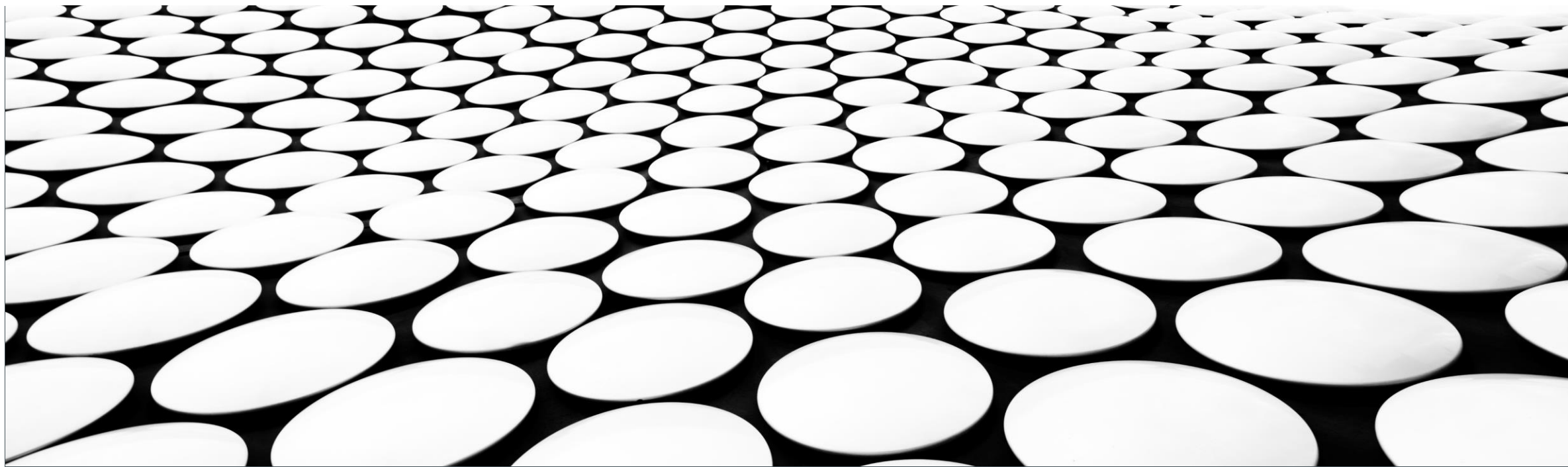


---

# **INTERNATIONAL FINANCIAL REPORTING STANDARDS**

## **STATEMENT OF CASH FLOWS – IAS 7**

**BY B D CHATTERJEE *FCA, ACMA, ACS, DIP (IFR) ACCA – UNITED KINGDOM***





# **INTERNATIONAL FINANCIAL REPORTING STANDARDS STATEMENT OF CASH FLOWS – IAS 7**

# STATEMENT OF CASH FLOWS

Cash flow information provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows.

