Cash Flow Statement		Amount	
Particulars		**Rs**	**Rs**
Cash From Operating Activity			
Net Profit as per P & L		796,800	
Refer Working Note			
Add/(Less):			
Premium on Debenture		14,400	
Loss on sale of Fixed Asset		36,000	
Depreciation		420,000	
Asset written off		12,000	
Preliminary Expenses Written off		48,000	
Operating Cash flow before Working Capital Change		1,327,200	
Add: *+ in Current Liability - Current Asset*			
Sundry Creditor	40,000		
Bills Payable	8,000		
Total	**48,000**		
Less *- Current Liability + Current Asset*			
Debtors	200,000		
Stock	44,000		
Total	**244,000**	(196,000)	
Operating Cash Inflow before Tax		1,131,200	
Income Tax Paid		432,000	
Operating Cash Inflow after Tax			**699,200**
Cash from Investing Activity			
Purchase of Machinery	(1,020,000)		
Sale of Machinery	120,000		
Cash from Sale of Investment	144,000		
Cash from Financing Activity			**(756,000)**
Cash from Financing Activity			
Equity Share	480,000		
Debenture Redeemed	(302,400)		
Dividend Paid	(124,800)		
Cash Outflow in Financing Activity			**52,800**
Net Inflow/(Outflow)			**(4,000)**
Cash at Beginning of the Year			4,000
Cash at End of the Year			-

Working Notes

Cost	240000
Dep	84000
Wdv	156000
Sale	120000
Loss	-36000

Accumulated Dep A/c

Dr		*Cr*	
Closing	1392000	Opening	1104000
Machinery	84000		
Machinery	48000	Dep for CY	420000
	1524000		1524000

Debenture

Debenture	288000
Premium	14400
Total	**302400**

Machinery

Dr		*Cr*	
Opening	3840000	Bank	120000
Bank	1020000	Loss	36000
(Bal Fig)		Accumulated de	84000
		Accumulated de	48000
		Loss	12000
		Closing	4560000
	4860000		4860000

Calculation of Net Profit

Profit as per Balance Sheet	72000
Add	
Proposed Dividend	172800
Provision for Tax	408000
General Reserve	144000
Net Profit	**796800**

Dividend Paid

	Rs
Last Year Closing	144000
Unpaid	19200
Dividend Paid	124800