

IMPACT OF RECEIVABLE MANAGEMENT ON PROFITABILITY OF ACCENT HOTELS

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

JAGAN.S

Register No.41410129



SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

APRIL 2023



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **JAGAN.S 41410129** who carried out the project entitled "**Impact of receivable management on profitability of accent hotels**" under my supervision from January 2023 to May 2023.

Dr.YAMUNA.MBA,M.Phil.,Ph.D.,
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Submitted for Viva voce Examination held on 05/05/2023

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DECLARATION

I **JAGAN.S (41410129)** hereby declare that the Project Report entitled “**Impact of receivable management on profitability of accent hotels**” done by me under the guidance of **Dr. YAMUNA** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 05/05/2023

PLACE: CHENNAI

A handwritten signature in blue ink, appearing to read 'Jagan.S', with a horizontal line above the first part of the name.

JAGAN.S

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr. G. Bhuvaneswari, Dean - School of Management Studies** and **Dr. A. Palani, Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide **DR.YAMUNA** for her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

JAGAN.S

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1.1 INTRODUCTION

The hotel industry is one of the most important components of the wider service industry, catering for customers who require overnight accommodation. It is closely associated with the travel industry and the hospitality industry. Continuity in Business Operations: Working capital keeps the business operations going. It is needed to purchase raw materials, to pay the workers and staff and also to pay for recurring expenses like electricity and power bills, rent, etc.

Working capital affects many aspects of the business, from paying employees and vendors to keeping the lights on and planning for sustainable long-term growth. In short, working capital is the money available to meet the current and short-term obligation.

An investment with more risk will result in more return. Thus, a firm with high liquidity of working capital will have low risk and therefore low profitability. The other way around is when a firm has low liquidity of working capital, which result in high risk but high profitability. In hotel industry maintaining the optimum inventory level is vital. So that working capital management would have greater impact in profitability of hotel industry. This study will be helpful to find the source of short term funds and suitable recommendations to enhance the working capital management at Accent hotels private limited.

The extension in offers of this industry is proof of its high improvement. In 1971 arrangements were around 0.1 million units for every year. In any case, in 1998 this figure had climb to 3 million units for every year. So additionally points of confinement of age in like manner extended from around 0.2 million units of yearly breaking point in the seventies to more than 4 million units in the late nineties. The hotel industry was start in India tasks inside the system of the national mechanical approach as embrace by the Industrial Policy Resolution of 1956. This decision divided the entire mechanical section into three social events of which one contained by wanders whose change was the more specific commitment of the State another joined those organizations in both the State and the private division could take an intrigue and the last game plan of endeavors

that could be made by more exclusively under private movement inside the guidelines and targets lay out by the Five-Year Plans.

1.2 INDUSTRY PROFILE

The hotel industry is the section of the service industry that deals with guest accommodation or lodgings. By most definitions, the hotel industry refers not only to hotels, but also to many other forms of overnight accommodation, including hostels, motels, inns and guest houses. However, it does not usually include long-term or permanent forms of accommodation. The hotel industry is one of the fastest-growing sectors in the 21st century. Hotel management plays a vital role in this industry and such a business comes with many responsibilities.

Hotel revenue management enables hotel owners to predict levels of demand and optimize things like distribution and pricing, in order to maximize financial results. The world is moving faster than ever, as shifting social attitudes, new technologies, and economic and demographic changes all drive seismic shifts in the ways we live, do business and work. Nowhere is this more obvious than in hotel industry trends.

Hotels

Hotels (both franchises and boutiques) are the most well-known properties within the hospitality sector. From brand names such as Hilton and Radisson to smaller brick-and-mortar establishments, guests expect to be provided with services and amenities that are equal to the price that they paid for the room in question. Hotels contribute billions of pounds in revenue to this industry every year.

Motels

Known for their sense of mobile convenience, motels are frequently employed by business travellers and those who are looking to enjoy budget-friendly prices while between two destinations. Having said this, some occupants will spend weeks or longer at a motel. Recent years have witnessed massive advancements in regards to technology as well as staff responsiveness.

Hostels

Hostels are often associated with student travellers and yet, they can be used by anyone who desires a room for the evening. They are generally rented on a 24-hour basis and most hostels are located close to city centres (to provide easy access to those who are not familiar with the location). Hostels are also known for their ability to offer rock-bottom prices.

