

A STUDY ON CASH MANAGEMENT AT RELIANCE SUPER MARKET

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Abstract:- "A research on cash management of RELIANCE SUPER MARKET.s limited" is the title of the project. Finding the RELIANCE SUPER MARKET's cash position is the key goal. Secondary data serve as the foundation for the research. It is impossible to overstate the importance of cash to maintaining seamless corporate operations on a daily basis. There aren't many businesses that don't demand cash payments. Actually, the Cash needs vary depending on the company. A company should make efforts to boost its wealth. A company that makes enough money to support its operations should be able to achieve this goal. To generate sales, the company must make enough investments in its present assets. Since sales don't always generate cash, current assets are needed. There is always an operational cycle involved in the conversion of revenues into cash. The objectives are to evaluate inventories, debtors, creditors, and cash effectiveness as well as cash management. to better understand the firm's profitability and liquidity condition. These objectives are achieved by using ratio analysis to provide results that are essential for comprehending the effectiveness or ineffectiveness of Cash. The business has been running inadequately for the past five years. The company boosts performance as a result and concentrates on the neighbourhood. Due to its limited financial resources, the firm must borrow money from the public and other parties. Creating liabilities for the firm. Each year, the working capital decreases. Therefore, they should take the required actions to increase working capital.

Keywords: Cash Management, Ratio Analysis, Trend Analysis.

INTRODUCTION

INTRODUCTION TO CASH MANAGEMENT

1.1. Management of cash

One of the main areas of trendy working capital management is because money is the most versatile form of resource available today. Thus, the responsibility of the cash function is far-fetched and far-fetched to ensure that the business enterprise's particular profitable location has sufficient liquidity whenever it needs something very profitable.comparable. At the same time, it must also be ensured that the asset is not impeded in this set of idle money ideas, as the remaining idle money also includes fees such as revenue costs and opportunity fees.

1.2. Nature of Cash

Money is an alternative to buy back products and hard work and to release debts. In true cash leaders, the time period is applied to two findings:

(a) Narrow sense - Under this currency, money is insured and recognized major money counterparties are used, namely appraisal money, bill of exchange, and bank collectors' stores.

(b) Broad Meaning - Here coins carry the resources presented above as well as close to the coins. These are bank time stores and attractive protections.

1.3. Objectives of Cash Management

The primary goal of board cash is to move funds from add-ons to scarce utilities in order to maintain the association's ideal liquidity position. Furthermore, the board cash dream can be split into two ends - tracking cash inflows and outflows and supporting the affiliate-owned cash function to meet ongoing commitments. Other mega monetization goals executives talk about the following:

I. Cash Flow Scheduling - Refers to scheduling the inflow and outflow of money from an association over an indefinite period. By maintaining a sufficient level of funding, the earnings control allows the normal elements of the link to be reduced.

II. Synchronization of cash flow - Refers to the development of the balance between cash inflow and cash inflow in the business enterprise. Assuming that a large amount of cash inflows (inflows) are equal to inflows (spikes), then no additional cash protection will be required at that point.

REVIEW OF LITERATURE

. **Amalendu & Sri (2011)** The concern of business owners and managers all over the world is to devise a strategy of managing their day-to-day operations in order to meet their obligations as they fall due and increase profitability and shareholder's wealth.

Liquidity management, in most cases, are considered from the perspective of working capital management as most of the indices used for measuring corporate liquidity are a function of the components of working capital. Working capital management is defined as the management of the component of current assets (Inventory, Receivables, Short term securities, bills receivables and cash) and current liabilities (Payables).

(Raheman and Nasr,2007). The importance of liquidity management as it affects corporate profitability in today's business cannot be over emphasis.

The crucial part in managing working capital is required in maintaining its liquidity in day-to-day operation to ensure its smooth running and meets its obligation

(Eljelly, 2004). Liquidity management is very important for every organization that means to pay current obligations on business, the payment obligations include operating and financial expenses that are short term but maturing long term debt. Liquidity ratios are used for liquidity management in every organization. That greatly effect on profitability of organization.) argues that profit can be potentially maximized by the way working capital is managed.

