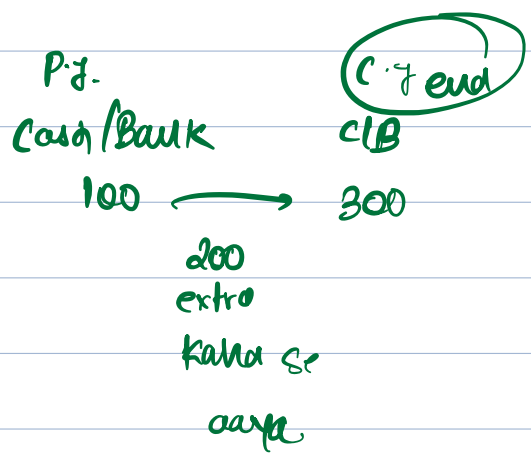


	<u>CF</u>	
		Balan
1)	Operating	150
2)	Investing	(50)
3)	Financing	100
	CF Net	<u>200</u>
	Opn cash	100
	CF (Net)	200
	CE Bal	<u>300</u>

→ Invest Karđıya
→ 100m Uyd.



Cash flow Statement (AS 3)

1] Elements of cash & cash equivalents

It includes

- 1] Cash in Hand
- 2] Demand Deposits with Bank (Savings A/c, Current A/c)
- 3] Deposits (Fixed Deposits) with short maturity of 3 months or less
- 4] Short term highly liquid investments which are subject to an insignificant risk of changes in value (asaani se value upar niche nahi hote)

Note: Equity shares are never CEF as they have significant risk of changes in value.

2] Classification of Cash flow Activities

Inflow
Outflow

A. Operating Activities

B. Investing Activities

C. Financing Activities

A. Operating Activities

→ Principal revenue generating activities

(eg. AK Sir → Teaching
Books sale)

eg. Inflows: Fees

Book Sale Revenue.

outflows: Employee Salary

Printing cost

Admin OH

Examples

i) Cash receipts from the sale of goods & services

ii) Cash receipts from royalties, fees, commission & other revenue

iii) Cash payments to suppliers for goods & services

iv) Cash payments to employees

v) Cash payments or refunds of income taxes relating to operating activities etc.

B. Investing Activities

Cash flows from acquisition & disposal of long term assets & other investments not included in cash equivalents.

Examples

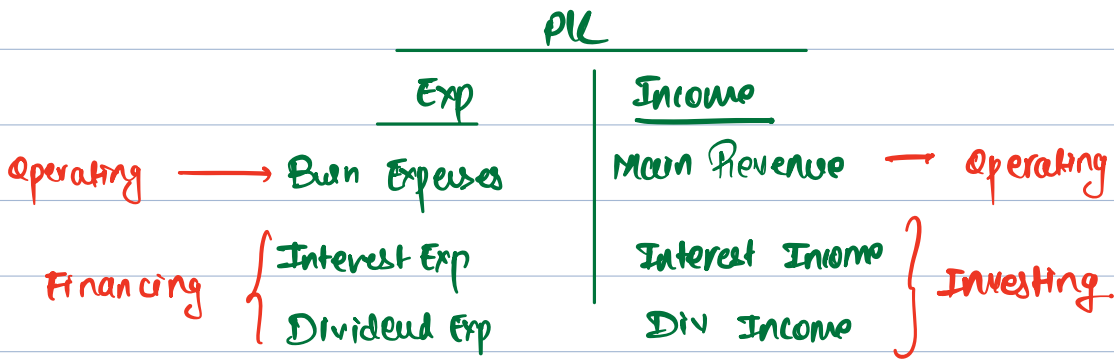
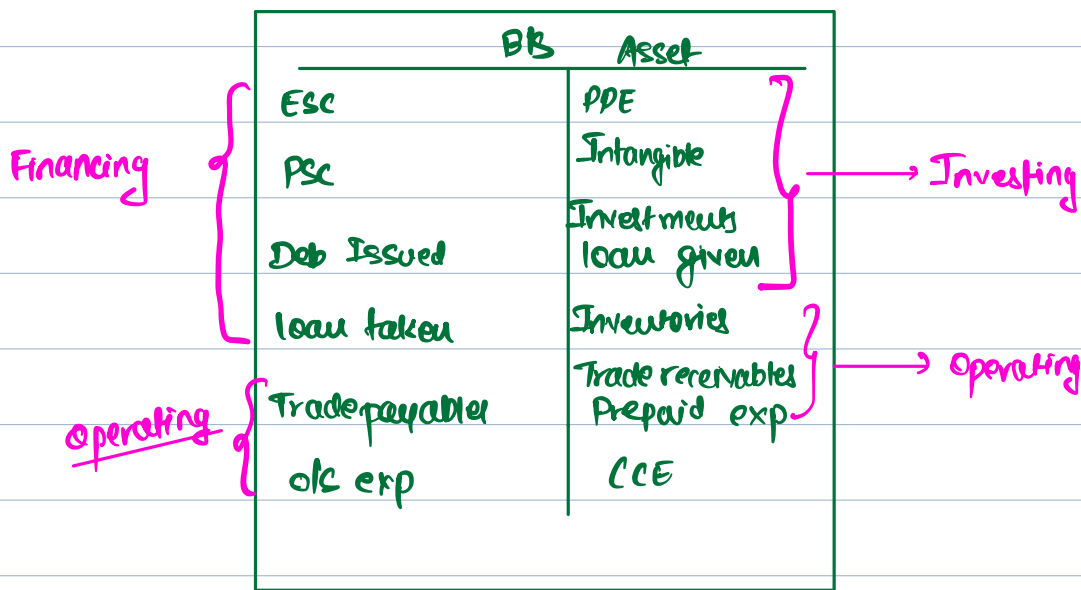
- 1) Cash payments to acquire PPE, Intangibles, Investment Property etc.
- 2) Cash receipts from sale of PPE, Intangible, Investment Property etc.
- 3) Cash payment to acquire investments in shares, investment in debentures, investment in pref shares or any other investment
- 4) Cash receipts from sale of investments in shares, investment in debentures, investment in pref shares or any other investment
- 5) Cash advances & loans given
- 6) Cash receipts from repayment of loans given.
- 7) Any income generated from investment activity for eg. interest income, dividend income, rent income on investment prop, interest incomes on loans & advances given etc, will also be treated as cash flow from investing activity.

C. Financing Activities

These are activities that result in changes in owner's capital & borrowings of the enterprise.

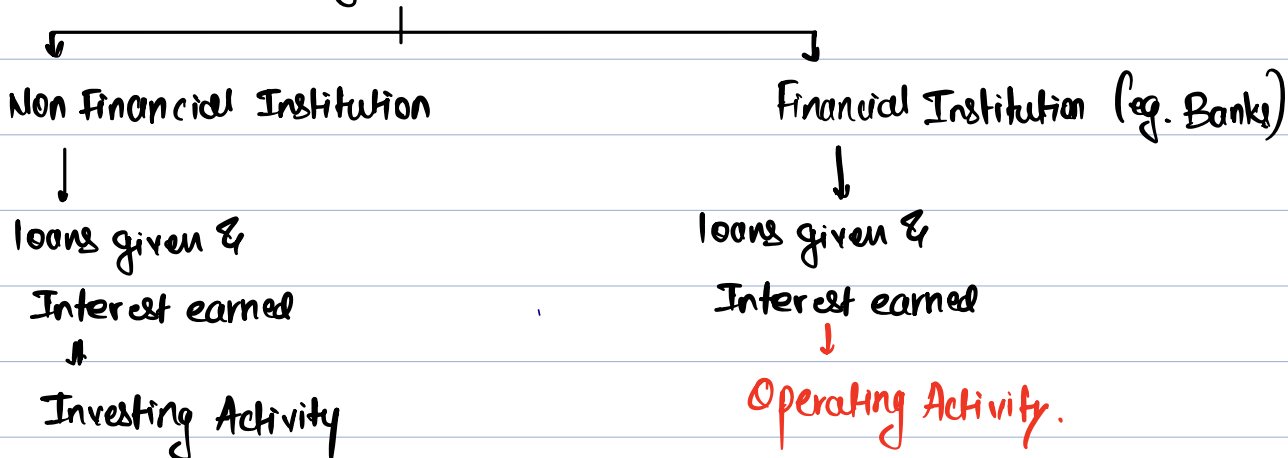
Examples

- i) Cash proceeds from issuing shares, or any other equity instruments.
- ii) Cash payments on buy back of shares.
- iii) Cash proceeds from issuing debentures, issuing pref shares, issuing bonds etc.
- iv) Cash repayment on redemptⁿ of deb, redemptⁿ of pref share, redemptⁿ of bonds
- v) Cash proceeds from loan or borrowings taken.
- vi) Cash repayment on such loan & borrowings taken.
- vii) Any dividend paid/interest paid on raising of funds is also financing activity.