Resorts

Resorts fall into the high end of the hospitality sector spectrum. Yoga retreats, wellness centres and properties designed to provide unfettered views of nature all fall into this category. If you have been looking for a home away from home while enjoying a bespoke sense of luxury, modern resorts aim to please.

Serviced Apartments

Serviced apartments are fully furnished properties that can be made available for both short- and long-term stays. Room service, daily housekeeping, access to fitness

centres, and free wireless Internet connectivity are some of the hallmarks associated with these locations.

Time-Sharing Plans

This type of accommodation will divide up the amount of time that guests are allowed to stay. Each customer is provided with an arrival and departure date. Time shares are often associated with extremely popular tourist locations such as the Costa del Sol in Spain or the Algarve region of Portugal.

Food and Drink

The second hospitality sector is “Food and Drinks”. It is already a foregone conclusion that guests will need to be offered food and drink services during their stay. This is another cornerstone of hospitality in general, as the quality and availability of such items will often impact the overall customer experience and in turn the status of the hotel itself.

Restaurants

Restaurants represent a sizeable portion of the hospitality sector as a whole. These premises are often branded in accordance with the hotel and depending upon the amenities, some will even offer Michelin-starred service options. Guests will often base their overall experience around the quality of food that restaurants provide.

Catering

Hotels and resorts can often include catering services as a portion of their standard pricing plans. Larger properties will provide catering in order to address business luncheons, professional seminars and similar gatherings that restaurants might not be able to efficiently accommodate.

Bars & Cafés

Bars and cafes are excellent places to grab a quick refreshment or a tasty meal. Furthermore, they are known for their laid-back social atmosphere; a notable difference when compared to many in-house restaurants. Most properties will offer such options due to the fact that they tend to draw a reliable number of clients.

Nightclubs

Some hotels are partnered with a proprietary in-house nightclub (Hotel W Barcelona is a perfect example). Nightclubs are an excellent means to obtain additional revenue and it is important to point out that the public is normally allowed to enter alongside guests of the property.

1.3. COMPANY PROFILE:

Accent Hotels Private Limited is a Private incorporated on 26 March 2008. It is classified as non - government company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 360,000,000. It is involved in Hotels; camping sites and other provision of short-stay accommodation restaurant facilities operated in connection with the provision of lodging. Accent Hotels Private Limited's Annual General Meeting (AGM) was last held on 16 September 2021 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2021.

Board of Directors:

SANJEEV KUMAR

KAPIL BHATIA

JEAN MICHEL GABRIEL CASSE

NEENA GUPTA

JEFFREY STANLEY CLARK

RAJAT ROY

Provider of professional hotel management services intended to deliver disciplined financial control to the owners of hotels. The company's services include professional management, creative marketing and disciplined financial control with the aim of maximizing revenue, profit and asset value in each hotel, enabling hotel owners to provide quality customer services.

Date of Incorporation	26 Mar, 2008
Status	Active
Company Category	Company limited by Shares
Company Sub-category	Non-govt company
Company Class	Private
Business Activity	Trading
Authorized Capital	2700.0 lakhs
Paid-up Capital	2468.86 lakhs
Paid-up Capital %	91.439285
Registrar Office City	Delhi
Registered State	Delhi
Registration Number	175886
Registration Date	26 Mar, 2008
Listing Status	Unlisted
AGM last held on	24 Aug, 2017
Balance Sheet last updated on	31 Mar, 2017

1.4. Services:

Restaurant



cab services



Hospitality



Housekeeping



Accommodation:



1.5. Objective:

This project is designed mainly to identify the relationship between receivable turnover and profitability of the firm.

1.5.1 Primary objective

- i. To analyze the Receivables management and source of short term funds of Accent hotels
- ii. To suggest the suitable recommendation to enhance Receivables management

1.5.2 Secondary objective

- i. To study the concept of receivables management in Accent hotels
- ii. To determine the impact of Receivables management on profitability of the Accent hotels

1.6 NEED OF THE STUDY

To fulfill its endeavor to maximize the shareholders wealth, firm has to earn sufficiently return from its operation, which needs a successful sales activity. The firm has to invest sufficient funds in current assets to succeed in sales, as the sales do not convert into cash instantaneously because of time gap between the sales of goods and actual receipt in cash. The working capital need arises for the following purposes;

- For purchasing of raw material, components and spare parts.
- For paying wages and salaries.
- To incur day-to-day expanses and overhead costs like fuel, power and office expenses, etc.