NEED FOR THE STUDY

- a) The importance of Cash to operators in any modern challenge cannot be overstated. Under prevailing inflationary conditions, cash leaders are perhaps even bigger than earnings management, requiring considerable attention and effort.
- b) He wants special attention because each of its elements requires different forms of processing, and he always pays attention to the training of potential and judgment, familiarization with economic models , etc., due to the seriousness and complexity of the important issue. the importance of money.
- c) With The anti-inflation measures taken to create a good cash position placed working capital in the maximum area of the board and required unique knowledge to manage it.
- d) Nowadays, the difficulty of monitoring Cash has an unbiased element, so its examination and consultation is essential for internal and external investigators to ignore judgments. Predictions on the trading area are continuing to worry. So today's review titled "Attention to Cash Management" has continued.

SCOPE OF THE STUDY

- ✧ Span of the assessment: 45 days April fourth 2022 to May twentieth 2022.
- ✧ Test size: 5Yrs (2017-2022)
- ✧ Information investigation units: Cash circulate proclamation exam
- ✧ * Assets from sports
- ✧ * Proportion Analysis
- ✧ * Pattern exam
- ✧ Optional records gathered from dispensed assets: yearly reviews and articulation of information reached out from the 12 months 2017-to 2022

OBJECTIVES OF THE STUDY

- Understand the pre-board framework in the Reliance Super market.
- To realize cash inflow and use outflow in Reliance Super Market.
- Determine how to meet the Company's current peak/second commitments.
- Make short solvency placement.
- Give ideas and suggestions to enhance cash function at Reliance Supermarket.

RESEARCH METHODOLOGY

Research plan

The exam approach applied for the review is awesome. The sort of the review is at the cash the board typical and supposed for the financial function.

Information collection

Essential records

The evaluation has been made utilizing auxiliary information, that are obtained from yearly reviews and articulations of information.

Auxiliary facts

The assessment is duration for the every year reports and explanation of statistics reached out from the yr 2017-to 2022

Information Analytics for the evaluation

Throughout research for the analyst for examination and know-how of statistics is given beneath has applied specific apparatuses.

Income proclamation exam

Assets from duties

Proportion research.

Pattern research

LIMITATIONS OF THE STUDY

- Problems accessing a large index due to its reactivity and enigmatic nature.
- The inconsistency in the accounting cases of the studied years makes it difficult to decipher the information rigorously.
- Investment is required to accumulate data of treasury divisions.
- Collecting information about the length of the case has been counted for 5 years, it has been a race to collect data
- The process of categorizing optional data is a long and complicated cycle in tracking the relevant statistics.

CONTROL OF DISBURSMENT

a) Stretching Accounts Payable

A firm should pay its accounts payables as late as possible without damaging its credit standing. It should, however, take advantages of the cash discount available on prompt payment.

b) Centralized Disbursement

One procedure for rightly controlling disbursements is to centralize payables in to a single account, presumably at the company's headquarters. Such an arrangement would enable a firm to delay payments and can serve cash for several reasons. Firstly, it increases transit time. Secondly, if a firm has a centralized bank account, a relatively smaller total cash balances will be needed.

c) Bank Draft

Unlike an ordinary cheque, the draft is not payable on demand. When it is presented to the issuer's bank for collection, the bank must present it to the issuer for acceptance. The funds then are deposited by the issuing firm to cover payments of the draft. But suppliers prefer cheques. Also, bank imposes a higher service charge to process them since they require special attention, usually manual.

d) Playing the float

The amount of cheques issued by the firm but not paid for by the bank is referred to as the "payment float".

The differences between "payment float" and "collection float" are the net float. So, if a firm enjoys a positive "net float", it may issue cheques even if it means having an ever down account in its books. Such an action is referred to as "playing the float", within limits a firm can play this game reasonably safely.

Thus, management of cash becomes essential and it should be seen to, that neither excessive nor inadequate cash balances are maintained.

CASH FLOW STATEMENT

An analysis of cash flows is useful for short-run planning. A firm needs sufficient cash to pay debts maturing in the future, to pay interest and other expenses and to pay dividends to shareholders. The firm can make projections of cash inflows and outflows for the near future to determine the availability of cash. This cash balance can be matched with the firm's need for cash during the period, and accordingly, arrangements can be made the deficit or invest the surplus cash temporarily. A historical analysis of cash flows provides insight to prepare reliable cash flow projections for the immediate future.

