



Profitable... but still cash-strapped?

Your profit isn't missing.
It's stuck somewhere.

Most businesses earn well – yet struggle to pay bills on time.

Sound familiar?

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This isn't a profit problem.

Sales Done ✓

Profit Accrued ✓

Bank Balance...?

Where did it go?



This is a **cash design problem** – not an accounting error. Most businesses try to fix this at the end. Smart ones fix it at the source.

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CASH FLOW CONTROL FRAMEWORK

Every cash problem can be traced back to at least **4** key areas

A1. Collection Design

How and when you get paid

A2. Client Quality

Who you choose to sell to

A3. Operational & Compliance Leakages

Where cash silently drains

A4. Funding Structure

How you finance operations

⊗ Miss even one of these — and profit won't convert to cash.

A1. Collection Design

Cash flow starts at the contract stage — not the invoice stage.

- **Weak Payment Terms**

Often just signed on dotted lines provided by clients — no negotiation, no review, no protection.

- **Relationship-Based Credit**

Credit limits set on trust, not data. Dangerous and costly.

- **Misaligned Milestone Billing**

Billing milestones not aligned with your actual outflows.

- **No Enforcement Discipline**

Even basic recovery actions are not taken on time.

Your invoice becomes a football across departments — not a recoverable priority. You end up funding your client's business while yours struggles.

A2. Client Quality

You don't track your client- You just trust them. But signals are always visible — if you look.



Delayed Salaries

Check Glassdoor, Ambition Box – employees talk.



Poor Reviews

Google, marketplaces – customer and employee sentiment reveals financial stress.



GST / ROC Delays

Government portals show filing compliance – a clear indicator of financial health.



Management Exits

Frequent leadership changes visible on public sources signal instability.



Smart businesses decide:

WHO to sell to, HOW to sell & at WHAT PRICE.

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A3. Operational & Compliance Leakages

Your cash is often stuck where you don't look.

Product Businesses

- Too many SKUs → slow-moving inventory
- Capital locked in unsold stock
- Carrying costs silently drain margins
- GST refunds stuck – exports, inverted duty
- ITC blocked due to supplier defaults