For uninterrupted and smooth functioning of the day to day business of an entity it is important to maintain liquidity of funds evenly. An investment with more risk will result in more return. Thus, a firm with high liquidity of working capital will have low risk and therefore low profitability. The other way around is when a firm has low liquidity of working capital, which result in high risk but high profitability

1.7 SCOPE OF THE STUDY

For the sake of convenience of the study, the scope of the project is restricted to the aspect of working capital which includes, Cash management, Debtors management, Creditors management, Inventory management.

The scope of Receivables management can be grouped into two broad areas Profitability and Liquidity and Investment and Financing Decision. Managing accounts receivables efficiently will benefit the business in several ways. The most important is the increased cash inflow by a faster realization of sales to cash. It also helps you to build a better relationship with your customer by not having discrepancies in pending bills and mitigates the risk of bad debts.

1.8. Research design:

Secondary quantitative research design

Receivables management is an important function of finance department of corporate organization. While managing current assets two important factors that are considered is liquidity and profitability. The excess working capital results in deterioration in profits and inadequate working capital results in liquidity risk. So, this study is undertaken to know the “Receivables management impact in profitability of Accent hotels”.

Receivable management is an important function of finance department of corporate organization. While managing current assets two important factors that are considered is liquidity and profitability.

1.9. Methodology:

The study analyze the efficiency of receivables management in the profitability of firm. For measurement we can use this ratio,

Accounts receivable Turnover = Net credit sales / Average Trade Debtors

The receivables turnover ratio measures the efficiency with which a company is able to collect on its receivables or the credit it extends to customers.

Inventory Turnover=Cost of goods sold/Average Value of Inventory

Inventory turnover measures how often a company replaces inventory relative to its cost of sales. Generally, the higher the ratio, the better.

Source of data

Primary Data:

The information is collected through the primary sources like:

- Talking with the employees of the department.
- Getting information by observations
- Discussion with the head of the department.

Secondary Data:

This study is based on facts and figures for which secondary sources are also used for collecting the data and information for this project. The secondary sources of data consist of Published Annual Reports of Accent hotels private Limited

2. Receivable management

Meaning:

The accountant or the person responsible for taking due care of the accounts receivables must record all the due dates of the payments to be received. The timely and prompt recording of the accounts receivable leads to receiving the payments on time from the customers. Once the account receivable is recorded and payment is received, the account for the said party can be settled for good.

An Account receivable management process involves the following:

- Credit rating the paying ability of the customers shall be reviewed before agreeing to any terms and conditions
- Continuously monitoring any risk of non-payment or delay in receiving the payments
- Customer relations should be maintained and thus to reduce the bad debts
- Addressing the complaints of the customers
- After receiving the payments, the balances in the particular account receivable should be reduced
- Preventing any bad debts of the receivables outstanding during a particular period.

Helps improve cashflow

It is obvious that sound receivable management will help business owners keep their cash inflow steady. This process will give you a clear picture of where your cash is stuck while maintaining a systematic record of all sales transactions. It ensures that you have a sufficient amount of cash to take care of your everyday transactions, and you do not give credit facilities over and above your credit policies.

Reduces losses due to bad debts

Blocked cash means lack of funds to conduct your everyday activities. No business would want to face any kind of losses. If receivables aren't managed efficiently, they would result in bad debts ultimately resulting in losses. Receivable management will let you keep a close track on the payment schedule so that you can regularly follow up with your debtors and maintain optimum levels of cash flow.

Improved customer satisfaction

Since receivables management also keeps a track of your buyers and their payment performance, you can improve your relationship with your customers by giving them discounts and offers for maintaining a steady payment record. This also helps increase transparency between your business and your customers, thus building a stronger bond with a lasting relationship.

