheets and income statements. Kamran, n.d. (2024): A statement of cash flows is mandatory to assess the financial health of a company including performance, solvency, and liquidity by describing cash received, paid, and equivalents within a given period of time, divided into operating, investing, and financing activities. It offers physical, foreseeable details of the cash flow that help in the determination of long-term survivability and due diligence and eliminates distortions of other accounting frameworks. Aghdas Jafari Motlagh, (2013): The cash flow statement has been considered to be one of the most important financial statements in the evaluation of the liquidity and short-term financial status of an entity. The cash flow statement, in contrast to the income statement that is prepared on an accrual basis, is prepared based on actual cash receipts and outlays, and therefore will give investors, creditors and management reliable information about the capability of the firm to produce cash through its operations, settle liabilities (debts, dividends and interests) and capital expenditures or growth. It is especially useful in short-term financial planning and cash management where it will show excess or deficiency of cash position in the future and help make better decisions on investments, loan payment or dividend payments.

4.0 Research Methodology

The systematic procedure used to tackle the problem is referred to as methodology. To meet the previously stated goals concerning the performance evaluation of the business, the approach employed involves gathering secondary data.

Secondary Data Collection Secondary Data generated for objectives other than assisting in the resolution of the current problem is referred to as secondary data.

For this project, information was gathered from secondary sources, including a company's annual reports, balance sheets, and profit and loss statements.

- Company's annual report
- Various types of research report and article
- Internet based web- based assistance
- Reference book

Sources of Information: Information is gathered from the SBOF Agrosmart Pvt. Ltd. Office and related information from the company's annual report and company's website.

4.1 research design

1. Descriptive research will be utilized since the data will be gathered, analysed, and presented in the form of project.

2. This research aims to analyze and understand future projected cash flows and outflows to ensure better financial planning, budgeting, and decision-making
3. The sample period covers five years, and the tools for the study include formulas and Excel for calculations.
4. The duration of the research was of eight weeks.

5.0 Data Analysis

Table 1: Projected Cash Flow

Projected Cash Flows (₹ in lakhs)						
Particulars	**2013-2014**	**2014-2015**	**2015-2016**	**2016-2017**	**2017-2018**	**2018-2019**
Fixed Assets	400.00					
Net working Capital	100					
Revenues		800.26	1000.18	1500.64	2500.06	3600.04
Costs (Other than depreciation and interest)		280.091	350.063	525.224	875.021	1260.014
Depreciation		16.01	20.00	30.01	50.00	72.00
Profit before Tax		504.16	630.11	945.40	1575.04	2268.03
Tax		166.37	207.94	311.98	519.76	748.45
Profit after Tax		337.79	422.18	633.42	1055.28	1519.58
Net Salvage Value						
Initial Investment	500					
Operating Cash Inflow		353.79	442.18	663.43	1105.28	1591.58
Terminal Flow						
Net Cash Flow (11+12+13)	500.00	353.79	442.18	663.43	1105.28	1591.58

Projected Cash Flows (₹ in lakhs)							
Particulars	**2019-2020**	**2020-2021**	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
Fixed Assets							
Net working Capital							
Revenues	4000.07	3800.06	4900.07	5400.25	5600.33	5700.12	5900.3
Costs (Other than depreciation and interest)	1400.0245	1330.021	1715.0245	1890.0875	1960.1155	1995.042	2065.105
Depreciation	80.00	76.00	98.00	108.01	112.01	114.00	118.01
Profit before Tax	2520.04	2394.04	3087.04	3402.16	3528.21	3591.08	3717.19
Tax	831.61	790.03	1018.72	1122.71	1164.31	1185.05	1226.67
Profit after Tax	1688.43	1604.01	2068.32	2279.45	2363.90	2406.02	2490.52
Net Salvage Value							120.00
Initial Investment							
Operating Cash Inflow	1768.43	1680.01	2166.32	2387.45	2475.91	2520.02	2608.52
Terminal Flow							220.00
Net Cash Flow (11+12+13)	1768.43	1680.01	2166.32	2387.45	2475.91	2520.02	2828.52