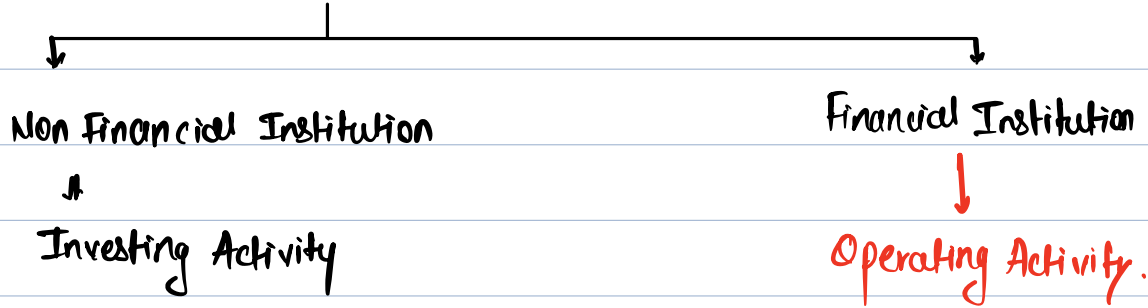
3] Other Important Points

A] Loans Advances given & Interest earned

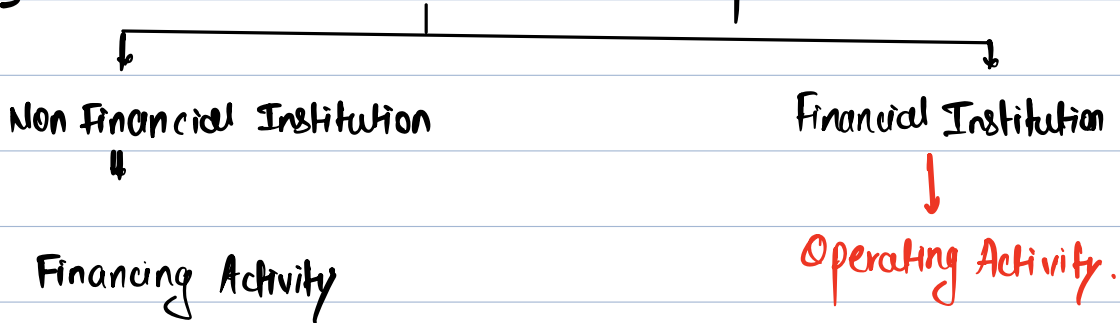


Note: Loans given & Interest earned from employees / suppliers → Operating cash flow
 (for non financial as well as financial institution)

b] Investments made & dividend earned

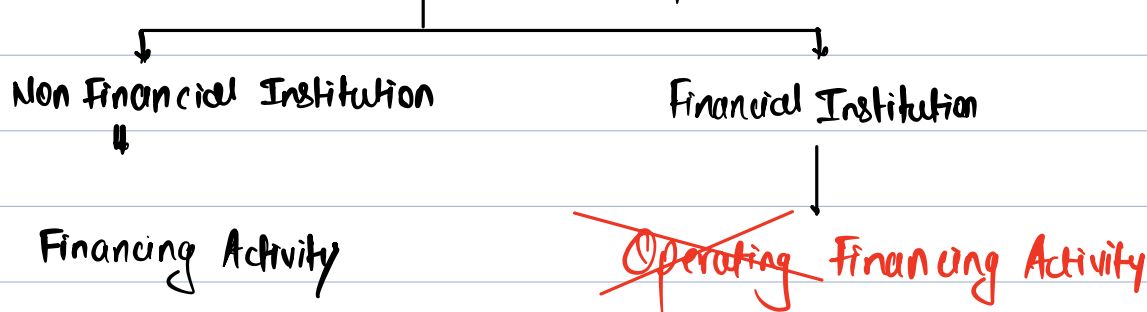


c] Loans Advances taken & Interest paid



Note: Loans taken & Interest paid from customers / suppliers → Operating cash flow
(for non financial as well as financial institution)

d] Issue of shares & dividend paid



Note: share issue karna can never be your Busn ∴ Financing for all.

Non Fin Inst

Loan given to 3rd party → Invs'
↓
Int earned → Invest

Investment purchased → Invs
↓
Retens → Invest

Loan taken from 3rd party → Financing
↓
Int paid → Financing.

Issue of shares → Financing
↓
Div paid → Financing.

Loan given to emp / supp → Op.
↓
Int earn Op.

Loan taken from cost / supp → Op.
↓
Int exp Op.

Fin Inst

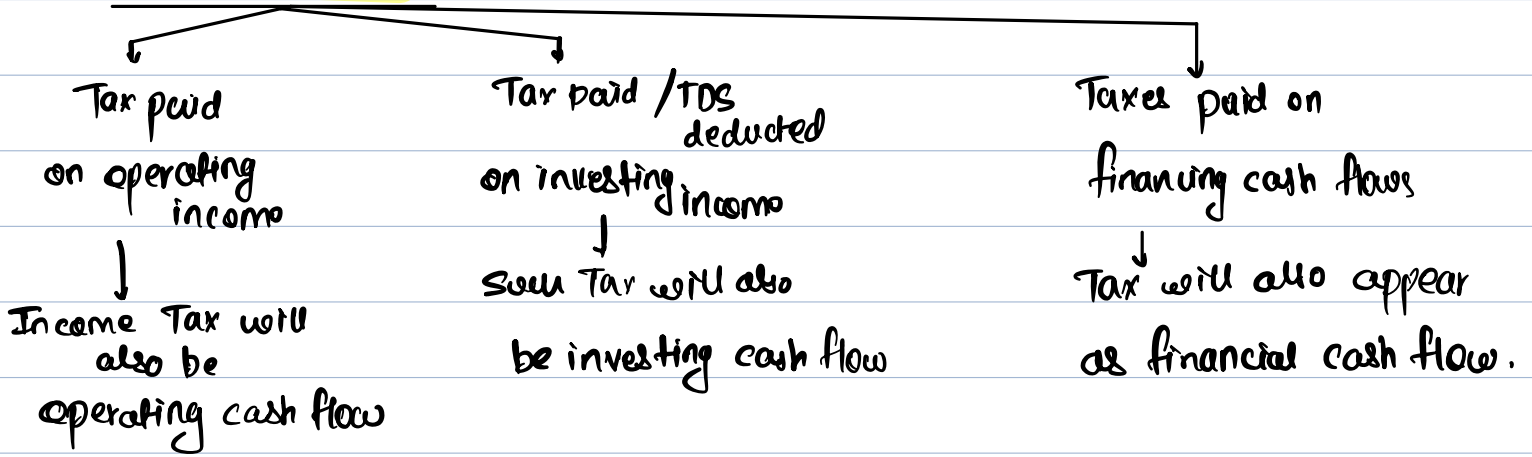
Loan given & Int earned
↳ Op.

Loan taken & Int paid → Op.

Investment purchased → Op.

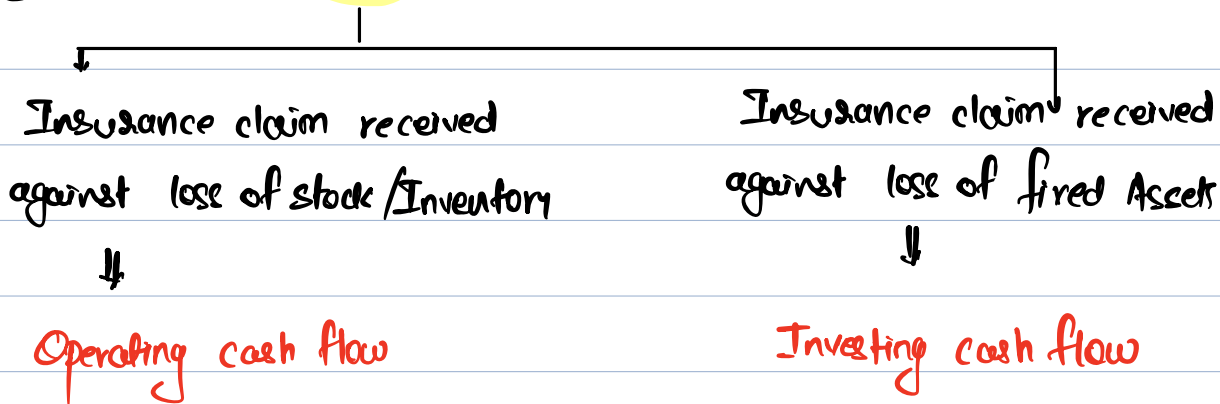
Issue of shares & → Financing.
Div paid

E] Income Taxes



Note: If income tax is given in the question but nothing is mentioned, then consider it as operating cash flow.