Boost up sales volume

Receivable management helps increase sales resulting in increased profitability. Businesses can extend credit facilities to their customers which will help them boost their sales volume, as more customers would avail this facility by purchasing products on a credit basis.

2.1. Scope of Receivable management

When you do sales on credit, you would certainly need to keep track of the due amounts that your parties owe you. All such dues from your parties will be your outstanding receivables. Managing the outstanding receivables can be critical to your business because it not only helps to understand how much your parties owe you, but also helps you to recover the dues on time and use it for your business, as needed.

- Record and track dues
- Use credit period
- Keep a close eye on long-pending bills
- Payment performance of your customer

Managing accounts receivables efficiently will benefit the business in several ways. The most important is the increased cash inflow by a faster realization of sales to cash. It also helps you to build a better relationship with your customer by not having discrepancies in pending bills and mitigates the risk of bad debts.

Debts in an organization can be harmful and can even lead to heavier losses. Receivables management takes the necessary steps to ensure a company does not suffer losses. It designs and implements schedules for the timely collection of outstanding amounts. It also informs the department of collection on these due dates. Customers are informed of the time of payment and the amount to be paid. They are also informed of the charges that may attract delayed payments.

2.2. Impact of receivables management:

The importance of receivables management is linked to your flow of cash which is the bloodline of any enterprise. Efficient functioning of receivables management deals with controlling and planning of recovering the dues in the accounts receivable and ensuring a transparent, accurate record of all financial transactions in the bills receivables account. For instance, a sale is successful only when the customer buys your product and pays for it, so also it is with credit sales. However, until the payment is received, the amount due gets reflected in the bills receivable account.

Another reason why receivable management is crucial is that the accounts receivable, when reflected in a financial statement, denotes what percentage of your sales are on credit. When the figure is large, it implies inefficient handling of cash flow. It is worth noting that until the payment is received, you are paying to carry costs of the goods sold and interest on your working capital, which is offered free of interest to your clients, albeit for short periods. Hence, the health of your business is affected, and your working capital gets tied up for longer periods.

Receivables management tracking is possible from the records of the bills receivables account, which tells you how much is due, when it is due and from whom it is due. It is important to ensure timely collections of the receivables because otherwise, your cash flow is impacted. To ensure efficient management, you need to place an efficient credit management system or CMS in place.

2.3 LITERETURE REVIEW

1. Nufazil Altaf And Farooq Ahmed Shah (2023): found that how does Receivable management affect the profitability of India companies, the purpose of this paper is to examine the relationship between working capital management (WCM) and firm profitability for a sample of 437 nonfinancial Indian companies. the study based on secondary financial data obtained from capital database pertaining to a period of ten years this study employer's two-step generalized methods of moments (GMM) technique to arrives at results. the result of the study confirms the inverted U-shape relationship between WCM and firm profitability.in addition complete its CCC on an average by 63 days.
2. Mr Shivakumar And Dr N Babitha Thimmaiah (2022): in their paper titled working capital management its impact on liquidity and profitability a study of coal india ltd makes an attempt to give a conceptual insight on working capital management and assess its impact on liquidity and profitability of coal india ltd the liquidity and profitability trade of has becomes an important aspect for all the organization the attempt also has been made to test the liquidity and profitability position by using correlation and spearman's rank method the correlation speart man ranking method indicates weak correlation and neg ative relationship between liquidity and profitability the total's test has also been applied to test the liquidity performance.
3. Mukti R Barot(2022): In this study the researcher tried to carry out a comparative analysis on working capital management of reymond and vardhman textile limited the aim of this study is to analyze which companies performance is better than other company for this analysis researcher have use only of secondary data of ten years 2006-2015 for data analysis researcher have selected the technique of ratio analysis.

4. Apurba Kumar Sharma (2022): examined the efficiency of working capital management of some select proprietary tea estates registered under tea board on India, operation in Jordan district of assume during 200809 to 2012-13. instead of calculating common method of analyzing different working capital management ratio three index value performance index, utilization index and efficiency index have been to working capital requirement of a firm where as operating cash flows and sales growth are positively related to working capital to recruitment.