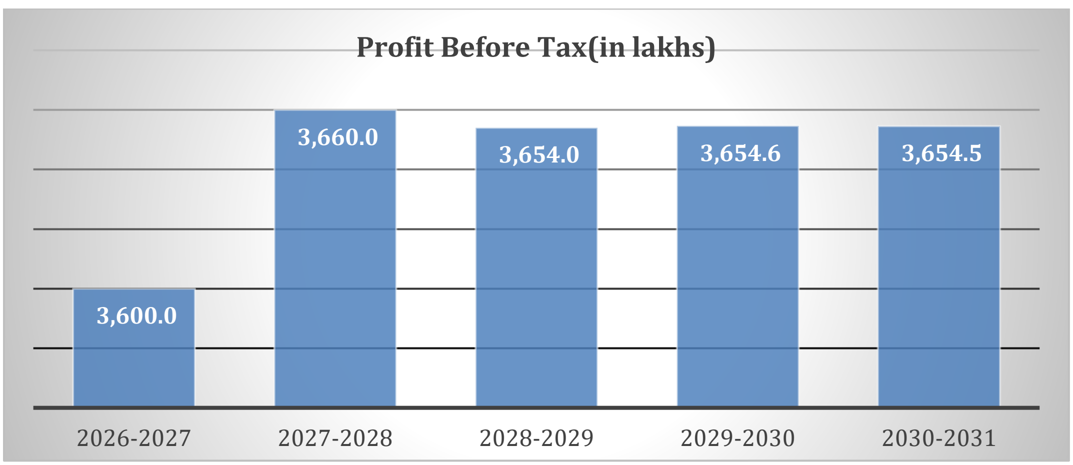
Table 2: Predicted Projected Cash Flow

Projected Cash Flows (₹ in lakhs)						
Particulars	**2025-2026**	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**2030-2031**
Fixed Assets	600.00					
Net working Capital	100.00					
Revenues		6000.00	6000.00	6000.00	6000.00	6000.00
Costs (Other than depreciation and interest)		1800.00	1800.00	1800.00	1800.00	1800.00
Depreciation		600.00	540.00	546.00	545.40	545.46
Profit before Tax		3,600.0	3,660.0	3,654.0	3,654.6	3,654.5
Tax		1188.00	1207.80	1205.82	1206.02	1206.00
Profit after Tax		2412.00	2452.20	2448.18	2448.58	2448.54
Net Salvage Value						300.00
Initial Investment	700.00					
Operating Cash Inflow		3012.00	2992.20	2994.18	2993.98	2994.00
Terminal Flow						400.00
Net Cash Flow (11+12+13)	700.00	3012.00	2992.20	2994.18	2993.98	3394.00

Table 3: Profit Before Tax

Profit Before Tax (₹ in lakhs)					
Particular	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**2030-2031**
Profit Before Tax	3,600.0	3,660.0	3,654.0	3,654.6	3,654.5