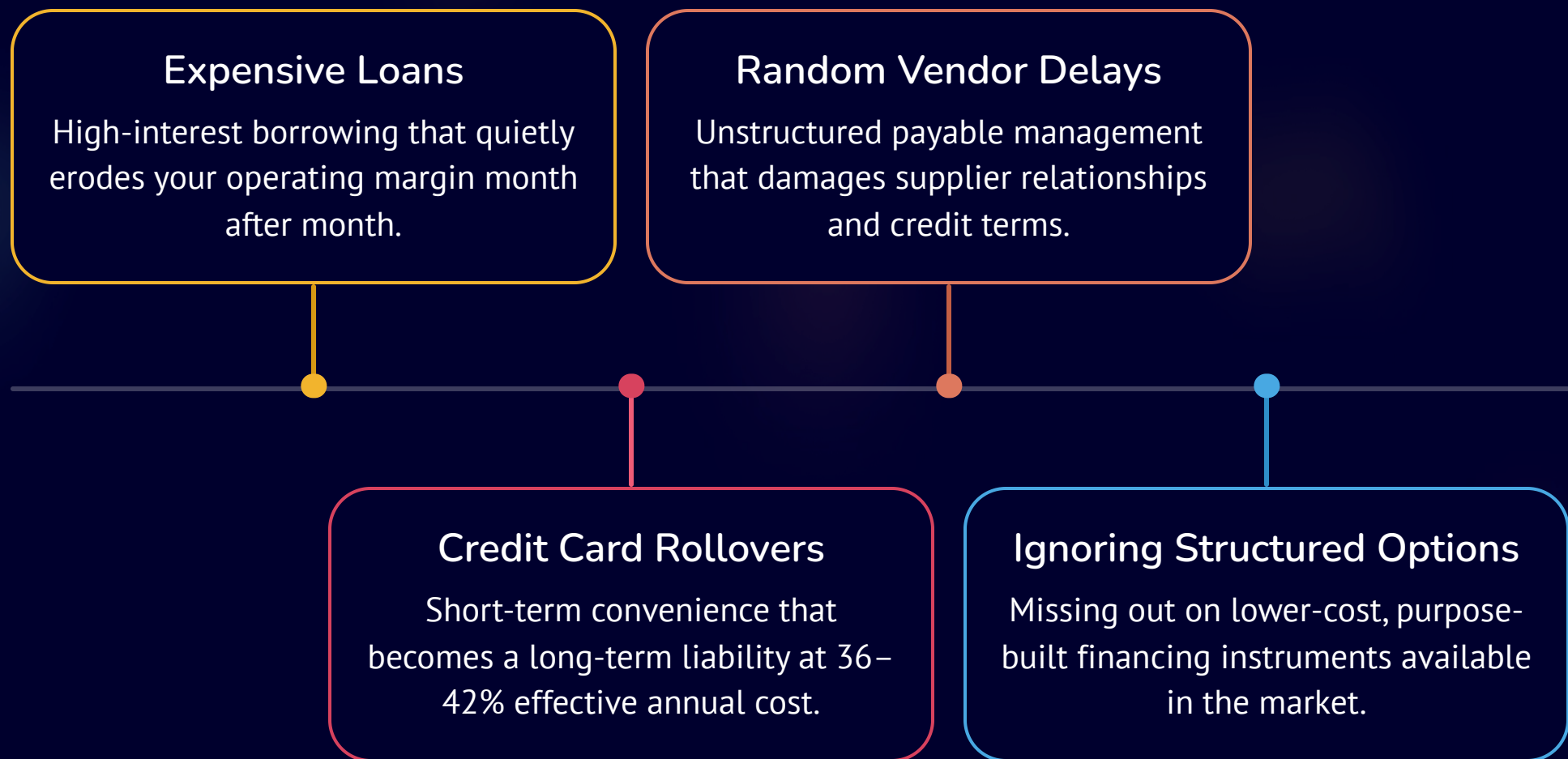
Service Businesses

- Pricing without capturing full service costs
- Too much Sales to a few customers
- Excess TDS reducing liquidity
- Ongoing litigation, errors tying up funds

Profit exists. Cash is locked. The difference is always in the details you haven't tracked yet.

A4. Funding Structure

Most businesses struggle because of **wrong funding choices** – not lack of revenue.



Cost of capital quietly eats your margin — even when sales are strong.

The **Hidden Cost** Nobody Talks About

Delaying taxes feels like smart cash management. But it isn't anymore!

18%-24% annual Interest

Compounding silently against you every single month

Penalties

Fixed and proportional charges that add up fast

Scrutiny Risk

Triggers audits and investigations that consume time, money and resources

Cancellation Risk

Non-payment of taxes can lead to cancellation of key business registrations, potentially bringing the business to a halt

Reputation Risk

Damages relationships with banks, investors, and partners

⊗ **This is one of the costliest ways to fund your business — and the most avoidable.**

Power Moves: Engineer Your Liquidity

Smart businesses don't wait for cash. They **use the system** to create it.

1

Contingency fund

First things first....Not having a runway of at least 6 months can be a nightmare when things go wrong, so build it first

2

Plan Sales & Credit Together

Align your sales strategy with credit terms from day one – not as an afterthought.

3

Factor Cost of Funds into Pricing

Every rupee of credit extended has a cost. Price it in.

4

Use Bill Discounting / TReDS

Unlock receivables early through structured instruments – don't wait 90 days.

5

Leverage MSME Registration

Strategically use MSME status for payment protection and priority credit access.

6

Tap Government Schemes

Incentives, schemes and credit programs exist – most businesses ignore them.



Liquidity is engineered — not waited for.

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None of this works without **Visibility**

If you don't track cash regularly – or your MIS is weak – you are always **reacting**, never controlling.



Real-Time MIS

Know your cash position on real time basis- not monthly



Cash Forecasting

Anticipate gaps before they become crises



Key Ratios

Keep a track of key ratios for clear insights

The Equation

Cash is King

*MIS is the **control room**.*

Without it, you're flying blind – even if the books look good.

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Profit doesn't guarantee cash.
Structure does. Discipline does.

While building a business, you're not just chasing your own ambitions — you're building one for:

 Employees

Who depend on you for their livelihoods

 Customers

Who rely on your continuity

 Suppliers

Who extend trust and credit to you

 Investors

Who have placed their capital in your hands

**Building a business is a serious business.
Don't play with finance... Act responsibly.**