A statement of changes in financial position on cash basis. Commonly known as the cash flow statement, summarizes the causes of changes in cash position between dates of the two balance sheets. It indicates the sources and uses of cash. The cash flow statement is similar to the funds flow statement except that it focuses attention on cash (immediate or near term liquidity) instead of working capital or funds (potential or medium term liquidity). Thus, this statement analyses changes in non-current accounts as well as current accounts (other than cash) to determine the flow of cash.

Utility of cash flow analysis

A Cash flow analysis is an important financial tool for the management. Its chief advantages are as follows.

1. Helps in efficient cash management

Cash flow analysis helps in evaluating financial policies and cash position. Cash is the basis for all operation and hence a projected cash flow statement will enable the management to plan and co-ordinate the financial operations properly. The management can know how much cash is needed from which source it will be derived, how much can be generated, how much can be utilized.

INDUSTRY PROFILE

A supermarket is a self-service shop offering a wide variety of food, beverages and household products, organized into sections. This kind of store is larger and has a wider selection than earlier grocery stores, but is smaller and more limited in the range of merchandise than a hypermarket or big-box market. In everyday U.S. usage, however, "grocery store" is synonymous with supermarket, and is not used to refer to other types of stores that sell groceries.

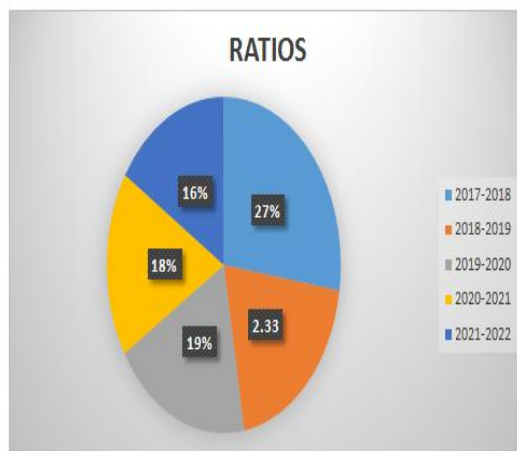
EMPIRICAL RESULTS

CURRENT RATIO

Table Number: 4.1.1- Tabular representation of current ratio 2017-2022

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIOS
2017-2018	65,84.62	20,32.27	3.24
2018-2019	68,99.66	29,61.12	2.33
2019-2020	58,71.06	26,16.37	2.24
2020-2021	56,48.37	26,84.73	2.1
2021-2022	60,09.83	45,36.09	1.89

Graph No 4.1.a Graphical representation of current ratio 2017-2022



The above ratio shows the position of the firm. The standards norm for this ratio is 2:1. From the above table the current ratio for the year 2017-2018 is normally 3.24 and 2021-2022 it was 1.89. It is not good position.

COMPANY PROFILE

Reliance Fresh Kondapur. Get Reliance Fresh Kondapur Hyderabad Address, Map, Location, Number, and Email From Search Hyderabad

Name:- Reliance Fresh Kondapur, Hyderabad.

Address:- Reliance Fresh, Ravi Enclave, Plot No 132 & 133, near Aparna towers, Kondapur, Hyderabad - 500084

Number:- 1800 102 7382

Email:- customerservice@ril.com

Timings:- Monday to Sunday 10 Am to 10 PM

Reliance Fresh Information

Reliance Fresh started in 2006 by MukeshAmbani with headquarters in Mumbai, India. Reliance Fresh private Limited operates food retail outlets across India. They offer Vegetables, processed foods, groceries, fruits, Spices, dairy, cereals, and personal care products.

Reliance Fresh is one of the leading retail chains in India and their moto is freshness and savings. Their core promises are Fresh Amesha, Available Hamesha, and Savings

Hamesha, Reliance Fresh stores in Hyderabad are a one-stop-shop for fresh shopping, fresh shavings, and fresh happiness. From 2006, Reliance Fresh present in over 80 markets, with more than 600 stores and 3 million active customers and counting. Reliance Fresh directly partners with a large number of farmers and small vendors.

Service Overview

Reliance Fresh Kondapur Hyderabad sells all kinds of fresh Fresh Fruits, Vegetables, Cereals, Pulses, Oil, Sugar, Milk, and other dairy products, Packaged food items, beverages, home and personal care, health and beauty products, limited range of kitchen/ home improvement items and footwear. Accepts payments via, cash, credit card, Debit card, and digital wallets. Timings Monday to Sunday 10 Am to 10 PM

Tags:- Reliance Fresh Kondapur, Reliance Supermarket Kondapur, Reliance Fresh Hyderabad, Reliance Supermarket Hyderabad.