5. Hina Agha (2022): reviewed the impact of working capital management of profitability the main purpose of the study is to empirically test the impact of working capital management on profitability, keeping in mind this objective he studied the glaxo-smith –line pharmaceutical company registered in Karachi stock exchange for the period of 1996-2011. the interpretation of the result is that by increasing the debtor's turnover, inventory turnover by decreasing creditor's turnover ratio's the company can increase its profitability but there is no significant effect of increasing or decreasing the current ratio on profitability therefor the result of the research indicate that through proper working capital management, the company can increase its profitability.

6. Madhavi K. (2021): makes an empirical study of the co-relation between liquidity position and profitability of the paper mills in Andhra Pradesh. it has been observed that inefficient working capital management makes a negative impact on profitability and liquidity position of the paper mills.

7. Gurumurthy N. And Reddy Jayachandra K. (2021): have conducted a study on the working capital management of four pharmaceutical companies APSPDCL, APEPDCL, APNPDCL and APCPDCL and have come to the conclusion that the existing system of working capital management was not up to the mark needed to be improved.

8. Joseph Jisha (2021): closely examines the study of working capital management in also Leyland and point out that the liquidity and profitability position of the company is not satisfactory and needed to be strengthened in order to be able to meet its obligation in time.
9. Rahman Mohammad M, (2021): focuses on the co-relation between working capital and profitability. an effective working capital management has a positive impact on profitability of firms. From the study it is seen that In the textile industry profitability and working capital management position are found to be up to the mark.
10. Uyar Ali (2020): examines the relationship of cash conversion cycle with firm size and profitability of the corporations listed in the Istanbul stock exchange (ISE) for the year 2016. To set industry benchmark for cash conversion cycle (CCC) of merchandising and manufacturing companies.
11. Farrah wahieda Kasiran and Othman Chin, (2020) on the significant relationship between working capital management of the firm efficiency level evidenced the efficient used of WC by improving the management of total assets in which positively affect the firm profitability.
12. Chisti, (2020) studied the effect of efficiency and profitability for the 16 company in India and found that the are inverse relationship between the inventory, account receivable and cash conversion cycle, but in contrast the accounts payables show the positive relationship

13. Anh Huu Nguyen (2020) analyze the efficiency of the working capital management for the telecommunication equipment industry and used day's sales outstanding, days inventory outstanding, day payable outstanding, day's working capital, and current ratio to represent the working capital management efficiency.

14. Yusuf Aminu, (2020) on the relationship between working capital management and profitability found that there is significant relationship and from the empirical results show that the working capital management play a big roles in the profitability in Tehran stock exchange and the study suggest that to decrease the receivables accounts and inventory in order to increases the shareholders values.

15. Nasruddin Zainuddin (2019) on the impact of the working capital management on profitability and used Sri Lanka listed company as sample. He summarized on his results that the liberal credit policy would be influencing to the profitability of the company and suggests that manufacturing companies can make more profit if they can manage the working capital management efficiently.

16. Nihat Aktas(2020)

This study implies that efficient WCM is highly valuable, particularly in periods of expanding investment opportunity set. We also rule out the possibility that the results are driven by increasing firm risk following the adoption of aggressive working capital policy.

17. Rahman Mohammad M,(2018)

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27. Kainash ekiti nasititi et.al (2016) to examine the effects on working capital management on profitability in manufacturing firms in Ghana and found that components in working capital management must be managed properly to avoid problem on liquidity crisis and the short-term liabilities since it's also play a big role in companies.

28. Badrappa haralayya(2015)

makes an empirical study of the co-relation between liquidity position and profitability of the paper mills in Andhra Pradesh.it has been observed that inefficient working capital management makes a negative impact on profitability and liquidity position of the paper mills

29. Nihat Aktas(2015)

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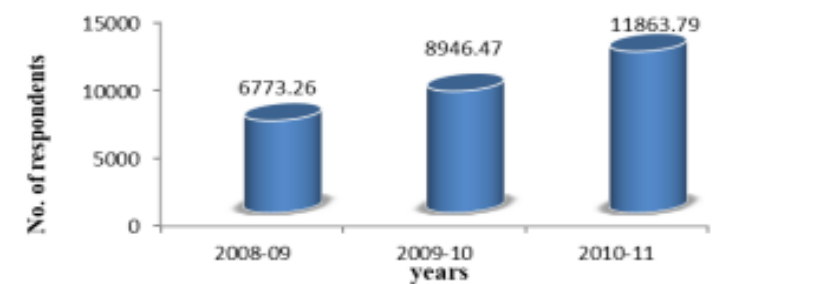
30. Rahman Mohammad M (2015)

focuses on the co-relation between working capital and profitability.an effective working capital management has a positive impact on profitability of firms. from the study it is seen that In the textile industry profitability and working capital management position are found to be up to the mark.

