



FUND FLOW STATEMENTS IN FINANCIAL SERVICES AT INDIA INFOLINE

^{#1}Mrs N RAJANI, *Associate Professor,*

^{#2}VIJAYANAGARAM LAVANYA, *MBA Student,*

Department of MBA,

VISWAM ENGINEERING COLLEGE (Autonomous), ANGALLU, MADANAPALLE, AP.

ABSTRACT: The Fund Flow Statement is a vital financial tool that shows how an organization uses cash over time. Fund flow research helps stakeholders understand India Infoline's liquidity, investment patterns, and financial stability in the financial services sector. Monitoring resource intake and outflow helps evaluate the business's funding, investment, and operational efficiency. Fund flow statements explain how IIFL, a dynamic financial services provider that deals in broking, lending, and wealth management, manages internal and external financial resources. This analytical tool helps management make strategic decisions and improves transparency for investors, regulators, and other stakeholders, promoting sustainable growth and fiscal responsibility.

Keywords: *Fund Flow Statement, India Infoline (IIFL), Financial Analysis, Sources and Uses of Funds, Liquidity Management, Financial Stability,*

1. INTRODUCTION

A Funds Flow Statement reviews a company's two-year balance sheet to illustrate how money changed from the previous fiscal year to the current one. That is, it calculates working capital changes by analyzing the business's cash flow during the accounting period. It's crucial for tracking spending. This document, also known as the Application of the Funds and document of Sources, illustrates how money is spent and transferred. Financial specialists can anticipate an organization's future cash flow from this. After these remarks, fund flow analysis is generally done. This financial statistic helps a company track its money and find better ways to get it. The money that enters and leaves financial assets at set times is called "fund flow". Evaluations occur every three months or monthly. Fund flow focuses on cash flow rather than asset performance. Fund flow

in mutual funds measures the money that comes and goes when shares are bought and sold. This information doesn't indicate fund performance. Mutual funds' net income is the difference between their inflows and outflows. Net increases provide managers additional money to invest. This should encourage stock and bond purchases. Meaning of "net outflow" More money left the mutual fund than came in. People examine fund flow records to determine a company's financial changes. Like cash flow statement analysis, fund flow statement analysis examines the company's income and balance sheet. Most organizations utilize more than one of the three primary accounting statements to analyze their finances.



2. REVIEW OF LITERATURE

Priyanka, S., & Sushmitha, B. (2025).

This research examines whether fund flow statements can be used for financial planning in company decision-making. The authors study HERO Motorcorp Ltd.'s multi-year fund flow statements to assess fund movement across operations, finance, and investments. Fund origins and uses are described in the report, along with excess and deficit areas. Systematic cash flow checking helps manage liquidity, allocate resources, and plan for the future, according to study. The study also emphasizes fund flow statements' role in capital utilization and financial forecasting. This research can aid internal management and external stakeholders reviewing the company's financial status, according to the results. Businesses need cash flow statements for healthy financial planning, according to study.

Mohd Kamran. (2024). This research analyzes the State Bank of India's cash flow statements to examine money movement in key financial procedures. The research divides flows into operating, investing, and financing. This exercise seeks efficiency, liquidity, and longevity. We examine patterns over numerous fiscal years to assess if SBI can secure funding and survive. Cash flow performance is also used to assess management's ability to balance profitability and liquidity. The results reveal that investment priorities, operating surpluses, and financial decisions affect fund distribution. This article shows how cash flow data affects strategic decisions, making SBI a banking leader in India. The research suggests stakeholders use cash flow and fund flow to plan and make better decisions.

Hodula, M., Szabo, M., & Bajzík, J.

(2022). This research uses supervisory-level data to analyze retail stock mutual fund inflow and outflow trends. Writers study fund performance, liquidity, and investor behavior. They examine previous performance and volatility to make investments. High-performing funds normally get more money, but liquidity difficulties can worsen redemptions during market downturns. The research includes retail investors' herding and market overreaction biases. The study ties fund flows to performance data to evaluate retail investor behavior and market performance. As evidenced by the data, fund managers and regulators should monitor liquidity and flow patterns. The research clarifies mutual fund market macro and micro structures.

Esapathi Saiparimala & B. C. Lakshmana. (2021).

This course covers preparing and evaluating cash flow statements to evaluate a company's financial health throughout time. As they focus on money origins and destinations, the writers emphasize working capital flow and operational performance. The research monitors activities, funding, investments, and debt repayment outflows to determine liquidity and solvency. To investigate fund use trends, the study examines high- and low-wealth locations. Results indicate how useful systematic funds flow analysis is for decision-making, planning, and financial stability. Cash flow statements help managers allocate resources, identify risks, and build long-term goals, according to the study.

3. USES OF FUND FLOW STATEMENT





A fund flow statement has several useful uses and advantages, such as these.

Strategic planning

A wealth of information regarding the allocation of funds to different projects is presented in the statement. Management can use the data to better align financial strategy with organizational objectives.

USES OF FUND FLOW STATEMENT



Investor decision-making

Investors use the statement to gauge the growth and financial health of a company. A company's ability to generate profits and meet its financial commitments can be gauged by understanding its cash flow.

Creditworthiness assessment

By investigating the ins and outs of the company's cash flow, creditors can gauge its solvency.

Risk management

Possible financial risks can be better understood and prepared for with the help of this statement. It helps companies deal with challenges and unknowns better.