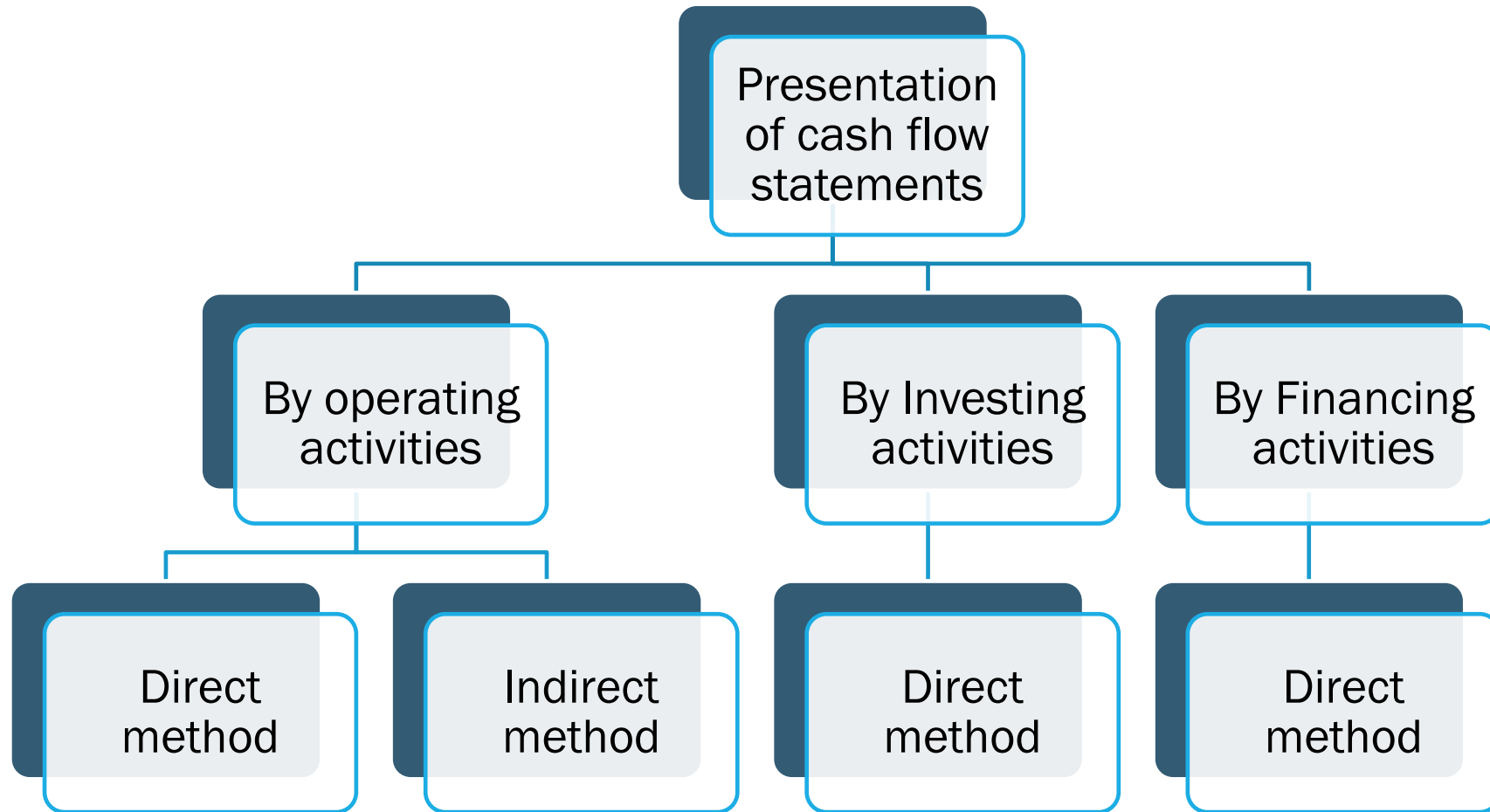
Ind AS 7 sets out requirements for the presentation and disclosure of cash flow information.

# STATEMENT OF CASH FLOWS

## Definitions

<i>Cash</i>	comprises cash on hand and demand deposits.
<i>Cash equivalents</i>	are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
<i>Cash flow</i>	are inflows and outflows of cash and cash equivalents.
<i>Operating activities</i>	are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.
<i>Financing activities</i>	are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

# STATEMENT OF CASH FLOWS – IND AS 7



# STATEMENT OF CASH FLOWS

## Direct Method

Particulars	Rs'000	Rs'000
Cash flows from operating activities		
Cash receipts from customers	X	
Cash paid to suppliers and employees	<u>X</u>	
Cash generated from operations	X	
Interest paid	X	
Income tax paid	X	
<b>Net cash from operating activities</b>		<b>X (A)</b>
Cash flows from investing activities		
Purchase of Property, Plant & Equipment	X	
Proceeds from sale of equipment	X	
Interest received	X	
Dividend received	X	
<b>Net cash used in investing activities</b>		<b>X (B)</b>
Cash flows from financing activities		
of Share capital	X	
Proceeds from///repayment of long-term borrowings	X	
Payment of finance lease liabilities	X	
Dividends paid	X	
<b>Net cash used in financing activities</b>		<b>X (C)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>X</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>X</b>
<b>Cash and cash equivalents at end of period</b>		<b>X</b>

# STATEMENT OF CASH FLOWS

## Indirect Method

Particulars	Rs'000	Rs'000
Cash flows from operating activities		
Profit before taxation	X	
Adjustments for	X	
Depreciation	X	
Loss on sale of current assets	X	
Investment income	X	
Interest expenses	X	
Decrease/(Increase) in trade and other receivables	X	
Decrease/(Increase) in inventories	X	
Increase/(decrease) in trade payables	X	
Cash generated from operations	X	
Interest paid	X	
Income tax paid		
<b>Net cash from operating activities</b>		<b>X (A)</b>
Cash flows from investing activities		
Purchase of Property, Plant & Equipment	X	
Proceeds from sale of equipment	X	
Interest received	X	
Dividend received	X	
<b>Net cash used in investing activities</b>		<b>X (B)</b>
Cash flows from financing activities		
Proceeds from issue of Share capital	X	
Proceeds from///repayment of long term borrowings	X	
Payment of finance lease liabilities	X	
Dividends paid	x	
<b>Net cash used in financing activities</b>		<b>X (C)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>X</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>X</b>
<b>Cash and cash equivalents at end of period</b>		<b>X</b>



**THANK YOU!**