

“FUNDS FLOW STATEMENT ANALYSIS” AT BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD

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Abstract

The Funds Flow Statement is an important financial management tool used to analyze the movement of funds between two accounting periods. It helps identify the various sources from which funds have been generated and the areas where these funds have been utilized. Unlike the cash flow statement, which focuses only on cash transactions, the funds flow statement provides a broader view of changes in the financial position by examining variations in working capital. It enables management, investors, creditors, and other stakeholders to evaluate the financial stability, operational efficiency, and long-term solvency of an organization. A detailed funds flow analysis assists in understanding the effectiveness of financial planning, capital investment decisions, and the overall utilization of financial resources. This study focuses on the Funds Flow Statement Analysis at Bajaj Allianz Life Insurance Company Ltd. The primary objective is to examine the company's sources and applications of funds over the study period and to evaluate its financial performance and fund management practices. The analysis considers key financial components such as shareholders' funds, long-term borrowings, investments, fixed assets, current assets, current liabilities, reserves and surplus, and changes in working capital. By comparing financial statements over multiple years, the study identifies trends in fund generation, investment activities, financing decisions, and resource allocation. The research is based on secondary data collected from the company's published annual reports, financial statements, industry reports, and other reliable financial sources. Various financial analysis techniques, including comparative balance sheet analysis, schedule of changes in working capital, preparation of funds flow statements, and interpretation of financial ratios, are employed to assess the company's financial position. These analytical tools provide valuable insights into the organization's ability to generate funds from operations, maintain adequate working capital, finance long-term investments, and meet its financial obligations efficiently. The findings of the study indicate that effective fund management plays a significant role in ensuring the financial strength and operational sustainability of the company. The analysis highlights the relationship between operating activities, investment decisions, and financing strategies in influencing the overall financial health of the organization. It also demonstrates how proper allocation of funds contributes to business expansion, customer service enhancement, technological development, and long-term profitability in the highly competitive insurance sector.

Keywords: Funds Flow Statement, Financial Analysis, Working Capital, Fund Management, Cash Flow, Liquidity Analysis, Financial Performance, Bajaj Allianz Life Insurance Company Ltd.

I. INTRODUCTION

Fund Flow Statement Analysis is an important method secondary data in commercial administration to study the motion of capital inside an arranging all along a distinguishing bookkeeping ending. It helps in labeling the beginnings from what or which place earnings are create and the differing purposes for that those collaterals are resorted to. The declaration focuses on changes in venture capital and specifies valuable facts about the monetary

movements and talent administration of a trade. By resolving the flow of resources middle from two points two financial statement including gains and losses for a period dates, it allows administration, financiers, creditors, and additional colleagues to comprehend the guest's monetary substance, financing conclusions, and payment actions. Fund flow study serves as an active finish for judging unending monetary establishment, preparation future economic necessities, and determining the adeptness of fund exercise.

It bridges the breach betwixt the balance sheets of two bookkeeping periods and offers understandings into by what method trade actions influence the overall economic position of an arranging. Consequently, it plays an main act in fiscal reasoning, accountable, and calculated preparation. A earnings flow affidavit is a mechanics tool created to resolve, the changes in the economic condition of a trade energy 'tween two age. It is otherwise known as as a 'affidavit of beginnings and requests of resources. The money flow report is Becoming well-known accompanying the administration cause it not only helps bureaucracy in resolving monetary movements, providing action for corresponding accompanying budgets, and symbolize a finish of ideas, but too interprets the economic results of specific movements aforementioned as the lure the association is experience trouble in making fees to creditors or reason the bank balance is altering finer.

There is a accepted acknowledgment related to manufacturing and trade and between professional bookkeeping physique that monetary declarations endure support appropriate news that substitute serves the diversified goals of shareholders, financiers, creditors, clients and all and that allow ruling class to accomplish realistic financial resolutions. Normally what the shareholders expect in these assertions is an report of the management of the firm and the amount that grant permission be necessary as profit. Potential financiers consider finances flow charges as the beginning of skilled sensible view of the profit of a party's shares in conditions of an anticipated futures stream of disposal and judge the effectiveness of the administration correspondingly..