F] Insurance claims received



Note: As per AS 3, ^{along with AS 5} Insurance claim recd is an extraordinary cash flow ∴ separate disclosure will be required of the same in the statement of cash flow.

G] Non-cash transaction

Transactions that do not require the use of cash or cash equivalents should be excluded from cash flow statement

(eg: Issue of Bonus Shares, PPE acquired in exchange of shares, etc)

H.J] Reporting of cash flow on net Basis

AS 3 prohibits netting of receipts & payments of cash flows i.e. they should be shown on gross basis.

eg: Acquisition of machine for ₹ 50,000 } → They should be shown separately.
Sale of furniture ₹ 10,000 }

I] Purchasing shares of Subsidiaries [Investment in Subsidiaries Share / Deb etc.]

↓
Invest in Subs & Int / Div rec'd from Subs
↓
Investing activity.

(for non financial as well as financial institutions)

→ Investment in shares can be business ∴ operating

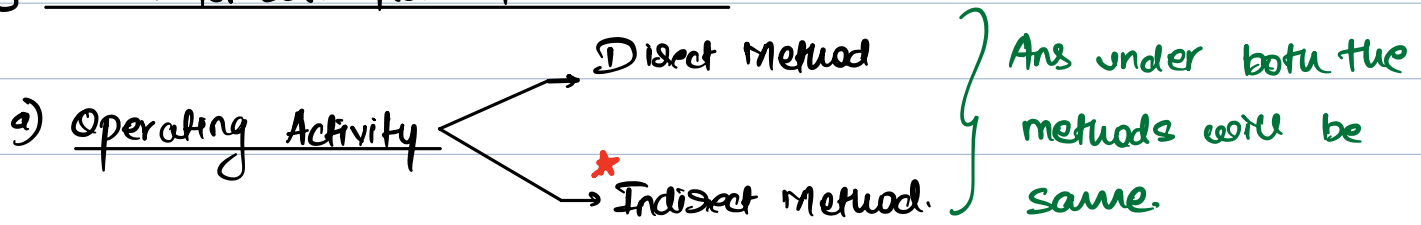
But investment in shares of subsidiary can never be burn ∴ Always Investing.

Illus 5 (AS 3)*

Cash flow from investing activities

Unsecured loan to Subsidiary	(485000)
Interest rec'd on loan	82500
Pre-Acq div received	62400
Interest rec'd on investments (Gross value)	After tax Tax ↓ ↓ (68000 + 8200)
(Tax) TDS on above Interest	(8200)
Sale of Plant (BV (-) loss) = S.P (84000 - 9600)	74400
Cash flow from investing Activities (Before Extraordinary items)	(197700)
Extraordinary item (claims rec'd for loss of plant)	<u>49600</u>
Cash flow from investing Activities (After Extraordinary items)	(148100)

4] Format for cash flow Statement



(b) Investing Activities } only 1 method

(c) Financing Activities }

Cash Flow Statement of ___ Company for the year ended _ _ _ .

Direct method

A] Cash flow from operating activities

Cash received from sale of goods (Cash sales) xx

(+) Cash received from Trade receivables xx

(+) " " " Sale of services xx

(-) Cash purchases (xx)

(-) Payment to Trade payables (xx)

(-) Payment for operating Expenses (xx)

(eg: wages, salaries, rent, electricity, overheads, other Business related exp)

(-) Payment of income tax (xx)

Cash flow from operating activities Before Extraordinary items xxx

(+/-) Adjustment for extraordinary items xx

Net Cash flows from operating Activities (A) xx

(B) Cash Flow From Investing Activities

Purchase of PPE	(xx)
Sale of PPE	xx
Purchase of Investment	(xx)
Sale of Investment	xx
Interest received	xx
Dividend received	xx
Rent income on investment property	xx
etc.	

Cash flow from investing activities Before extraordinary items xx

+/- Adjustment for extraordinary items

Net cash flows from investing activities (B) xx

(C) Cash flow from financing activities

Issue of shares	xx
Buy Back of shares	(xx)
Issue of Pref Shares	xx
Redempt ⁿ of Pref Share	(xx)
Issue of Deb	xx
Redemption of Deb	(xx)
loan taken	xx
loan repaid	(xx)
Interest paid	(xx)
Dividend paid	(xx)
etc.	

Cash flows from financing Activities (C) xx

	Opening Cash & Cash Equivalents	xx
(+)	Net cash flows during the year (A + B + C)	<u>xx</u>
	Closing Cash & Cash Equivalents	<u>xx</u>

Cash flow statement (Indirect method)

A. Cash flow from operating Activities

Closing Bal of Profit/loss (as per B/s) xx

Less: Opn Bal of Profit/loss (xx)

Add: Transfer to Reserve (eg: Cls Bal of G-R
(-) Opn Bal of G-R)

Add: Appropriation of Profits (eg: Dividends)

Add: C.Y. Income Tax Accrued in P/L

Add/less: Extraordinary effects (if any) (Add: Extraordinary exp
less: ——— income)

} Do this when PBT is NOT available directly

Profit Before Tax & Extraordinary items

(+) Reversal of Non Cash Expense

(-) Reversal of Non Cash income

(+) Reversal of Non-Operating Expense

(-) Reversal of Non-Operating Income

xx

+/- Changes in working capital (Inventories, Debtors, Creditors, o/s exp, prepaid exp)

(-) Increase in current Asset

(+) Decrease in current Asset

(+) Increase in current liab

(-) Decrease in current liab

} ~~C&F~~ Hint: Asset has inverse relation with cash
i.e. ↑ in Asset is deducted in cash flow
↓ in ——— added in cash flow

} Hint: Liab & Cash have direct relation
i.e. ↑ in liab is added to cash flow
↓ ——— deducted in cash flow.

xx

(-) Payment of Income Tax (xx)

(xx)

Cash flows from operating activities Before extraordinary items xx

xx

+/- Adjustment for extraordinary items xx

xx

Net cash flows from operating activities

A

xx

Remaining format is same as above

Ques 2 (W.R) AS 3 (Vol 1)

Cash flow Statement for the year ended 31/3/18

A] Cash flow from operating activities

Profit Before tax		8000
(+) <u>Reversal of Non cash Exp</u>		
Depn on Bldg		1000
Depn on Furniture		2000
Depn on call		5000
(-) <u>Reversal of Non cash income</u>		-
(+) <u>Reversal of non operating exp</u>		
(-) <u>Reversal of non-operating income</u>		
Profit on sale of call		(1400)
Profit on sale of investment		(8000)
		<hr/>
		6600
+/- <u>Changes in working Capital</u>		
(+) Increase in trade payables	(^{CB} 9000 - ^{OPN} 5000)	3000
(-) Increase in Inventory	(^{CB} 14000 - ^{OPN} 8000)	(6000)
(-) Increase in Trade Receivables	(^{CB} 8000 - ^{OPN} 6000)	(2000)
		<hr/>
		1600
(-) Income Tax Paid (WN ledger)		(2000)
		<hr/>
CASH FLOW FROM OPERATING ACTIVITIES	(A)	(400)

B. Cash flow from investing Activities

Sale of Cars

3400

Purchase of Investments

(6000)

Sale of Investments

10000

Purchase of furniture

(14000)

Purchase of cars

(16000)

CASH FLOW FROM INVESTING ACTIVITIES (B) 22600

Do not record Profit/Loss on sale separately, the sell price already includes profit/loss

C. Cash flow from financing Activities

Issue of shares

20000

Payment of Dividend

(2000)

CASH FLOW FROM FINANCING ACTIVITIES (C) 18000

Opening Cash & Cash equivalent

17000

Copy from Opⁿ Bal in B/S.

(+) (-) Net cash flows during the year (A+B+C)

(5000)

Closing CCE

12000

same as closing Bal in B/S

Ques 7

A- Cash flow from operating activities

Transfer to P/L Reserve	56000
(+) Gen. Reserve	210000
(+) C.G. Tax in P/L	112000
<u>PBT</u>	<u>378000</u>

Ledger Below
 yeh q kiya uska logic.