Figure 1: Profit Before Tax

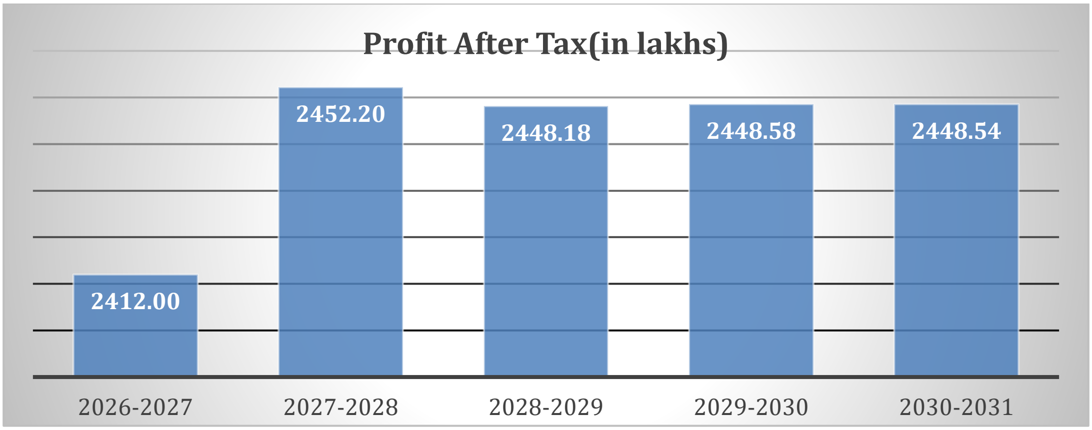


Interpretation: The projected Profit Before Tax (PBT) of SBOF Agrosmart Pvt. Ltd. from 2026–27 to 2030–31 shows a very stable and dependable financial outlook. The PBT moves from ₹3,600 lakhs in 2026–27 to ₹3,660 lakhs in 2027–28, and then remains consistently around ₹3,654–3,655 lakhs for the next three years. This steady trend highlights that the company expects reliable and predictable profits.

Table 4: Profit After Tax

Profit After Tax (₹ in lakhs)					
Particular	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**2030-2031**
Profit After Tax	2412.00	2452.20	2448.18	2448.58	2448.54

Figure 2: Profit After Tax

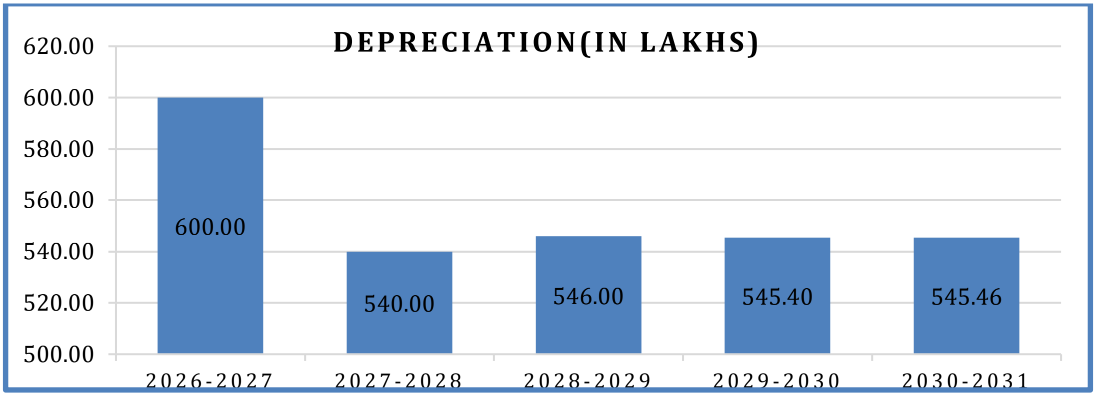


Interpretation: The projected Profit After Tax (PAT) of SBOF Agrosmart Pvt. Ltd. from 2026–27 to 2030–31 shows a very stable and steady pattern. PAT increases slightly from ₹2,412 lakhs in 2026–27 to ₹2,452.20 lakhs in 2027–28, and then stays almost the same—around ₹2,448–2,449 lakhs for the next three years. This means the company expects consistent and predictable profits, with very small changes each year. The average annual growth is less than 0.3%, showing that the company is following a careful and conservative financial approach.

Table 5: Depreciation

Depreciation (₹ in lakhs)					
Particular	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**2030-2031**
Depreciation	600.00	540.00	546.00	545.40	545.46