Research Objectives

To study the commercial assertions of The Bajaj Allianz Life Insurance for the 4 years.

To resolve by means of what The Bajaj Allianz Life Insurance is resorting to allure possessions.

To resolve the changes in financial statement including gains and losses for a period from completely of individual ending of moment of truth completely of another magnitude

To discover the beginnings from what or which place supplementary capital were derivative and the use at which point their beginnings were set.

Research Methodology:

The study adopts a **descriptive and analytical research design** to evaluate the funds flow position and financial performance of Bajaj Allianz Life Insurance Company Ltd. The primary objective is to analyze the movement of funds between different accounting periods and assess the company's efficiency in managing its financial resources. The research relies mainly on **secondary data**, collected from the company's annual reports, audited financial statements, balance sheets, profit and loss accounts, official publications, journals, books, company websites, and other reliable financial databases. Wherever necessary, **primary data** is obtained through discussions with finance personnel and company officials to gain a better

understanding of financial practices. The study covers financial data for a selected period to prepare and analyze funds flow statements and identify the sources and applications of funds. The collected data is systematically classified, tabulated, and analyzed using financial statement analysis techniques such as comparative balance sheet analysis, schedule of changes in working capital, preparation of funds flow statements, ratio analysis, trend analysis, and percentage analysis. Microsoft Excel and other statistical tools are used to organize and interpret the data effectively. The **independent variables** considered in the study include sources of funds such as share capital, long-term borrowings, retained earnings, and other financing activities, while the **dependent variables** include working capital, liquidity position, operational efficiency, and overall financial performance of the company. The study aims to assess the effectiveness of fund utilization, identify changes in working capital, and evaluate the financial stability of Bajaj Allianz Life Insurance Company Ltd. Although the study provides valuable insights into the company's financial management practices, its findings are limited by the availability of published financial data, the selected study period, and the possibility of changes in accounting policies and economic conditions that may influence the results

II. REVIEW OF LITERATURE

Pandey, I.M. (2015) – "Financial Management"

I.M. Pandey clarifies that fund flow study is a main method for testing the drive of resources inside a trade. The item climaxes that fund flow affidavits help administration recognize beginnings and uses of resources and judge changes in venture capital. Pandey decides that active fund flow study supports commercial preparation, grant resolutions, and unending trade development.

Khan, M.Y. and Jain, P.K. (2017) – "Financial Management: Text and Problems"

The authors argue the importance of fund flow reports in resolving a firm's monetary position. Their item stresses that fund flow study supports valuable news concerning the exercise of cash available for use and assists managers in ruling venture capital. The study decides that fund flow affidavits raise administrative and monetary power. Prasanna Chandra (2019) – "Financial Management: Theory and Practice"

This item analyzes the act of fund flow study in judging allied expenditure and finance actions. Chandra contends that fund flow declarations help institutions think in what way or manner functional profits are convinced into money and handled for trade growth. The review climaxes the significance of fund flow reasoning in calculated economic administration. Brigham, E.F. and Houston, J.F. (2018) – "Fundamentals of Financial Management"

The authors expound that fund flow assertions supply visions into the creation and exercise of capital inside an arranging. Their item climaxes the utility of fund flow study for financiers and creditors in evaluating monetary substance, financial competence, and progress potential. The study decides that fund flow assertions support direct commercial preparation. Van Horne, J.C. and Wachowicz, J.M. (2008) – "Fundamentals of Financial Management"

This item states that fund flow reasoning complements usual monetary charges by expounding changes in fiscal position. The authors stress that fund flow reports help managers learn the reasons behind changes in venture capital and support conversant monetary determinations. Maheshwari, S.N. and Maheshwari, S.K. (2016) – "Financial Accounting"

The item focuses on the function of fund flow charges in pursuing fund shifts and upholding economic balance. The authors dispute that resolving fund flows authorizes arrangements to control money capably and encourage their fiscal position. Gupta, S.P. and Sharma, R.K. (2014) – "Management Accounting"