PBT	100
(-) Tax	(10)
	<u>90</u>
(-) Div	(10)
	<u>80</u>
Trf (-) G.R	(30)
	<u>50</u>
P/L Reserve	50

(+) Reversal of Non cash exp	
Depr ^{op. value} (700000 x 20%)	140000
(-) Reversal of Non cash inc	-
(+) Non op exp	-
(-) Non op income	-
<u>Profit on sale of Machine</u>	<u>(21000)</u>
	<u>497000</u>

± w/c changes

(-) ↓ in T.P	(168000)
(+) ↓ in T.R	280000
(-) ↑ in Inventory	(280000)
	<u>329000</u>

(-) Income Tax Paid	(70000)
<u>Cash flow from Op. Activities (A)</u>	<u>259000</u>

B) Cash flow from investing Activities

Sale of Plant	49000
Purchase of Plant	(447000)
Renovation of Bldg	(280000)
Purchase of Invst	(140000)
Cash flow from invest^s Act. (B)	(819000)

C) Cash flow from Fin. Act

Issue of Shares	280000
— Deb	280000
Cash flow from Fin. Act (C)	560000

Opn CCE 280000

(+) Net cash flows during the Yr (A+B+C) NIL

Cl^s CCE 280000

PLC

	By bal bld 84000		By bal bld 350000
To bal cld 140000	PLC 56000	To bal cld 560000	PLC 210000

Gen. Reserve

Prov for tax

	By bal bld 98000
To clb (Given) 70000	By PLC 112000
To bal cld 140000	

Plant & Machs

Land & Bldg

To bal bld 700000	By Deprn 140000
To Profit 21000	By clb 49000
To clb (BIF) 448000 (Purchase)	By bal cld 980000

To bal bld 500000	
To clb 280000 (Renovation)	
	By bal cld 840000

J/E clb 49000

TO Machine 28000

TO Profit 21000

J/E Bldg Acc Dr (Renovation) 280

TO clb 280

Investments

To bal bld 0	
To clb (BIF) 140000 (Purchase)	
	By bal cld 140000

Esc

Deb

	By bal bld 1120000
	By clb 280000 (issue)
To bal cld 1400000	

	By bal bld 0
	By clb 280000 (issue)
To bal cld 280000	

Cash flow chapters

Illus 6 (LDR) (pg 315)

A. Cash flow from operating activities

Profit Before Tax	23000
(+) loss on sale of plant	3000
(-) Profit on sale of investment	(12000)
(-) Interest income received	(6000)
(+) Interest Exp	23000
(+) Depreciation	37000
<u>+/- changes in working capital</u>	
(-) increase in inventory	(34000)
(+) decrease in T-R	8000
(+) Prepaid Exp	4000
(+) Increase in T-P	7000
(+) outstanding exp	2000
	<u>56000</u>
(-) Income Tax paid	<u>(9000)</u>
Cash flow from operating activities	<u>(A) 47000</u>

B. Cash flow from investing activities

Interest income received	6000
Purchase of Plant	(120000)
Sale of Plant	5000
Purch of Invest	(78000)
Sale of Invest	102000
	<hr/>
	(B) (85000)

C. Cash flow from financing activities

Interest Exp paid	(23000)
Dividend paid	(8000)
Issue of shares	150000
Bonds repaid	(50000)
	<hr/>
	(C) 69000

Opening CCE	15000
Net CF during the yr (A + B + C)	31000
	<hr/>
CLB CCE	46000

WIN

Plant (net of Acc. Deprn)

Investments

To bal bld	437000	By P/L (loss)	3000
To c/B (Purchase)	120000	By Deprn	37000
To Bonds	100000	By c/B (Sale)	5000
		By Bal old	612000
			<u>612000</u>

To bal bld	127000	By c/B (Sale)	102000
To P/L (Profit)	12000		
To c/B	78000		
		By bal old	115000
			<u>115000</u>

Share Capital

Bonds

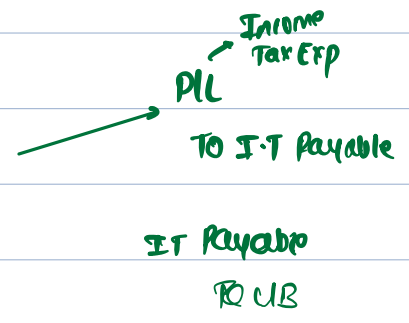
		By bal bld	315000
		By c/B (Issue)	150000
To bal old	465000		

To c/B (repaid)	50000	By bal bld	245000
		By Plant	100000
		To bal old	295000

Income Tax Payable

To c/B	9000
To bal old	3000
	<u>3000</u>

By Bal bld	5000
By P/L	7000



Illust

Cash flow Statement (Indirect method)

A. Cash flow from Operating Activities

PBT	4500
(+) Depreciation	3500
(-) Profit on sale of vehicles	(700)
<u>+/- Changes in WC</u>	
(+) ↑ in T-P	1500
(-) ↑ in Inv	(3000)
(-) ↑ in T-R	(2000)
	<u>3800</u>
(-) Income Tax paid	<u>(1000)</u>
	<u>2800</u>

Ⓐ

B. Cash flow from investing activities

Sale of PPE	1700
Purch of PPE	(15000)
Purchase of Inst	(1000)
	<hr/>
	(B) 14300

(C) Cash flow from Financing activities

Issue of shares	10000
Div paid	(3000)
	<hr/>
	(C) 7000

Opn CCE	8500
(+) Net cash flows during the year	(4500)
Clc CCE	<hr/> 4000

OWN

Share Capital

	Opn	50000
	By ClB (Issue)	10000
ClB		60000

Div Payable

	Opn	1000
	By P/L	2000
	To ClB (Paid)	3000
ClB		-

Income Tax Payable (Prov for tax)

	Opn	1000
	By P/L	1500
To ClB		1000
ClB		1500

PPE

Op	29000	By Dep'n	3500
To P/L (Profit)	700	By ClB sale	1700
To ClB (Purchase)	15000		
		ClB	39500

Current Invst

Op	1000
To ClB	1000
ClB	2000

Ques 8 PBT → (?)

A. Cash flow from operations

CS Bal of P/L Reserve	35000
(-) Opn Bal of P/L	(25000)
	10000
(-) Transfer to other Reserve	-
(+) Dividend (Declared)	10000
(+) Tax Accrued in P/L (Curr-Year)	8000
	<u>28000</u>
	PBT
(+) Depr	40000

PBT nahi hai, toh yeh
Sab kiya.

+/ Changes in WC

(+) ↑ in T-P	90000
(-) ↑ in Inv	(70000)
(-) ↑ in T-R	(75000)
(-) ↑ in other curr. Asset	(32000)
	<u>(10000)</u>
(-) Tax paid (Refer ledger)	(5000)
	<u>(25000)</u>
	(A)

B. Cash flow from investing activities

Purchase of PPE (B) (210000)

C. Cash flow from financial activities

Div Paid (10000)
Issue of shares 210000
Issue of Pref 50000

(C) 250000

Opn c/e 90000
(+) Net cash flow During the Year (A + B + C) 15000

Cb c/e 105000

WN		<u>Prov for tax</u>	
c's paid		Opn	5000
To ClB	5000	By P/L (Tax)	8000
			Accrued in c'y.
ClB	<u>8000</u>		

Profit earned in P.Y.
 Tax accrued in P.Y (Prov Bonega)
 But is paid in Next yr
 ↓
 If nothing is mentioned, we assume
 P.Y. Provision of tax is paid in c'y.

In this ques Tax paid & Tax Accrued in c'y, Both were missing
 ∴ Take above assumption.

ESC

	Opn	200000
	By ClB	210000
c'y		410000

PPE

	Opn	180000	By Depr	40000
	To ClB	210000		
			ClB	350000

Pref Share Cap

	Opn	100000
	By ClB	50000
ClB		150000

Ques 1 (WR)

A. Cash flow from op. Act -

PBT

36000

(+) loss on sale

48

(+) Depn

24000

(-) Capital Grant (Amortized in P/L)

(10)

why less?
Grant income was Booked
in P/L But it is non op

(-) Profit on sale

(120)

∴ Reverse from P/L.

(-) Interest income

(3000)

(+) Int Exp

12000

(-) ↑ in working cap.

(67240)

(-) Income Tax paid

(5100)

(A) (3472)

B. Cash flow from Investing Activity

Sale of PPE	174
Sale of Invst	33437
Interest income	3000
Purchase of PPE	(22092)
exp. on constn	(41688)
	<u>(27168)</u>
	(B)

c) Cash flow from Fin Activity

Div paid	(10202)
* Capital Grant rec'd	18 18
Interest paid (actual)	13000 (13042)
long term Borrowing	55866
	<u>32640</u>
	(C)

Booked in P/L was 10
But CB received was 18.

Alternative capital grant can
be shown as investing activity
as done by ICAI in illus 8 of
cash flow chapter.

Opn CCE	6000
(+) Net CF during the yr (A+B+C)	<u>2000</u>
CB CCE	8000

Whenever in such ^{Case} Amt trf to P/L is diff from Amt paid in actual, then Amt trf to P/L if non op will be reversed from op. Activities cash flow.