Figure 3: Depreciation

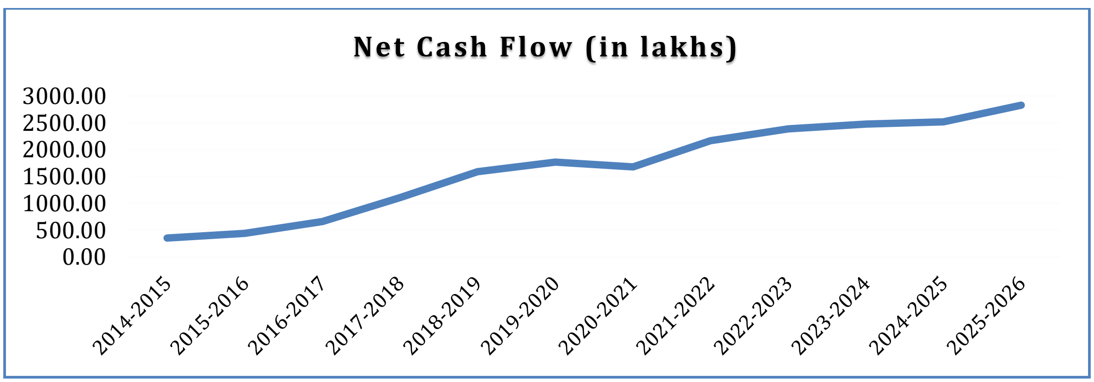


Interpretation: The projected depreciation of SBOF Agrosmart Pvt. Ltd. from 2026–27 to 2030–31 shows a small and steady decline. Depreciation drops from ₹600 lakhs in 2026–27 to ₹540 lakhs in 2027–28, a 10% decrease, and then stays almost the same—around ₹545–546 lakhs for the next three years. The steady and low depreciation trend shows that the company is following a careful and cost-saving approach, focusing on maintaining current assets rather than making large new investments.

Table 6: Net Cash Flow (12 Years)

Net Cash Flow (in lakhs)												
Particular	**2014-2015**	**2015-2016**	**2016-2017**	**2017-2018**	**2018-2019**	**2019-2020**	**2020-2021**	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
Net Cash Flow	353.79	442.18	663.43	1105.28	1591.58	1768.43	1680.01	2166.32	2387.45	2475.91	2520.02	2828.52

Figure 4: Net Cash Flow (12 Years)

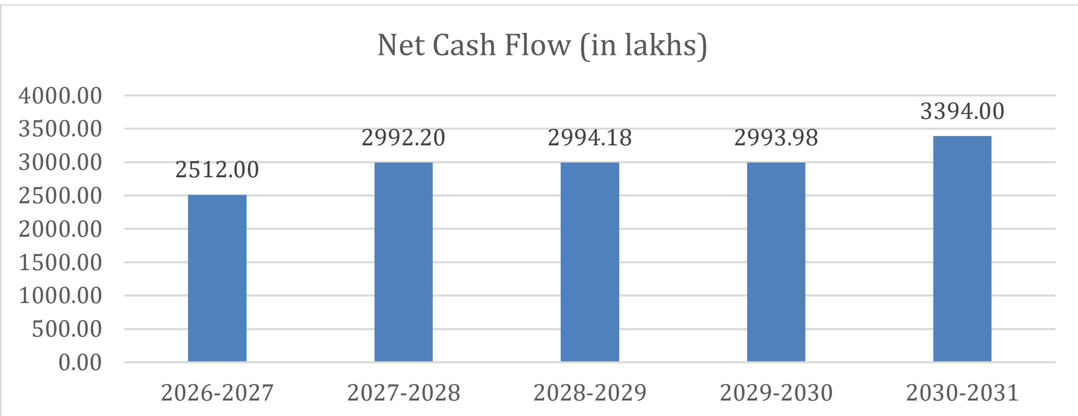


Interpretation: The projected net cash flow of SBOF Agrosmart Pvt. Ltd. from 2014–15 to 2025–26 shows very strong and steady growth. Net cash flow increases from ₹353.79 lakhs in 2014–15 to ₹2,828.52 lakhs in 2025–26, which is about 8 times higher. Over the years, the company has been generating cash at a consistent annual growth rate of around 18–20%, with cash flow rising smoothly by ₹150–250 lakhs every year since 2020–21.

Table 7: Predicted Net Cash Flow

Predicted Net Cash Flow (₹ in lakhs)					
Particular	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**2030-2031**
Net Cash Flow	2512.00	2992.20	2994.18	2993.98	3394.00

Figure 5: Predicted Net Cash Flow



Interpretation: The estimated net cash flow of SBOF Agrosmart Pvt. Ltd. from 2026–27 to 2030–31 continues to grow, but at a slower and steady rate. Net cash flow increases from ₹2,512 lakhs in 2026–27 to ₹3,394 lakhs in 2030–31, which is a 35% rise over five years (about 7% growth per year) Depreciation remains stable at around ₹545 lakhs Profits are not growing much the company will still generate ₹850–900 lakhs of additional cash during this period.