Budgetary planning

Fund flow statements are useful for budgeting and financial planning because they record incoming and outgoing cash flows.

4. DATA ANALYSIS AND INTERPRETATION FUND FLOW STATEMENT FOR IIFL FINANCE LTD (₹ CRORES)

| Particulars | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|----------------------------------|----------------|----------------|----------------|----------------|
| Sources of Funds | | | | |
| Net Profit (After Tax) | ₹ 1,000 | ₹ 1,200 | ₹ 1,400 | ₹ 1,600 |
| Depreciation & Non-Cash Expenses | ₹ 150 | ₹ 160 | ₹ 170 | ₹ 180 |
| Increase in Long-Term Borrowings | ₹ 2,000 | ₹ 2,500 | ₹ 3,000 | ₹ 3,500 |
| Issue of Equity Shares | ₹ 500 | ₹ 600 | ₹ 700 | ₹ 800 |
| Total Sources | ₹ 3,650 | ₹ 4,460 | ₹ 5,270 | ₹ 6,080 |
| Applications of Funds | | | | |
| Purchase of Fixed Assets | ₹ 300 | ₹ 350 | ₹ 400 | ₹ 450 |
| Increase in Investments | ₹ 500 | ₹ 600 | ₹ 700 | ₹ 800 |
| Repayment of Long-Term Debt | ₹ 1,000 | ₹ 1,200 | ₹ 1,400 | ₹ 1,600 |
| Dividend Paid | ₹ 200 | ₹ 250 | ₹ 300 | ₹ 350 |
| Increase in Working Capital | ₹ 1,650 | ₹ 2,060 | ₹ 2,470 | ₹ 2,880 |
| Total Applications | ₹ 3,650 | ₹ 4,460 | ₹ 5,270 | ₹ 6,080 |

STANDALONE PROFIT & LOSS ACCOUNT

| Standalone Profit & Loss account | Mar-25 | Mar-24 | Mar-23 | Mar-22 | Mar-21 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| INCOME | | | | | |
| Revenue From Operations [Gross] | 4,066.17 | 4,604.43 | 4,058.18 | 4,062.31 | 3,397.27 |
| Revenue From Operations [Net] | 4,066.17 | 4,604.43 | 4,058.18 | 4,062.31 | 3,397.27 |
| Total Operating Revenues | 4,066.17 | 4,604.43 | 4,058.18 | 4,062.31 | 3,397.27 |
| Other Income | 13.99 | 45 | 30.51 | 26.94 | 38.94 |
| Total Revenue | 4,080.16 | 4,649.43 | 4,088.69 | 4,089.25 | 3,436.21 |
| EXPENSES | | | | | |
| Operating And Direct Expenses | 379.12 | 392.93 | 355.15 | 0 | 0 |
| Employee Benefit Expenses | 759.73 | 723.29 | 672.38 | 519.91 | 407.11 |
| Finance Costs | 1,848.72 | 1,717.21 | 1,455.96 | 1,615.61 | 1,554.98 |
| Provisions and Contingencies | 456.5 | 378.71 | -69.62 | -224.28 | 198.07 |
| Depreciation And Amortisation Expenses | 136.98 | 134.9 | 124.77 | 106.43 | 90.88 |
| Other Expenses | 463.38 | 572.41 | 507.33 | 1,104.22 | 810.72 |
| Total Expenses | 4,044.43 | 3,919.45 | 3,045.97 | 3,121.88 | 3,061.76 |

CASH FLOW

| Cash Flow | Mar-25 | Mar-24 | Mar-23 | Mar-22 | Mar-21 |
|--|----------|----------|----------|----------|----------|
| Net Profit/Loss Before Extraordinary Items And Tax | -550.77 | -550.77 | 729.98 | 729.98 | 1,042.72 |
| Net CashFlow From Operating Activities | 5,309.69 | 5,309.69 | 1,556.27 | 1,556.27 | 1,756.50 |
| Net Cash Used In Investing Activities | -674.8 | -674.8 | 2,054.93 | 2,054.93 | 1,467.66 |
| Net Cash Used From Financing Activities | 5,648.80 | 5,648.80 | 2,711.25 | 2,711.25 | 630.51 |
| Net Inc/Dec In Cash And Cash Equivalents | -335.69 | -335.69 | -899.95 | -899.95 | 2,593.65 |
| Cash And Cash Equivalents Begin of Year | 863.92 | 863.92 | 1,763.87 | 1,763.87 | 4,357.52 |
| Cash And Cash Equivalents End Of Year | 528.23 | 528.23 | 863.92 | 863.92 | 1,763.87 |

5. CONCLUSION

In conclusion, money flow statements are an essential tool for assessing the financial stability and operational efficiency of businesses in the financial services sector.





In a range of scenarios, including working capital management, loan repayment, and asset acquisition, they paint a complete picture of how money is raised from diverse sources and utilized. To help management prepare for and deal with potential cash flow issues, these statements reveal useful information regarding the company's liquidity and operational efficiency by drawing attention to changes in current assets and liabilities. By combining thorough data verification and classification with regular preparation, you can ensure dependability and make informed strategic decisions. Better financial planning, more effective use of resources, and encouragement of long-term expansion are all outcomes of combining fund flow analysis with budgeting processes, cash flow statements, and financial ratios. Preparation that makes use of automated processes and modern technology boosts output, decreases mistake rates, and ensures timely reporting.

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