

# A Detailed Analysis on Cash Management of Golden Fresh Private Limited Bengaluru

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## Abstract

*In this study, cash management studies in the literature are presented and analyzed. First, identify the main cash management issues. The most important programs for the field are then analyzed and various aspects of these contributions are analyzed according to the magnitude of the problem. This review addresses many open questions.*

## Introduction

Cash management is the monitoring, reviewing and controlling of inflows and outflows of funds in an organization to ensure that the organization has sufficient funds to meet its financial obligations and make the right investment. Simply put, it involves managing the business's income.

Cash management aims to maximize the availability and use of cash while reducing associated costs and risks.

Cash management is important when it comes to establishing and maintaining a company's financial stability. Since the main asset used to pay off debts is "cash" (whether you are an individual or a company), it needs to be managed to generate income. This affects the future growth of the company. It is also important to maintain a cash balance when getting cash back from bad debt.

Many times cash management can be integrated with your company's online business. This way, you and your business manager can deposit and withdraw money 24/7.

If you complement your business with an online business, you'll have more control over your cash and its use. This is often true because every business is different and will need a different cash management and servicing unit.

## Review of Literature

Kalpes Hgelda (2015) Statement of cash flows should be a part of complete financial statements prepared in accordance with Indian Accounting Standards. Creates a template for the AS-3 cash flow statement. Cash flow should be divided into the following three

elements: “Operating activities”, “Investing activities” and “Financial activities”. The distribution of cash flows resulting from business investments and financing is important in analyzing the cash flow statement. Net cash flow (the change in cash and equity over time) itself has little information; Although it is important to divide cash flows into three main categories, it should also be noted that the classification process is arbitrary.

Milojevic (2016) Modern business management considers financial management to be one of the most important factors to monitor the performance of the business. Adequate financial management depends on the correct preparation and interpretation of cash statements. Research was conducted in local companies to determine the appropriateness of using this report and the importance of financial management based on knowledge and skills. The impact of the company’s different cash flow profile should be related to various aspects of the cash flow analysis. The results show that respondents with permanent and seasonal financial needs have a good understanding of the issues and are fully or partially positive on the following: Future income is an important factor in determining business value Additional business information Cash flow etc. Comparison of income and balance sheet. Companies that did not disclose their cash needs in the survey stated that they did not agree with the above statement. This demonstrates a poor understanding of cash flow related to reporting finance. The lack of capacity and the current state of the country’s economy determine the need to improve the effectiveness of financial management and skills based on good financial advice.

Ovidiu Megan (2017) finance, financial information helps provide financial information to users The ability to measure production The basis of the ability of cash and cash equivalents and the organization’s consideration of using this money Our purpose in this article is to show important information. Give investors cash tips and make it clear. It is the “behavior” of the income statement to inform decision makers about misinformation about the company.

Kayode O. Bankole (2018) Fundamental Principles of Physical Cash Management: An Empirical Study This study aims to investigate the fundamental principles of physical cash management in Nigeria. We examined 50 companies listed on the Nigerian Stock Exchange over a 22-year period from 1995 to 2016. Growth has a good relationship with each other. Companies hold large amounts of cash to reduce debt or meet the need for quick repayment. Companies should seek to maintain the appropriate level of insurance based on the company’s size, leverage, net working capital and return on all assets.

Maren Michelle Haavig (2019) Cash management strategies to improve small business sustainability. Small businesses play an important role in business development, but in the United States, approximately 50% of small businesses fail within the first 5 years. Three themes emerged from the data analysis: cash management capabilities, internal controls and employee responsibilities, and cash management opportunities. Findings from this research can lead to social change by increasing the capacity of small business leaders to increase employment and promote economic stability in their communities, thereby improving the local and regional economy and raising the living standards of individuals and families.

Mustapher Faque (2020) Cash Management Strategies and Cash Management Cash (liquidity) is an important aspect of business management. This is the money that lies on the line between business and success. Management practices such as variable cash management models, cash flow elimination, centralization and distribution, asset allocation and distribution green This study shows that financial performance can be achieved through a combination of methods and changes and innovations in cash management.

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## Objectives of the Study

- The main goal here is to ensure that the business always has sufficient cash to meet its immediate and near future needs. With cash management, a business can monitor its cash flow and cash flows when necessary to avoid problems due to cash shortage.
- Another important goal of cash management is to put your money to work. This means investing your balance in the way you will get the best results while keeping the risk at an appropriate level.
- This includes short-term investments that can be easily converted into cash when needed.
- Good cash management also means having a management strategy to leverage the company's revenue without social problems when paying suppliers. This may involve negotiating longer payment terms with sellers to keep the money longer.