6.0 Findings

- The company has a systematized cash flow statement which effectively captures cash inflows and outflows under the operating, investing, and financing activities that aids in the comprehension of the general liquidity.

- The projected cash flow analysis indicates that there are steady E cash flows which signifies that the core business operations of the company provide enough cash to finance the day-to-day operations in the company.
- Net cash flow forecasts reveal that there are seasonal changes with some seasons having larger inflows (more sales and receivables collection) than other seasons (more procurement and operating costs).
- The projected cash flows show that the net cash position is positive and it is seen that the company is likely to have sufficient cash reserves during the forecasting period.
- Liquidity position of the company is also found to be healthy since the projected inflows can be used to satisfy projected outflows without cash deficits.
- The forecast also demonstrates the time when cash excesses are present, and it could be assumed that these time spans can be used to invest money or reinvest it in business.
- The financial planning of the company seems efficient as the estimated numbers are close to the real historical cash flow trends, and they demonstrate the sound forecasting techniques.
- The overall cash flow performance has shown that the company has financial stability, it can generate cash, pay off liabilities and run its future operations as well.

6.1 Suggestions

- Enhance cash monitoring: The company may also apply the weekly cash flow monitoring or bi-weekly cash flow monitoring to strictly observe the changes and keep a closer control over the cash flows
- Improve the accuracy of the forecast: The company will be able to increase the accuracy of the future cash flow by combining historical sales trends, seasonal trends, and market data to achieve that.
- Establish an emergency cash fund: A buffer fund will assist the company to address unexpected costs or any unexpected cash inflows.
- Optimize the non-essential costs: The company will be able to perform a periodical analysis of overheads and minimize unnecessary expenditures in order to optimize net cash flow.
- Periodical revaluation of financing operations: Although financing activities are stable, it is possible to review financing operations annually and identify more appropriate ways of loans or timeline of repayment.
- Coordinate the departments better: The bilateral communication of the sales, procurement, and finance teams will help to create the appropriate cash flow planning and minimize inconsistencies.

- Implement periodical cash flow variance analysis: It will be beneficial to compare the projected cash flows and actual performances to identify gaps and enhance forecasting approaches.
- Make long-term cash flow predictions: While short-term projections are useful, long-term projections can be useful in planning strategy and making investments.

7.0 Conclusion

An analysis of the projected cash flow statement of SBOF Agrosmart Private Limited. indicates that the company has a well-structured and clear cash management system which is accurate in recording all the inflows and outflows of the operating, investing, and financing activities. The forecasts reveal that operating activities of the company continue to produce high cash flows, which represents the efficiency of its main business processes and sustainable meeting of the cash needs of the company day-to-day.

The analysis of net cash flow also indicates seasonality of the cash flows as some seasons have inflows in the cash flow, as a result of higher sales and receivables collections, and some seasons have outflows related to procurement and operational expenses. Although these have been fluctuating, the company has a good net cash position which means that the company has enough liquidity within the forecast period.

There is no excessive short-term borrowing and payment is on time which show good financial self-discipline. The outflows projected through purchasing of raw materials, salaries, utilities and loan payments are foreseeable and are planned out in order to aid the costly running of the company in terms of finances. The similarity in the projected figures and the trends of past cash flows is a sign that the SBOF Pvt. Ltd. uses sound forecasting methods, which results in proper financial planning. The cash flow performance of the company in general indicates that the company has good liquidity, financial stability and good cash management within the company. The existence of regular cash reserves allows them to reinvest and financial empowerment. By applying the proposed modifications e.g. the increase in forecasting precision, the improvement of digital cash tracking, and the effective application of the additional capital the company will be able to further streamline its cash flow management. Summing up, SBOF Pvt. Ltd. is in the right position to fulfil both its short-term and future commitments and achieve sustainable development in financial growth.