3. ANALYSIS AND INTERPRETATION OF DATA

gross working capital position (Rs in lakhs)Table1.1

YEAR	GROSS WORKING CAPITAL
2018-19	6773.26
2017-18	8946.4
2016-17	11863.79



Graph1.1

Analysis: As we can see in the table, which is earns highest the gross working Capital is 11863.79 in the year 2016-17

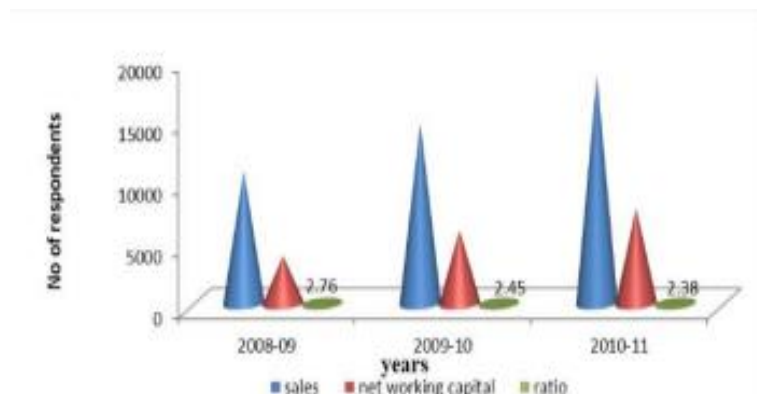
Interpretation: The above the graph shows that the gross working capital position is last three years. The gross working capital position is high during the year 2016-17 (11863.79) And low during the year 2018-19 (6773.26)

RECEIVABLE TURNOVER RATIO

Receivable turnover ratio=Net credit sales/Average accounts receivable

Table1.2

Particulars	2018-19	2017-18	2016-17
Net credit sales	10728.36	14606.68	18444.05
Average accounts receivable	10000	9456	12666.52
Ratio	2.26	2.38	2.45



Graph1.2

Analysis:

The table shows receivable turnover ratio is high during the year 2010-11(2.45) and low during the year 2008-09

Interpretation:

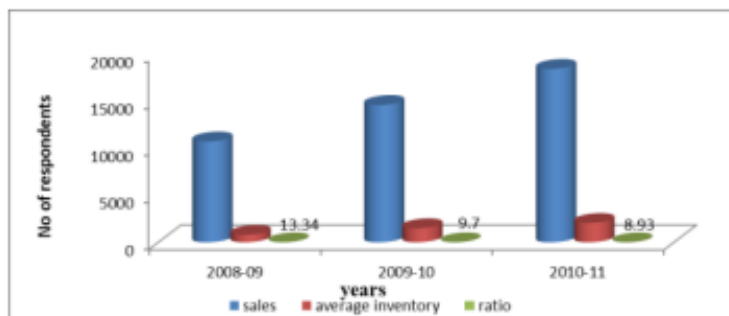
Table represents that higher the receivable turnover ratio is good to the company. So that we can say company has adequate collection process and follow ups with creditors.

DEBTORS CONVERSION PERIOD RATIO

Debtors conversion period ratio = Average accounts receivable / Annual sales

Table1.3

Particulars	2018-19	2017-18	2016-17
Sales	20728.36	24606.68	28444.05
Average accounts receivable	11456.24	10257.14	13578.54
Ratio	13.34	9.70	8.93



Graph1.3

Analysis:

The table shows that Debtors conversion period ratio is high during the year 2008-09 (13.34) and low during the year 2010-11 (8.93).