& Amt actually paid will be adj in Inv / Fin Activity cash flow

Interest exp & Capital Grant

Income Tax

TO CIB <u>5100</u>	P/L (Pro) 6000
--------------------	----------------

Ques 3 (CWE)

1] Cash flow from Op. Act

	'2' 30,00,000 750000 45000 225000 (30000) (90000)
PBT	
(+ Depn	
(+ Disc on issue of deb	
(+ Int exp on deb	
(-) Profit on sale of investment	
(-) Int rec'd on investments	
+/- Changes in WC	
(-) ↑ in Inventory	(177000)
(+ ↓ in T.R	7350
(+ ↑ in T.P	450
(+ ↑ in o/s exp	10200
	4041000
less: Income Tax	(1575000)
C.F from op Act Before extra ordinary items	2466000
(+ Compensation rec'd from law suit (Extra ordinary items)	135000
C.F from op Act after extra ordinary items	2601000

(A)

b] Cash flow from investing Activities

Sale of Invst	480000	
Int recd on investments	90000	
Purchase of land	(36000)	(300000 (-) ^{shares given} 264000)
	<u>(B) 534000</u>	

c] Cash flow from Financing Activities

Interest Exp on debentures	(225000)	
Redemption of preference shares	(23,62,500)	(22500 x 100) + 5% ↓ Prem
Issue of shares	600000	(75000) $\left\{ \begin{array}{l} 25000 \text{ non cash} \\ (50000 \times 10) + 20\% \end{array} \right.$
Dividend paid on Pref Share	(225000)	(22500 x $\frac{\text{Face Value}}{100} \times 10\%$)
Final Div on eq. shares	(750000)	
Interim <u>—————</u>	(250000)	
	<u>(C) (3512500)</u>	

Opn CCF

Net CF During the Yr (A + B + C)

Cl3 CCF

394450
(377500)
<u>16950</u>

* Illus 4 Cash flow statement → Direct Method

A. Cash flow from op. Activities

Cash rec'd from Trade re'ables	350000
less: Payment for Account payables	(90000)
less: Salary	(25000)
less: Payment of overheads	(15000)
	<hr/>
	220000
less: Income Tax	(55000)
	<hr/>
	165000
	(A)

B] C.F. Inv Act.

Sale of PPE	70000
Purchase of PPE	(400000)
	<hr/>
	(B) (330000)

c] CF Fin Act

Issue of shares	5,00,000
Deb redeemed	(50000)
Bank loan repaid	(250000)
Div paid	(100000)
	<hr/>
	(C) 100000

Opn CCE (10k + 70k)	80000
Net C-F during the year (A+B+c)	(60000)
	<hr/>
Cl2 CCE	15000

Ques 4 Direct method

(₹ in '000)

A. CF From Op. Act

Cash rec'd from T.R	2783
(-) Cash paid to T.P	(2047)
(-) EBE	(69)
(-) Overheads (Other Exp)	(115)
	<hr/>
	552
(-) Tax Paid	(243)
	<hr/>
	(A) 309

B. CF from Invest Activities

Purchase of PPE (B) (102)

(C) CF from Fin. Activities

Issue of shares	300
loan repaid	(250)
Dividend paid	(80)
	<hr/>
	(C) (30)

Opn CCE	35
Net C.F during the Yr (A+B+C)	<hr/>
	177
CLE CCE	212

ESC

Opn 200

By CIB (Issue) 300

CIB 500

loan taken

Op 250

To CIB (repay) 250

CIB -

T-P

Opn 3047

To CIB 2047

CIB 1000

PPE

Opn 128

To CIB (Purch) 102

CIB 230

T-R

Opn 4783

By CIB 2783

CIB 2000

Q9 LD

Part 1] Direct Method

<u>Cost</u>	<u>Sales</u>	<u>Sales</u>	<u>GP</u>
	100		25
	(?)		375000
	15L		

a] Cash flow from op. Act.

Cash Sales	15,00,000
less: Payment to Trade payables	(6,00,000)
(-) wages	(5,50,000)
(-) Office	(35,000)
(-) Sell & Exp	(15,000)
	<u>28,50,000</u>
(-) Income Tax paid	(55,000)
	<u>(A) 23,00,000</u>

b] C-F Inv

Sale of Invest	84,00,000
Purchase of Mach &	(35,00,000)
	<u>(B) 49,00,000</u>

c] CF Fin

Div paid	(4,00,000)
Bank loan repaid (including Interest)	(20,50,000)
	<u>(C) (24,50,000)</u>

Opn CCE	22,50,000
(+) Net CF during the yr	<u>47,50,000 (A+B+C)</u>
Cl3 CCE	<u>7,00,000</u>

II] Indirect method

Calcⁿ of PBT (Profit Before Tax)

Trading A/c	
Op Inv	xx
Purch	xx
Wages	xx
To GP cl'd	375000
Sales	xx
Cl's Inv	xx

→ Because GP is available ∴ Adj of Trading A/c are not relevant

P/L A/c	
To ofc exp	35000
To Sell ^g Exp	15000
To Dep ⁿ Furniture	40000
To Dep tangible	20000
* To Int Exp	5000
By GP bid	375000
By profit on sale	20000

Net profit before tax **280000**

Cash flow from operating Activities (Indirect method)

PBT	280000	
(+) Depn (40k + 20k)	60000	
(+) Int Exp	5000	
(-) Profit on Sale	(20000)	
<u>± changes in WC</u>		
(-) ↑ in Inventory	(25000)	Inventory op ⁿ 12
(-) ↓ in T.P	(15000)	0 25%
	<u>285000</u>	
^{Just} (-) Income Taxes Paid	(55000)	
C.F from op. Act.	<u>230000</u>	

Only this was asked.

Ans should be same in both direct & indirect method.

AS 3 Over end

Illus 11 (WOR) Direct Method

A. Cash flow from op. Act

(₹ in crore)

Cash Sales

81

(+) Cash Recd from Trade receivables

49

(-) Cash purchases

(11)

(-) Cash paid to F.P

(42)

(-) Admin Exp

(18)

(-) Salary

(22)

37

(-) Income Tax paid

(8)

(A)

29

B. C-F Invest

Sale of Invest

14.4

Purchase of Plant (Cash paid)

(11)

(B)

3.4

C. C-F Fin

Deb Redeemⁿ (Cash paid)

(7)

Int paid

(1.5)

Div paid

(11.7)

(C)

20.2

Opn CCE

6

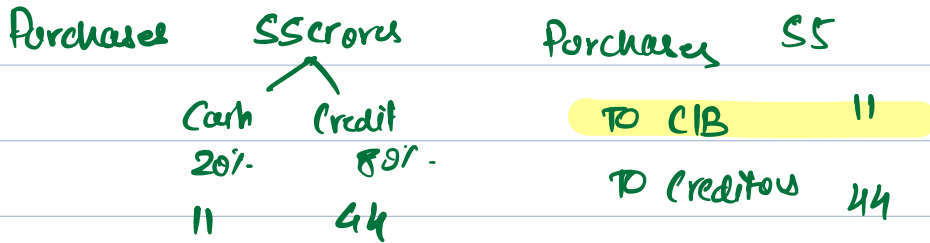
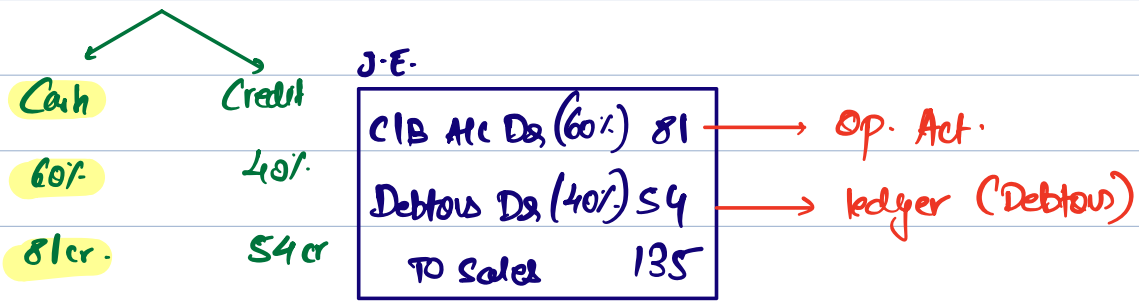
(+) Net CF during the yr