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Table 8: Comparative and Common Size Balance Sheet Comparative Statement

Particulars	SBOF Pvt.Ltd. Comparitive and Common Size Balance Sheet (in lakhs)																	
	Set 01						Set 02						Set 03					
	Comparative				Common Size		Comparative				Common Size		Comparative				Common Size	
Years	2023-2024	2024-2025	Absolute	%	2023-2024	2024-2025	2022-2023	2023-2024	Absolute	Percentage	2022-2023	2023-2024	2021-2022	2022-2023	Absolute	%	2021-2022	2022-2023
Liabilities																		
Equity Share Capital	350.00	350.00	-	0%	38%	36%	350.00	350.00	-	0%	40%	38%	350.00	350.00	-	0%	42%	40%
Reserves	202.28	232.62	30.34	15%	22%	24%	175.89	202.28	26.38	15%	20%	22%	152.95	175.89	22.94	15%	18%	20%
Borrowings	211.59	219.00	7.41	4%	23%	23%	204.43	211.59	7.16	4%	23%	23%	197.52	204.43	6.91	4%	24%	23%
Other Liabilities	154.58	166.17	11.59	8%	17%	17%	143.79	154.58	10.78	8%	16%	17%	133.76	143.79	10.03	7%	16%	16%
Total Liabilities	918.45	967.79	49.34	5%	100%	100%	874.12	918.45	44.32	5%	100%	100%	834.23	874.12	39.89	5%	100 %	100%
ASSETS																		
Capital Work in Progress	25.63	25.70	0.06	0%	3%	3%	25.57	25.63	0.06	0%	3%	3%	25.50	25.57	0.06	0.25%	3%	3%
Investments	555.60	561.49	5.89	1%	60%	58%	549.77	555.60	5.83	1%	63%	60%	544.01	549.77	5.77	1.06%	65%	63%
Other Assets	339.46	383.59	44.13	13%	37%	40%	300.40	339.46	39.05	13%	34%	37%	265.84	300.40	34.56	13.00 %	32%	34%
Total Assets	920.69	970.77	50.08	5%	100%	100%	875.75	920.69	44.94	5%	100%	100%	835.36	875.75	40.39	4.84%	100 %	100%

In financial accounting, a comparative statement refers to a financial report that presents financial information for multiple periods side by side (like 2 or more years). This helps in comparing how figures have changed over time. Comparative financial statements show the financial performance of a company over two or more periods.

Common Size Statement: A common size statement in financial accounting is a financial statement it presents financial information as percentages, rather than actual figures. This makes it easier to compare different periods or companies of different sizes. Typically, the base figure used is either total assets for the balance sheet or net sales (revenue) for the income statement. Common size financial statements express each item as a percentage of a base figure.

Table 9: Reserves

Comparative (₹ in lakhs)				
Particular	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2022**
Reserves	232.62	202.28	175.89	152.95

Figure 6: Reserves

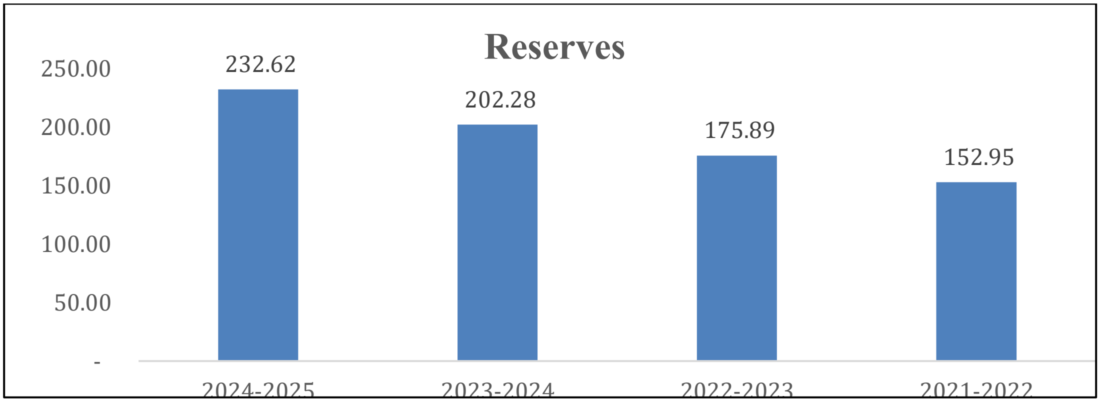

Table 10: Reserves

Common Size (₹ in lakhs)				
Particular	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2022**
Reserves	24%	22%	20%	18%