Interpretation:

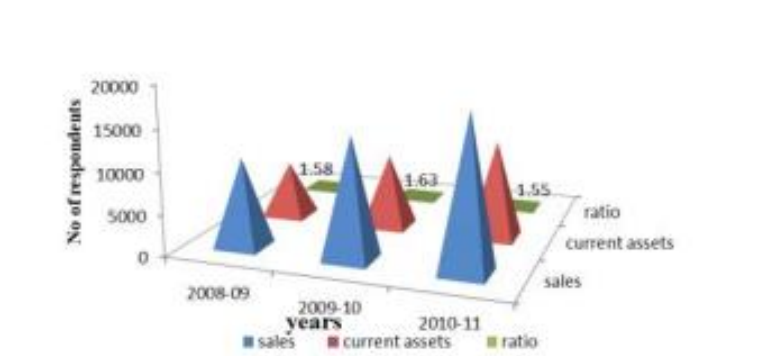
From the graph represents that, if the actual ratio is increases there is effective receivables management

AGING SCHEDULE

Aging of accounts receivables = Average accounts receivables / Credit sales*365

Table1.4

Particulars	2018-19	2017-18	2016-17
Average accounts receivable	160587.06	157946.47	114063.7
Credit sales	12893.31	22996.05	44125.6
Aging schedule	24.5	29.54	36.04



Graph1.4

Analysis:

The table shows that the aging schedule is decrease so that dues are paid on time

Interpretation:

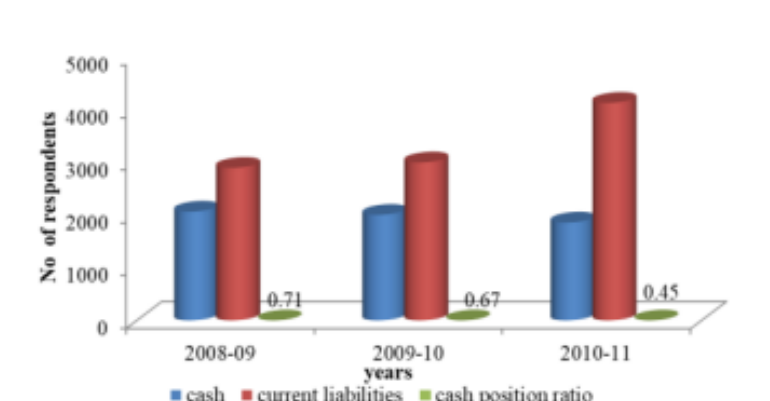
Aging schedule is higher during the year 2016-17 and low during the year 2018-19 the firm ensures that the customers are paid their dues on time by effective credit policy

CASH POSITION RATIO

Cash position ratio = Cash /Current liabilities

Table1.5

Particulars	2018-19	2017-18	2016-17
Sales	6773.26	8946.47	11863.79
Current assets	2893.31	2996.05	4125.65
Ratio	0.71	0.67	0.45



Graph1.5

Analysis:

The above table shows that highest during the year 2008-09 (0.71) and above the graph shows the lowest during the year 2010-11 (0.45).

Interpretation:

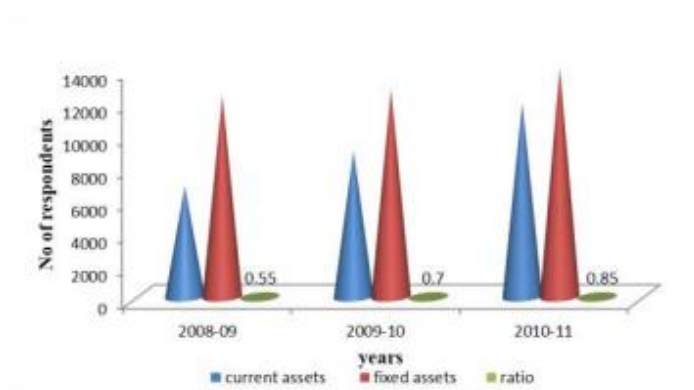
From the graph it shows that the Cash position ratio expresses relationship between cash and current liabilities. The standard ratio 1:2. It exhibits to be satisfactory with means cash is to be not equal to current liabilities.