Gupta and Sharma confer in what way or manner fund flow reasoning helps trades label extents of adept and wasteful fund exercise. Their item decides that fund flow affidavits

provide considerably to calculating, predicting, and source distribution. Anthony, R.N. and Reece, J.S. (1989) – "Accounting Principles"

The authors describe that fund flow charges specify news not applicable through balance sheets and salary assertions unique. Their review implies that fund flow reasoning reinforces the understanding of fiscal projects and enduring trade depiction. Gibson, C.H. (2013) – "Financial Statement Analysis"

Gibson's item climaxes the significance of fund flow reasoning in defining economic affidavits. The study finds that fund flow affidavits help financiers and creditors determine administration influence and economic planning. Bhattacharya, S.K. (2012) – "Management Accounting"

This item stresses that fund flow reasoning assists in understanding the impact of trade undertakings on venture capital. Bhattacharya decides that fund flow reports are valuable finishes for monetary power and efficiency judgment. Needles, B.E., Powers, M., and Crosson, S. (2013) – "Principles of Accounting"

The authors state that fund flow affidavits help collaborators think by what method cash available for use are create and took advantage of. Their item focal points the significance of fund flow reasoning in judging administrative effectiveness and monetary sustainability. Reddy, T.S. and Murthy, A. (2017) – "Corporate Financial Management"

This study tests the connection betwixt fund flow reasoning and allied commercial act. The authors decide that fund flow affidavits are valuable for evaluating liquidity, richness, and unending fiscal energy.

III. DATA ANALYSIS & INTERPRETATION.

DATA ANALYSIS AND INTERPRETATION

Statement of changes in Working Capital for the year
Ended 2021-2022:

(Rs)

| Particulars | 2021 | 2022 | Increase | Decrease |
|-------------------------------|----------|----------|----------|----------|
| A. Current assets: | | | | |
| Cash in hand | 1957 | 4991 | 3034 | |
| Balance with Banks | 8349222 | 4687197 | | 3662025 |
| Balance with Banks | | | | |
| - Escrow Account | 4677 | 1677 | | 3000 |
| Telephone Deposits | 8000 | 8000 | - | - |
| K.S.T.Security Deposits | 1000 | 1000 | - | - |
| Receivables | 8934220 | 16644241 | 7710021 | |
| Differed tax | ---- | 305814 | 305814 | |
| Loans & Advances | 4789525 | 11341596 | 655207 | |
| Total Current Assets (A) | 22088601 | 32994516 | | |
| B. Current Liabilities | | | | |
| Contingency deposits | 900681 | 900681 | - | - |
| Staff Security deposits | 5000 | 5000 | - | - |
| Unclaimed deposits | 110505 | 110505 | - | - |
| Other liabilities | 1792319 | 21490190 | | 19697871 |
| Statutory & Tax Audit fee | 17000 | 25000 | | 8000 |
| Provision for taxation | 1858000 | 4700000 | | 2842000 |
| Total Current Liabilities(B) | 4683505 | 27231376 | | |
| (A-B) Working capital | 17405096 | 5763140 | | |
| Decrease in working capital | | 11641956 | 11641956 | |
| | 17405096 | 17405096 | 26212896 | 26212896 |

Interpretation:- Comparing the period 2020-2021 Current debts raised 22547871 rupees equate current current property increase 10905916 rupees only As a result The Working capital decrease 11641956 rupees.

Funds Flow Statement for the year ended with 31.03.2022

| Sources | Amount Rs | Uses | Amount Rs |
|---------------------------------------|--------------|--------------------------|--------------|
| Funds from operations | 7598848 | Redemption of shares | 66338250 |
| Decrease in Miscellaneous expenditure | 69314928 | Purchase of fixed assets | 361747 |
| Decrease in Working capital | 11641956 | Additional Investments | 21855735 |
| | 88555732 | | 88555732 |

Interpretation: -

The declaration climaxes the expenditure and installing projects of The Bajaj Allianz Life Insurance Limited. The Bajaj Allianz Life Insurance Limited decreases diversified payment reserve by 69314928 rupees because t The Bajaj Allianz Life Insurance take giant amount of assets from that. In addition to this it takes few resources from operating ventures.