Figure 7: Reserves

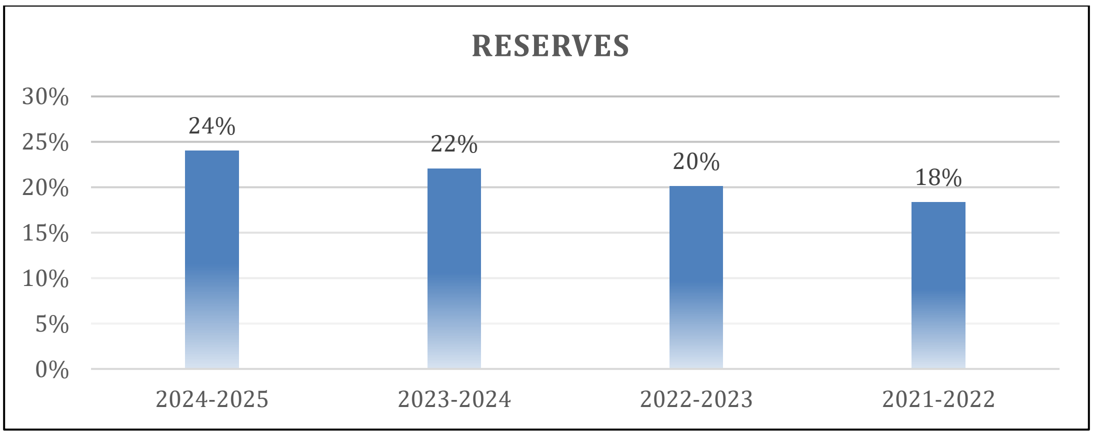

Table 11: Borrowings

Comparative (₹ in lakhs)				
Particular	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2022**
Borrowings	219.00	211.59	204.43	197.52

Figure 8: Borrowings

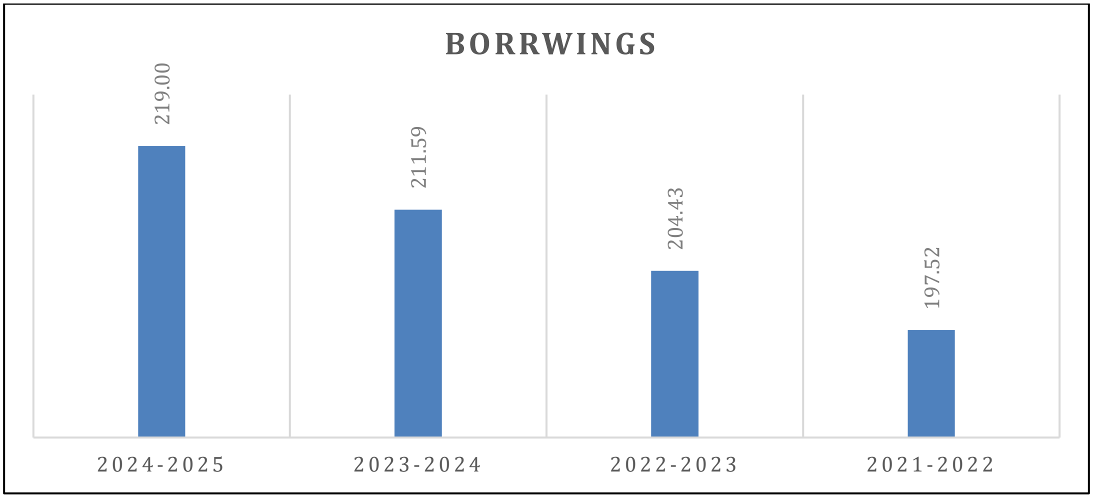

Table 12: Borrowings

Common Size (₹ in lakhs)				
Particular	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2022**
Borrowings	23%	23%	23%	24%