14.2

CLE CCE

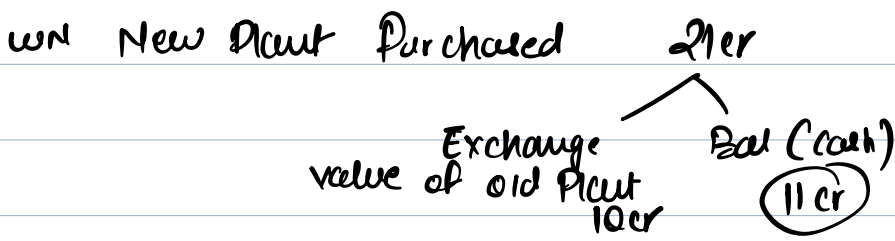
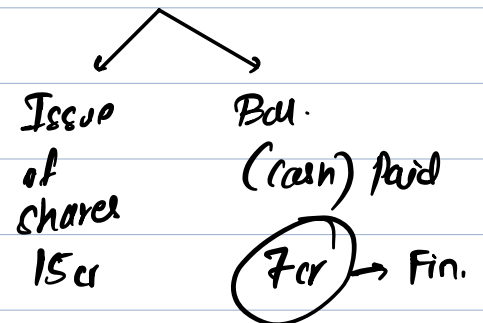
18.2

WN ① Sales 135 crores



Debtors		Creditors	
Opn	45	Opn	21
To Sales (Credit)	54	To CIB (Payment)	42
	By CIB (Cash rec'd from Debtors)		By purchases
	49		44
	C/b		C/b
	50		23

WN Debenture redeemed 20 cr + 10% Premium = 22 cr



Illus 2 (LOR)

a) CF from Op. Activities (Indirect Method)

PIL Bal	40000
(+) Add of Reserve	-
(+) Div declared in C-y.	-
(+) C-y Prov for tax in PIL	-
	<hr/>
PBT	40000
(+) Amortization	25000
* (+) Int Exp on Deb	75000
	<hr/>
	(A) 140000

b) CF from Inv Act

c) CF from Fin Act

Issue of Debentures	250000
* Int paid on Deb	(70000)
	<hr/>
	(C) 180000

Opn CCF missing
 Net CF during the yr 320000
 cl. CCF missing.

Res ✓	
Opn	50000
PL	20000
Ce	90000

Long term Borr (10% Deb) ✓	
Opn	500000
By CIB	250000
↓ money raised on 1st day of the yr.	
Ce	750000

→ ~~Imp~~

Unpaid Int	
Opn	-
By PL (Int Exp)	75000
TO CIB (Int paid)	70000
Ce	5000

Intangible Assets (G/W)	
Opn	205000
By Amortization	25000
(Sale of G/W) → NO cash info.	
Ce	180000

Imp
Hidden Adjustment

Interest Exp on Debentures = $750000 \times 10\% = 75000$ → Int Exp (PL) 25000
 TO Unpaid Int A/c 75000

Assumed that 25000 was raised on 1st day of the year.

OR

Int Exp (PL) 25000
 TO CIB 70000
 TO Unpaid Int 5000

When to calculate Int on Deb as hidden adj?
 when rate of Deb is given
 & in ques Int Exp on Deb is missing.

Illus 10 (cont)

T] Cash Flow from operating Activities (Direct method)

Cash rec'd from T-R	4000
(-) Cash paid to T-P	(2380)
(-) EBE paid	(790)
(-) Other Exp paid	(190)
	<u>640</u>
(-) Income Tax paid	(195)
C.F from op. Activities	<u>445</u>

Trade payables		Prov for Tax & Adv Tax Combined ledger			
		Opn	230		
To ClB	2380	By purchases	2400	Opn (Adv tax)	180
				Opn (Prov for tax)	180
By Cu	250			By P/L (Current Tax)	200
				To ClB (Tax paid)	195
				By Cu (Prov for tax)	200
				By Cu (Adv tax)	195

O/S wages (EBE)	
	Opn 40
To ClB	790
	By P/L (EBE) 800
By Cu	50

o/s Exp	
	Opn 10
To ClB	190
	By P/L (Other Exp) 200
By Cu	20

Inventory	
Opn	180
PIC	(20)
	CLB 200

T.R	
Opn	250
To sales	4150
	By CLB 4000
	CLB 400

II] a) Cash flow from operating activities (Indirect method)

PBT

710

(-) Other income (Non-op)

(100)

(+) Deprn

100

(+) Fin. cost

60

+/- Changes in WC

+ ↑ in T.P

20

+ ↑ in o/s wages

10

+ ↑ in o/s exp

10

- ↑ in Inventory

(20)

- ↑ in T.R

(150)

640

(-) Income Tax paid

(195)

C.F from Op. Activities

445

Hint: In single ques where calculation is asked or per both methods,

Don't try to interlink both methods.

Solve them separately as 2 diff questions

Illus 12 Mr. Zen → Sole proprietor

	<u>Co.</u>	<u>Sole Proprietor</u>
Extra undercharging Profit earned	Add to Ret	Trf to Capital Ac
	Dividends	Drawings

Cash Flow Statement (Indirect Method)

A] Cash flow from operating activities

PBT	36000
+ loss on sale	16000
+ Deprn	144000
<u>+/ - changes in WC</u>	
↑ in TP	32000
(+) ↓ in In	80000
↑ in TR	(100000)
	<u>(A) 472000</u>

B] C.F from Investing Activities

Sale of Machine	40,000
Purchase of land	(280000)
	<u>(B) (240000)</u>

c) C.F from Financing Activities

* Drawings by Zen	(136000) → it is just like div paid.
loan repaid	(100000)
loan taken	80000
	<u>(256000)</u>

Opn CCE	80000
Net CF during the Year (A+B+C)	(24000)
Cl's CCE	<u>56000</u>

Jump

<u>Zen's Cap</u>	
Opn	10,00,000
To ClB (Drawings)	136000
By Net Profit	360000
	bid
Cl's	<u>12,24,000</u>

<u>Mrs. Zen's loan</u>	
Opn	200000
To ClB	100000
Cl's	-

<u>loan from Bank</u>	
Opn	320000
By ClB	80000
Cl's	<u>400000</u>

<u>Land</u>	
Opn	60000
To ClB	280000
	th Purchase
Cl's	<u>880000</u>

P&M (Net Block)

Opn	640000		C/B 40000 By loss on Sale 16000 By Depn C/B 440000	JE Sale of machine (W.D. 56k loss 16k S.P. 40k) C/B A/c 40000 P/L (loss) 16000 TO P&M 56000
			144000	

Illus 16 (COR)

Hidden Adj

① 10% Deb → Int will be calculated on full 1,10,000 as redemption of debentures happened @ the end of the year.

$$\text{Int Exp (C.Y)} = 110000 \times 10\% = 11000$$

② 10% Investments = 350000 × 10% = 35000 (Int Income C.Y)

A] C.F from Op. Act

PBT	xxx
(+) Prem on Deb redemptn	1650
(+) Int Exp	11000
(-) Int Income	(35000)
	→

B] C.F from Invest Act

Int rec'd on Investment 24500

C] C.F from Fin Act

Deb. redeemed	(33000)
Premium paid on Deb (33000 × 5%)	(1650)
Int paid	(10100)

By Int Exp
 To Unpaid Int

10% Deb

Unpaid Int (Liab)

		Opn	110000
To CIB	32000		
Ce	77000		

		Opn	275
To CIB	10100	By Pl (Int Exp)	11000
Ce	1175		

Accrued Int (Asset)

Acc Int 35000
 To Int Inc (Pl) 35000

		Opn	-
To Int Inc (Pl)	35000	By CIB	24500
		Ce	10500

GR

		1.5
2L		50K
	Pl	

PA

		60k
IL	Pl	40K

Provision tax

Div

		Op	70
To CIB	50K		80K
Ce	IL		

		Op	IL
To CIB	IL		
Ce	-		

Illus 17 Indirect Method (PBT & Div ledger) is Jump

A) C-F from Op. Activities

D/L (Revenues) c.g.	40,000
(+) Trf to Revenues C/g (b-R)	50,000
<u>(+) Div</u>	<u>1,00,000</u>
(+) C.g. Prov for Tax (in PII)	80,000
PBT	<u>1,70,000</u>
(+) Depn	125,000
(-) Profit on sale of machine	(15,000)
<u>+/- changes in wc</u>	
(-) ↓ in T-P	(120,000)
(-) ↑ in Inventory	(200,000)
(+) ↓ in T-R	200,000
	<u>160,000</u>
(-) Income Tax (paid)	(50,000)
	<u><u>1,10,000</u></u>

(long cut format mein, jo Div C/g mein declare hua, woh aata hai, in this ques C/g mein no div was declared. only P & Div was paid)

(A)

B) C-F from Invest Act

Sale of Machine	35,000
Construction Exp on Bldg	(2,00,000)
Purchase of Machine	(345,000)
Purchase of Invest	(100,000)
	<u>(610,000)</u>

(B)

Q7 C-F from Fin. Act

Issue of shares	2,00,000
Deb Issue	2,00,000
Div paid	(1,00,000)
	300000

(C)

Opn CCE	2,00,000
Net CF During the Yr	(2,00,000) (A+B+C)
Cls CCE	-

WN	ESC ✓	G.R ✓	PL ✓
	Opn 80000	Opn 150000	Opn 60000
	By CLB (Issue) 200000	By PIL 50000	By PIL 40000
Cls 100000	Cls 200000	Cls 100000	