## Need for Study

- Cash management ensures that an organization can meet its short-term obligations.
- Effective cash management helps improve working capital.
- Cash management strategies help reduce various financial risks.
- Good cash management can reduce costs. For example, by reducing automatic cash flow, companies can reduce the risk associated with holding excess cash that can be invested elsewhere to generate returns.
- Information obtained from cash management research helps make better decisions.

## Scope of the Study

- Forecasting future revenues and expenses to ensure that the organization has sufficient capacity to meet its financial obligations without excess funds.
- Analyze cash flow patterns and trends to identify areas for improvement and make informed decisions about cash flow allocation and investment.
- Balancing cash flow and the need to hold sufficient cash to minimize short-term cash flow.
- Establish a budget to effectively allocate resources across departments and projects to support the organization's strategic goals.
- Implement internal controls and procedures to prevent fraud, theft, and errors in cash handling and accounting.

## Research Methodology

### Research Design

- Research design is a unique set of techniques and methods for obtaining the information needed to develop or solve a problem.
- Research design is defined as "a plan for collecting and analyzing data in accordance with the operation of the process and the purpose of the study."
- The research method used in this study is descriptive. This study uses general cash management and specific financial conditions.

### Sources of Data

The data required to complete the research was obtained from the annual report of Golden Fresh Pvt Ltd.

### Sampling Technique

The study was conducted using secondary data obtained from annual reports and account statements.

Data Analysis tools: During the course of research for the researcher for analysis and interpretation of data is given below has applied various tools.

- Ratio analysis
- Trend analysis
- Working capital analysis

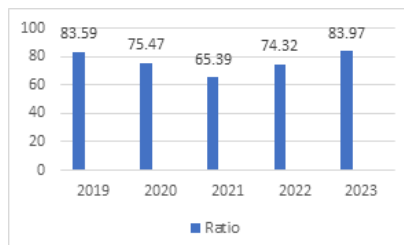
## Data Analysis and Interpretation

### Ratio Analysis

#### Gross Profit Ratio

The extent to which profit plays an important role in both the management of the financial system and the importance of the enterprise's ability to outsource. Where the selling price per unit will decrease when there is a loss of business.

Year	Gross Profit	Sales	Ratio
2019	20353.62	24348.17	83.59
2020	23816.11	31556	75.47
2021	23959.35	36641.2	65.39
2022	32704.97	44006.29	74.32
2023	43276.38	51564.33	83.97



### Interpretation

As can be seen from the table above, total income was 83.59 in 2019, and there was a decrease from 2019 to 2022. It rose to 83.97.

Year	Cash	Sales	Ratio
2019	3246.12	24348.17	0.33
2020	1644.8	31556	0.052
2021	5504.47	36641.86	0.15
2022	3891.92	44006.29	0.09
2023	5092.95	51564.33	0.098



## Interpretation

Considering the sales cash ratio, as seen above, it is 0.33 in 2019 and 0.052 in 2020. Sales cash is 0.150 in 2021 and 0.090 in 2022. It can also be verified that the cash sales ratio in 2023 is 0.098, the above example shows that when sales increase, cash position also increases and hence the organization can get a better business.

## Findings

The main results of the research are as follows. Current ratios, cash/other income and cash/working capital are showing interest in 2021, meaning the company has found a good problem solver this year.

When the gross profit to profit ratio is examined, it is seen that the company's profit has shown positive growth for several consecutive years.

When analyzing working capital, it can be seen that working capital decreases and increases from one year to another throughout the analysis period, the analysis shows the level of change throughout the study period.

## Suggestions

- Goldem Fresh will maintain reasonable capacity. This shows that Jinxiansheng needs to improve its short-term financial situation.
- Firm should maintain optimum cash balance throughout the year.
- Fund managers give more importance to utilization of fund.
- Step to be taken to increase the working capital of the firm to meet short term obligation.
- The firm can adopt modern method of cash management.
- The firm should fix proper working capital and inventory level.

## Conclusions

This study analyzes Golden Fresh's cash management. A study was conducted on the company's performance over the last five years. Capital efficiency is evaluated based on data collected from Jinxiansheng's annual report. Analyze Golden Fresh's cash management using ratio analysis and correlation-coefficient.

Golden Fresh's research has been completed. This study also shows information about the company's work. The company's financial analysis showed that the overall performance of the company's cash management was above average. As a result, cash managers are paid more for using cash from a for-profit model.

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