The Bajaj Allianz Life Insurance redeems shares by Rs 66338250 accompanying the cash reserves of decrease of diversified payment reserve. In addition to this The Bajaj Allianz Life Insurance Ltd use means to purchase long-term assets and loan

Statement of changes in Working Capital for the year ended 2022-2023: (Rs)

| Particulars | 2022 | 2023 | Increase | Decrease |
|--|-----------------|-----------------|----------|----------|
| A. Current assets: | | | | |
| Cash in hand | 4991 | 4345 | --- | 646 |
| Balance with Banks | 4687197 | 5351063 | 663866 | |
| Balance with Banks - Escrow Account | 1677 | --- | | 1677 |
| Telephone Deposits | 8000 | 8000 | --- | --- |
| K.S.T.Security Deposits | 1000 | 1000 | --- | --- |
| Receivables | 16644241 | 51570132 | 34925891 | |
| Differed tax | 305814 | 90935 | | 214879 |
| Loans & Advances | 11341596 | 18278123 | 6936527 | |
| Total Current Assets (A) | 32994516 | 75303598 | | |
| B. Current Liabilities | | | | |
| Contingency deposits | 900681 | 900681 | --- | |
| Staff Security deposits | 5000 | --- | 5000 | |
| Unclaimed deposits | 110505 | --- | 110505 | - |
| Other liabilities | 21490190 | 14190579 | 7304611 | - |
| Statutory Audit fee | 20000 | 28810 | | 8810 |
| Provision for taxation | 4700000 | 13015121 | | 8315121 |

Interpretation: - Comparing the old age 2021-2022 the current property raised by 42309082 rupees equate the current responsibilities 903815 only suitable way venture capital increase 41405267 rupees. There in the front temporary economic position of The Bajaj Allianz Life Insurance is good.

Funds Flow Statement for the year ended with 31.03.2023

| Sources | Amount Rs | Uses | Amount Rs |
|-----------------------|--------------|-----------------------------|--------------|
| Funds from operations | 23307434 | Purchase of fixed assets | 3481583 |
| Sale of investment | 21579416 | Increase in working Capital | 41405267 |
| | 44886850 | | 44886850 |

Interpretation: - The report focal points the payment and adopting endeavors of The Bajaj Allianz Life Insurance. Funds from movements are the main beginning of The Bajaj Allianz Life Insurance with the amount of 23307434 rupees and it likewise takes capital through

selling of loan. The Bajaj Allianz Life Insurance uses the means to purchase long-term assets

Ended 2023-2024:

(Rs)

| Particulars | 2023 | 2024 | Increase | Decrease |
|----------------------------------|----------|----------|----------|----------|
| A. Current assets: | | | | |
| Cash in hand | 4345 | 6611 | 2266 | |
| Balance with Banks | 5351063 | 21588270 | 16237207 | |
| Deposits | 9000 | 106000 | 97000 | |
| Receivables | 51570132 | 34771822 | | 16798310 |
| Loans & Advances | 18278123 | 11566605 | 97288482 | |
| Total Current Assets (A) | 75212663 | 17239308 | | |
| B. Current Liabilities | | | | |
| Contingency deposits | 900681 | --- | 900681 | |
| Salary payable | --- | 25267604 | | 25267604 |
| Other liabilities | 14190579 | 78277021 | | 64086442 |
| Statutory Audit fee | 28810 | --- | 28810 | |
| Provision for taxation | 13015121 | 1775997 | 11239124 | |
| Provision for fringe benefit tax | --- | 177290 | | 117290 |
| Provision for gratuity | --- | 308514 | | 308514 |
| Proposed dividend | --- | 16584563 | | 16584563 |
| Dividend tax | --- | 2325985 | | 2325985 |