L.T.B (Deb)	Div Payable	Prov for tax
Opn -	Opn 100000	Opn 70000
By CLB (Deb issued) 200000	To CLB 100000 (P.y. Opn Div paid)	To CLB 50000 (Arrears)
Cls 200000	Cls -	Cls 100000
		By PIL 80000

Plant	land & Bldg	Invst
Opn 500000	Opn 400000	Opn -
To PIL (Profit) 150000	To CLB 200000 (construction exp)	To CLB 100000
To CLB 345000	Cls 600000	Cls 100000
By Depn (SL x 25%) 125000		
By CLB 35000		
Cls 700000		

Ques 6 (Sec. Prem is Imp & Div Rec'd)

1) Cash flow from op. Activities

PBT	8,00,000
(-) Dividend rec'd (Non op Inc)	(50,000)
+/- ch. in w/e	-
(-) Income Tax paid	-
	<u>(A) 7,50,000</u>

2) Cash flow from Investing Activities

Dividend rec'd	(B) 50,000
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3) C-F from financing Activities

Issue of shares (for cash)	10,00,000
Redempt ⁿ of pref shares	(1,00,000)
Prem rec'd on issue of shares	50,000
	<u>(C) 9,50,000</u>

Opn CCE

xv

Net during the year (A+B+C) 17,50,000

CCE CCE

xxx

July
Sec. Prem

ESC

PSC

Opn	25,00,000		Opn	700000	Opn	500000
By Machine	60000	To CIB 100000			By CIB	50000
By CIB (Issued)	1000000					(Prem on issue of shares)
CU	35,60,000	CU	600000	=	CU	550000

PLC

Opn	20,00,000
PLC	800000
CU	28,00,000

Illus 18 (COP) Indirect Method

A] Cash flow from operating Activities

PLC Reserve

50,000

(+) Tit from Gen. Reserves

-

(+) Div C's declare

90000

→ C's declare kiya woh waala div

(+) Prov for tax (C's-tax PLC)

135000

→ C's mein jo PLC mein Tax arrive hua woh reverse hoga.

PBT

275000

(-) Profit on sale of land

(30000)

(-) Profit on sale of Plant

(40000)

(-) ————— Invest

(20000)

(+) Depn on plant

135000

(+) Interest Exp (Hidden Adj)

18000

+/- Changes in WC

↑ in T-P

5000

↑ in Liab for exp

10000

(-) ↑ in Inv

(5000)

(-) ↑ in T-R

(25000)

(-) ↑ in other Assets

(35000)

288000

(-) Income Tax Paid

(1,00,000)

(A)

188000

B] C-F from Invest Activities

Sale of land	150000
Sale of Plant	90000
Purchase of Plant (for cash)	(350000)
Sale of Invst	70000
Pre-Acq ⁿ dividend	5000
Purchase of Invst	(25000)
	<hr/>
	(B) (60000)

C] C-F from Financing Activities

Div Paid	(150000)
Interest Exp on Debentures	(18000)
Issue of shares	1,00,000
Redemption of Pref shares	(2,00,000)
Issue of Debentures	1,00,000
	<hr/>
	(C) (168000)

Opn CCE	90000
(+) Net CF during the year (A + B + C)	(40000)
	<hr/>
Cl ^s CCE	50,000

WN

ESC

Opn	500000
By ClB	100000
ClB	600000

PSC

Opn	200000
To ClB (redemp)	200000
ClB	-

CRR

Opn	-
By G-R	100000
ClB	100000

Cap. Reserve

Opn	-
By land	70000
ClB	70000

Gen. Reserve

Opn	250000
To CRR	100000
ClB	150000

Profit & Loss

Opn	50000
PL	50,000
ClB	100000

9% Deb

Opn	-
By Plant	1,00,000
By ClB	100000
ClB	2,00,000

Incl

Div Payable

To ClB	150000
Opn	60000
By PU (Interim div)	90000
ClB	-

Prov for tax

Opn	60000
To ClB	100000
By PL	135000
ClB	95000

Plant & Mach

Opn	500000
To Profit	40000
To 9% Deb	100000
To ClB	350000
ClB	765000

Land & Bldg

Opn	200000
To PL	30000
To ClB	70000
To Cap Reserve	70000
ClB	150000

Non cash (no effect in cash flow)

Non Current Invest

Opn	80000
To Profit	20000
To ClB	25000
By ClB	70000
By ClB (Pre Acq div)	50000
ClB	50,000

Hidden Adj \rightarrow Int^{Exp} on Debtors $\rightarrow 9\% \times 200,000 = 18,000$ \rightarrow PBT Reverse
 \rightarrow Financing Activity.

J.F. Plant Acc De 4.5L

TO 9% Deb 1L
TO ClB 3.5L

* Pre-Acq div J.F. ClB 5000 \rightarrow Invest'd activity
TO Invest 5000
also please note that it will not be reversed in PBT as it was not recorded in P/L.

* Interim div (C.Y.) $\rightarrow \frac{FSC}{61} \times 15\% = 90,000$ \rightarrow P/L Acc De, Div Payable
 \downarrow
Fin. Act. TO Div Payable TO ClB

Deprⁿ on Plant is not calculated @ 15% as we don't know the date of sale/purchase of plant to calculate deprⁿ \therefore we take Deprⁿ as Blf.

CRR \rightarrow Bal in CRR was trf from GR \rightarrow in C.Y. \rightarrow no effect on cash

Imp points in illus 18

- 1) Land Revenue & Cap. Reserve
- 2) Pre-Acq div sent
- 3) CRR & GR
- 4) Div ledger & Tax ledger
- 5) Plant ledger (Blf) \rightarrow Deprⁿ
- 6) Hidden Adj \rightarrow Int on Deb.

Illus 19 (WR) Indirect Method

A] C-F from op. Activities

PL Reserve (C.Y)	76000	
G-R " (C.Y)	160000	
(+) Div declared in C.Y	-	12000 → No div declared in C.Y.
(+) C.Y. Prov for tax in PL	340000	
	<hr/>	
PBT	576000	
(+) Loss on sale of Plant	20000	
(+) Loss on plant wloff	16000	
(+) Deprn on plant	360000	
(-) Profit on sale of Invest	(40000)	
(+) Premium on redemption of Pref shares	6000	→ it is assumed that 6000 premium paid is considered while calculation of PBT ∴ reverse it from PBT as it is non-operating expense.
(+) _____ of Deb	6000	→
(+) Int on Deb (Hidden Adj)	36000	
<u>+/- Changes in WC</u>		
(+) ↑ in Curr. Liab	40000	
(-) ↑ in Curr. Asset	(16000)	($\frac{Opn}{11,00,000}$ $\frac{Cu}{11,50,000}$)
	11,34,000	
	<hr/>	
	10,04,000	
(-) Income Tax paid	(360000)	
	<hr/>	
	644000	

Ⓐ

B] C.F from Investing activities

Sale of Plant	1,00,000
— Invst	120000
Purch of Plant	(856000)
	<hr/>
	B (636000)

C] C.F from Fin. Act

Redemption of Pref Shares	(120000)
Premium paid on Redempt ⁿ @ 5%.	(6000)
Redemption of Deb	(120000)
Premium paid on Redempt ⁿ @ 5%.	(6000)
Issue of shares	4,00,000
Div paid	(120000)
Int on Deb	(36000)
	<hr/>
	(C) (8000)

Opn CCE	10000
Net CF during the year (A+B+C)	<hr/> NIL
Cls CCE	<hr/> 10,000

2] Undervalued Inventory of P.Y. $\frac{216000}{240000} \rightarrow 90\%$ ($\frac{100}{100} - 10\% = 90\%$)
 100%
 opn
 ↑ in Inventory 24000

J.E. Opn Inventory Acc Dr 24000
 To Opn P/L Reserve 24000

B/Ls	P.Y (Opn)	C.Y	
P/L Reserve	24000 + 24000		
Inventory (Other Current Assets)	11,10,000 + 24000 <u>1134000</u>	1150000	↑ in other Curr Asset 40000 (16000)

3] Tax → Nothing mentioned ∴ Jo opn that usko pay kardo
 Jo ce hai usko P/L mein book karo.

Illus 18 & Illus 19, covers almost all adj of indirect method.