Figure 9: Borrowings

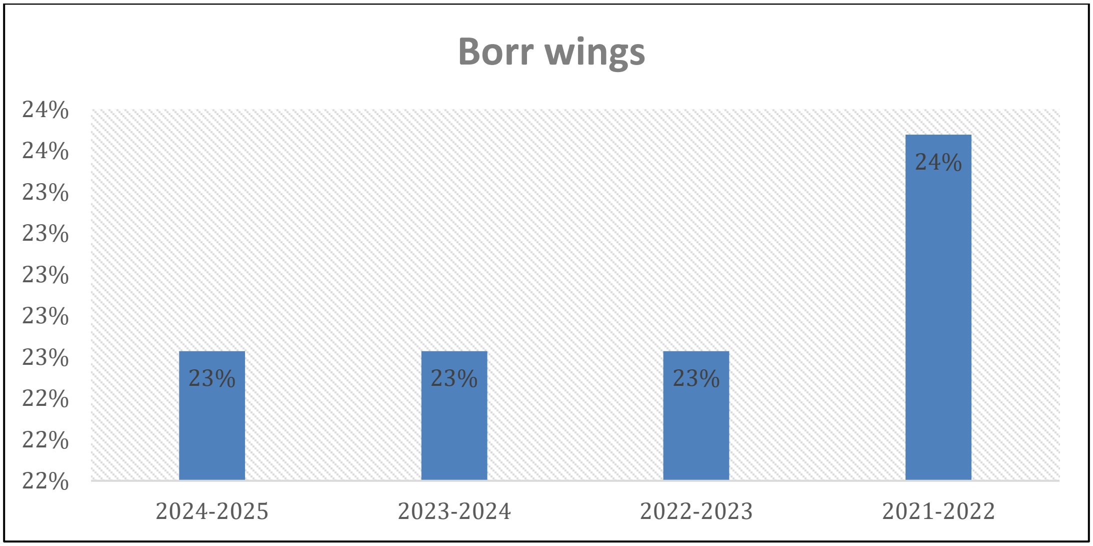

Table 13: Investments

Comparative (₹ in lakhs)				
Particular	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2022**
Investments	561.49	555.60	549.77	544.01

Figure 10: Investments

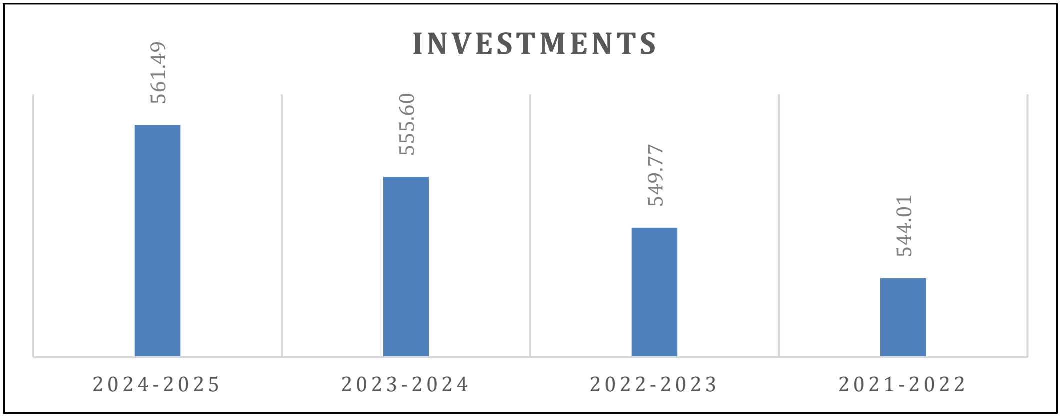

Table 14: Investments

Common Size (₹ in lakhs)				
Particular	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2022**
Investments	58%	60%	63%	65%

Figure 11: Investment