Reliance Retail is an Indian retail company and a subsidiary of Reliance Industries Limited. Founded in 2006, it is the largest retailer in India in terms of revenue.[4] Its retail outlets offer foods, groceries, apparel, footwear, toys, home improvement products, electronic goods, and farm implements and inputs. Apart from physical outlets, the company also sells products on its e-commerce channels.

Financial position

SUBSIDIARIES AND DIVISIONS

A Reliance Trends Woman store in Kollam.

There are over 45 subsidiaries and divisions of Reliance Retail. Following is a list of major divisions:

1 Reliance Fresh Retail outlets of fruits, vegetables and groceries.

2 Reliance Smart Reliance Smart offers a one-stop shopping experience by offering fresh produce, bakery, dairy products, home, and personal care products, general merchandise, fruits, vegetables, and groceries.[18]

3 Reliance Digital Consumer electronics retail stores. It had 689 stores in October 2014.

4 Reliance LYF 4G mobile handset manufacturer based in Mumbai, founded in 2015.

5 Reliance Jewels Jewelry retail; it had revenues of about ₹8 billion in financial year 2012–13.[19]

6 Reliance Trends Apparel and clothing. It had revenues of about ₹16 billion in financial year 2012–13 with a store count of 287.[19]

7 Reliance Footprint It had revenues of about ₹1.6 billion in financial year 2012–13.

8 AJIO E-commerce, fashion shopping website, officially launched at the Lakme Fashion Week SS16

9 Hamleys, one of the oldest and largest toy retailers in the world, was acquired by Reliance Retail in 2019.

10 JioMart is the e-commerce venture of Reliance Retail that provides grocery delivery from neighbourhood Kirana stores. It operates in 200 cities in India and was started as a joint venture between Reliance Retail and Jio Platforms.

FINDINGS

- ❖ The standards norms for the current ratio are 2:1. But in **RELIANCE SUPER MARKET** the current ratio is not efficient manner. So the short term solvency position of the company is not good position.
- ❖ The standard norms for the quick ratio are 1:1. The **RELIANCE SUPER MARKET** limited quick ratio is below standard norms. So, the financial soundness of **RELIANCE SUPER MARKET** is not effective one.
- ❖ The company does not utilize the inventory in proper manner. The company should concentrate on sales.
- ❖ The debt-equity ratio is decreasing position in each the past five years. It shows the unsoundness of the long-term financial position of the **RELIANCE SUPER MARKET**.
- ❖ The cash to sales has been decreased gradually from each year. In the year 2021, it is low (0.32). It shows the inefficiency and performances of the firm.
- ❖ From the analysis of Trend Analysis tools, we found that,
 - The current assets are decreased when compared to base year.
 - The fixed asset increased in the year 2019(106), when compared to the base year and the continuous several years.

SUGGESTIONS

1. **RELIANCE SUPER MARKET** may try to reduce its level of inventories to a reasonable level. It will create liquidity position and also the increase in profitability of the concern.
2. The concern may try to maximize the sales through new design and high promotional activities. It will create good results.
3. The company may try to improve its working capital position through long term sources. It will create free flow of funds. So that the cash management and the company performance will be in a good position.
4. The company should provide more credit facilities to the customers. It will create good sales and also to yield a good profit.
5. The company should concentrate on local sales over sales by export. It will improve the sales and profitability of the concern.
6. The current ratio below 2:1. In case of inadequacy, arrangement can be made for improving the working capital position. It will create good result.
7. The company can try to utilize the fixed assets in efficient manner. It will create a higher productivity and also create profit.

CONCLUSION

From the critical analysis depicted through out of the study. It is evident that the overall cash management of the company with regard to profitability is not satisfactory but still, the company can be maximizing through stringent measures which will enhances the operating of the company.

Since the company faces losses management has to take several steps in order to improve the profitability. The clothes are one of the basic needs of human beings; I deduce that **RELIANCE SUPER MARKET**. sickness is not terminal. The cure for such sickness is if the company adopts the prescription and if it applies recommendation of the study towards its management of the company will be back on to a profitable position within no time.

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