Que 9 (LDR) Indirect Method

1] Cash flow from op. Activities

PL Reserve (C-y) 20000

Gr. R (C-y) 41000

(+) Div declared in C-y 5000

(+) Prov for tax (C-y - PL) 10000

PBT 92000

(+) Depn on vehicles 2200

(+) loss on sale of vehicles 800

(-) Profit on sale of land (25000)

(+) Depn on furniture 5000

(+) Int Exp on Deb 12000

(-) Profit on sale of Invst (8000)

(-) Int income on Invst (6500)

(+) Glev Amortization 13000

+/- Changes in WC

(-) ↑ in Inventory (8000)

(-) ↑ in B-R (2650)

(+) ↓ in T-R 6000

(-) ↓ in B-P (2000)

(+) ↑ in T-P 4000

(+) ↑ in o/s exp 1500

83350

(-) Income Tax Paid (9000)

Ⓐ 74350

B) CF from investing activities

Sale of vehicle	3000
— land	125000
Sale of Invst	58000
Interest income on Invst	6500
Purchase of equip (for cash)	(10500)
— " — Furniture	(9000)
	<hr/>
	(B) <u>173000</u>

C) CF from Fin. Activities

Div paid	(5000)
Int exp on deb	(12000)
Issue of shares	180000
Redempt ⁿ of Deb	(200000)
loan repaid	(15000)
	<hr/>
	(C) <u>(152000)</u>

Opn CCE	34500
(+) Net CF during the yr (A+B+C)	<u>95350</u>
Cls CCE	<u>129850</u>

In this ques only operating CF were asked, but we did Invest & Fin also for practice purpose.

WN	GLEO	land	Furniture
Op ⁿ	28000	Op ⁿ 600000	Op ⁿ 44000
	By Amortizat ⁿ 13000	By ClB 125000	By Dep ⁿ 5000
		To Profit 25000	To ClB 9000
		To Cap Res 75000	
	ClB 15000	ClB 575000	ClB 48000
=	=	=	=

Vehicles	Ofc Equipment	Invest
Op ⁿ 28000	Op ⁿ -	Op ⁿ 110000
By ClB 3000	To Creditors for Eq 10500	By ClB 58000
By Dep ⁿ 2200	To ClB (BII) 10500	To Profit 8000
By loss (BII) on sale 800		
ClB 22000	ClB 21000	ClB 60000
=	=	=

ESC	G.R	PLC
Op ⁿ 500000	Op ⁿ 60000	Op ⁿ 52000
By ClB 180000	PLC 30000	PLC 41000
ClB 680000	ClB 90000	ClB 93000
=	=	=

Cap. Reserve	8% Deb	loan taken
Op ⁿ -	Op ⁿ 30000	Op ⁿ 15000
By land 75000	To ClB (Retemp) 30000	To ClB 15000
ClB 75000	ClB -	ClB -
=	=	=

Creditors for Eq	Prov for tax
Op ⁿ -	Op ⁿ 11000
By Equip 10500	By PLC 16000
To ClB 9000	
ClB 10500	ClB 18000
=	=

no impact on cash flow

Hidden Adj

1] Int on Debeture $\rightarrow 300000 \times 8\% \times \frac{6m}{12m} = 12000$

Adj (v) \swarrow
P&L reverse \searrow
Fin. Act

Imp
2] Credits for Eq $\rightarrow 10500$
Eq Purchased $\rightarrow 21000$

J.E.

Equip Ac Dr	21000
TO Credits	10500
TO CIB (Bif)	10500

Q10 Direct Method

A] Cash flow from op. Act

Cash Sales	₹ 524
Cash received from T.R (customers)	268
(-) Cash purchases (440 x 20%)	(88)
(-) Cash paid to Trade payables	(336)
(-) Payment to suppliers for consumables	(38)
(-) Payment to employees	(40)

Debtors ledger not required as

we already have these 2 Amounts. Also opⁿ Bal of Debtors is not given ∴ cannot prepare the ledger.

less: Income Tax paid

(A) 238

B] CF from Invest Activities

Purchase of machine for cash	(20 cr)
Sale of Investment	32 cr
(B) <u>12 cr</u>	

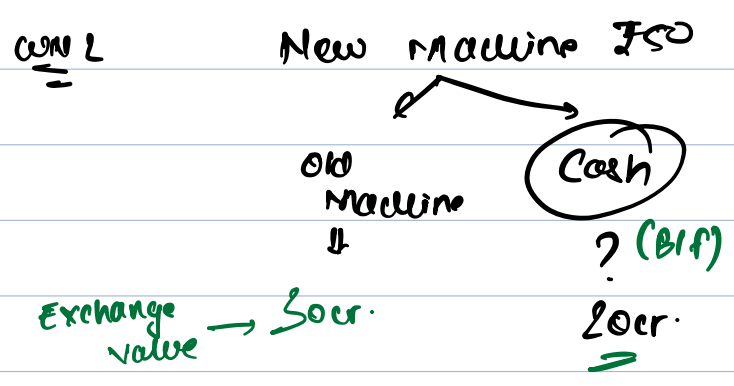
c) CF from Fin. Act

Redemption of Pref shares	(64)
Issue of equity shares (40cr + 20% Prem)	48
Dividend paid	(30)
Int paid on Deb.	(4)
	(50)
	(c)

Opn CFE	4cr
Net CF during the yr (A+B+C)	200cr
CLB CCE	204 cr.

<u>WN</u>	<u>Trade Payables</u>	
	Opn 168	
To CLB	By credit 352	
	Purch.	
CLB	184	

Purchases	420
TO CLB	88
TP Creditors	352



Ques 11

A) C.F from operating Activities (Indirect method)

Retained Earnings (PBT)	17000
(+) Prov for tax (C.Y P/L)	6000 (net of refund)
(+) Div declared in C.Y (10000 + 8000)	18000
	<hr/>
PBT	41000
(+) Deprn	4000
(+) loss on sale of machinery	3000
(+) Premium paid on Pict	2000
(-) Profit on sale	(10000)
<u>+/- Changes in wc</u>	
(-) ↑ in I.R	(2000)
(+) ↑ in T.P	8000
(+) ↓ in Prepaid Exp	1000
(-) ↓ in o/s exp	(400)
(-) Income Tax Paid	(3000) → net of refund.
	<hr/>
	(A) <u>43600</u>

Imp points

* Refund of Tax

* Div paid in C.Y → 8000 (Assumed declared in C.Y & paid in C.Y)

Q11

Prov for tax

	Opn	4000
To ClB	By P/L	7000
$4000 - 1000 = 3000$		$7000 - 1000 = 6000$
ClB		7000

Refund of income tax

ClB	1000
TO P/L (Tax)	1000

* Foreign Currency held in Cash Bal

Eg: Akr sir had \$1000 in Bank. on 01/04/21. There were no withdrawals / deposits in C.Y. ∴ ClB Bal on Y end is \$1000.

Exchange Rate on 01/04/21 → ₹ 70

31/3/22 → ₹ 75.

	01/04/21	31/3/22
<u>B/S</u>	\$	\$
ClB	1000	1000
	01/04/21	31/3/22
	₹	₹
ClB	70,000	75,000
	$(\$1000 \times ₹ 70/\$)$	$(\$1000 \times ₹ 75/\$)$

Ex Gain = 5000 → non cash.

Cash flow from op. Activities (Indirect Method)

₹

PBT 5000

(-) Non cash (Ex Gain) (5000)

CF from op. Act. (A) -

(B) Inv Act (D) -

(C) Fin Act (E) -

}	Opn CCE	70,000	
	(+) Net C-F during the year	-	(A+B+C)
	(+) Ex Gain on CCE	<u>5000</u>	→ As per AS 3
	CB CCE	70000 75000	

As per AS 3, whenever any exchange gain/loss arises only CCE, then we reverse from PBT in op. Activities,

But to reconcile our cash/Bank Bal, we will add the exchange gain in opening CCE to reconcile with CB CCE.

Illus 11 (WR)

Opn Bal in Bank € 100000 @ ₹82/€ = ₹82,00,000

Clk Bal in Bank € 105000 @ ₹85/€ = ₹89,25,000

Gain. 725000

Interest rec'd
on yr end

€ 5000 x ₹85/€
= 425000

Exch. Gain
(BIF)

= 300000

€100000
x (₹85 - ₹82)
= 3,00,000

CF Statement (Indirect method)

PBT 725000

(-) Non op Income (Int Inc) (425000)

(-) Non cash Income (Ex Gain) (300000)

CF op. Act -

(B) CF from Invest Act

Int rec'd (B) 425000

(C) CF from Fin. Act

(C) -

Opn CCE 8200000

(+) Net CF during the yr (A+B+C) 425000

(+) Ex Gain on CCE 3,00,000

Clk CCE 89,25,000

CF Direct Method

A) CF from op. Act -

(B) CF from Invest Act

Int Income 425000

(C) CF from Fin Act -

Opn CCE 82,00,000

Net 425000

(+) Ex Gain 300000

Clk CCE 89,25,000

Method Direct na ya indirect,
reco mein for exchange gain Add korenge.

