

Direct Method Cash Flow Statement (Profit Category)

For the Year Ended 31st March 2024

A. Cash Flows from Operating Activities

Cash received from customers	â,¹ 8,00,000
Cash paid to suppliers	(â,¹ 4,20,000)
Cash paid to employees	(â,¹ 1,50,000)
Cash paid for operating expenses	(â,¹ 50,000)
Cash received from other operating incomes	â,¹ 12,000
Income taxes paid	(â,¹ 35,000)
Net Cash from Operating Activities	â,¹ 1,57,000

B. Cash Flows from Investing Activities

Purchase of fixed assets	(â,¹ 55,000)
Proceeds from sale of investments	â,¹ 20,000
Net Cash used in Investing Activities	(â,¹ 35,000)

C. Cash Flows from Financing Activities

Proceeds from issue of shares	â,¹ 60,000
Repayment of borrowings	(â,¹ 25,000)
Dividend paid	(â,¹ 15,000)
Net Cash from Financing Activities	â,¹ 20,000

D. Net Increase in Cash and Cash Equivalents

	â,¹ 1,42,000
Cash and cash equivalents at beginning of year	â,¹ 78,000
Cash and cash equivalents at end of year	â,¹ 2,20,000

Important Notes:

- The direct method reports major classes of gross cash receipts and payments.
- It provides more detailed information compared to the indirect method.
- Helps users to better understand an entity's cash position and liquidity.
- Common for regulatory submission and preferred by many accounting standards.
- Requires detailed records of all cash receipts and payments during the period.