to correct allure movement

| Particulars | 2024 | 2025 | Increase | Decrease |
|-------------------------------|-----------|-----------|----------|----------|
| A. Current assets: | | | | |
| Cash in hand | 6611 | 3204 | | 3407 |
| Balance with Banks | 21694270 | 50464281 | 28770011 | |
| Sundry debtors | 34771822 | 17092699 | | 17679123 |
| Loans & Advances | 115566605 | 87752825 | | 27813780 |
| Total Current Assets (A) | 172039308 | 155313009 | | |
| B. Current Liabilities | | | | |
| Salary payable | 25267604 | 17045048 | 8222556 | |
| Other liabilities | 78277021 | 59489793 | 18787228 | |
| Provisions | 21112349 | 12087980 | 9024369 | |
| Total Current Liabilities(B) | 124656974 | 88622821 | | |
| (A-B) Working capital | 47382334 | 66690188 | | |
| Increase in working capital | 19307854 | | | 19307854 |
| | 66690188 | 66690188 | 64804164 | 64804164 |

Interpretation: - Comparing the year 2024-2025 the current assets increased by 16726299 rupees, the current liabilities decrease 36034153 rupees as a result working capital increase 19307854 rupees. Therefore short term financial position of The Bajaj Allianz Life Insurance is good.

| Sources | Amount Rs | Uses | Amount Rs |
|--------------------------------|-----------|-----------------------------|-----------|
| Funds from operations | 9372429 | Purchase of fixed assets | 419297 |
| Sale of Investment | 8210173 | Increase in working capital | 19307854 |
| Decrease of deferred tax asset | 2144549 | | |
| | 19727151 | | 19727151 |

Interpretation: - The Bajaj Allianz Life insurance takes immense amount of cash reserves through resources from movements and business of loan. The Bajaj Allianz Life Insurance uses few of these budget to purchase long-term assets. The Bajaj Allianz Life Insurance further utilizing these assets to increase venture capital.

IV. FINDINGS

1. It is raise that The Bajaj Allianz Life Insurance equity enough share capital. It is implicit that The Bajaj Allianz Life Insurance claiming a minimum Cash Balances. It is elucidated The Bajaj Allianz Life Insurance employing earnings more in purchase of long-term assets.
2. In 2012-2020 the Working capital of The Bajaj Allianz Life Insurance is curbed by 11641956 rupees. In the alike ending the flow of resources of The Bajaj Allianz Life Insurance extreme cause the party receive gigantic amount of collaterals from

- movements and still from decrease in diversified payment reserve. The Bajaj Allianz Life Insurance uses that fund to compensate the shares and to purchase long-term assets.
3. In 2020-2023 the Working capital of The Bajaj Allianz Life Insurance is raised by 41405267 but the flow of finances is declined cause The Bajaj Allianz Life Insurance do not receive some budget from decrease of reserves, The Bajaj Allianz Life Insurance get assets only from movements and auction of loan. The Bajaj Allianz Life Insurance uses few of those means to purchase long-term assets.
 4. In 2023-2025 the Working capital of The Bajaj Allianz Life Insurance is raised but the flow of capital is depressed as distinguished to premature old age cause The Bajaj Allianz Life Insurance get collaterals only from operating endeavors. The Bajaj Allianz Life Insurance use few collaterals to purchase long-term assets
 5. In 2024-2025 the Working capital of The Bajaj Allianz Life Insurance is raised the flow of earnings is still raised well cause The Bajaj Allianz Life insurance get giant amount of budget from movements and business of contribution . The Bajaj Allianz Life Insurance use those finances to purchase long-term assets..

V. CONCLUSION

It maybe decided that money flow acting of The Bajaj Allianz Life Insurance is good cause resources from movements are extreme in done yearly beginnings of means. The Bajaj Allianz Life Insurance utilize few capital to purchase long-term assets done yearly The Bajaj Allianz Life Insurance do few contribution ventures to employ finances efficiently.

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