CURRENT ASSETS TO FIXED ASSETS RATIO

Current assets to fixed assets = $\frac{\text{Current assets}}{\text{Fixed asset}}$

Table1.6

Particulars	2018-19	2017-18	2016-17
Sales	6773.26	8946.47	11863.79
Current assets	2893.31	2996.05	4125.65
Ratio	0.55	0.70	0.85



Graph1.6

Analysis:

The above table shows that current assets to fixed assets ratio is high during the year 2016-17 (0.85) and low during the year 2018-19 (0.55).

Interpretation:

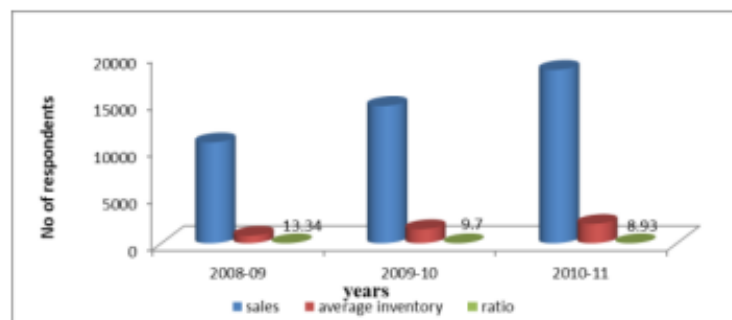
From the graph it shows that the Current Assets to Fixed Assets Ratio of 3 years. The value of the assets which is increases in the year of 2016-17

Profitability ratio

Profit margin= Net income/Net sales

Table1.7

Particulars	2018-19	2017-18	2016-17
Net Income	6773.26	8946.47	11863.79
Sales	2893.31	2996.05	4125.65
Profit margin	0.85	0.70	0.45



Graph1.7

Analysis:

The above table shows that the profit margin is high during the year 2018-19(0.85) and low during the year 2016-17(0.45)

Interpretation:

From the table we can conclude that the profit margin increased in the year 2018-19(0.85)

Hypothesis:

Null hypothesis(H₀):

There is no significant relationship between receivable turnover ratio and profitability ratio of the firm.

Alternate hypothesis(H₁):

There is significant relationship between receivable turnover ratio and profitability ratio of the firm.

3.1. Correlation Analysis:

Correlation analysis, also known as bivariate, is primarily concerned with finding out whether a relationship exists between variables and then determining the magnitude and action of that relationship.

Correlations			
		Ratio	Profit_margin
Ratio	Pearson Correlation	0.04	-.990
	Sig. (2-tailed)		.091
	N	3	3
Profit_margin	Pearson Correlation	0.02	1
	Sig. (2-tailed)	.091	
	N	3	3

Interpretation:

The p value is < 0.05 . So we accept Null hypothesis that there is significant relationship between receivables turnover ratio and profitability of the firm. We reject the alternate hypothesis.

4. Findings:

- The company current assets are higher than the current liabilities & the ratio is also above the standard position of 2:1. It indicate sufficient liquidity.
- It is found that company Quick ratio is sound for all three years as it was always above the standard ratio of 1:1. It indicates sufficient liquidity.
- It is found that company debt equity ratio is lower than the owners equity fund & the ratio is not above the standard position 2:1. In indicates that the financial structure of the concern is sound.
- It is found that company inventory turnover ratio is high reflects faster movement of stock for all three years as it was always above the standard ratio of 8 times.
- Even though the company tried to show a positive recovery in working capital still it is not sustaining on the same trend.
- It is found from the study that cash flow of the company has ups and downs which finally do not supporting the net working capital
- It is observed from the study of working capital turnover ratio high for all the years it indicates efficiency of the management and it is no any standard ratio
- There is significant relationship between receivable turnover ratio and profitability. So that proper credit policy is vital for the firm's profitability.

4.1. SUGGESTIONS:

- Company is reducing its credit basis sales so they can maintain its cash transaction more.
- Companies try to avoid more use of creditors fund so that it will be advisable to the company can issue more equity shares and to increase their net working capital.
- Company has tried to maintain standard working capital policy. So that it helps to the company in utilizing the working capital for all the purpose.
- Company has to maintain strict policy towards debtors. This will lead to avoid bad debts and maintains the expenditure.
- The company should take effective steps to increase the sales, for reducing wastages on Transportation expenses.
- Company tries to utilize its working capital properly. So that it will help in avoiding both under trading and over trading
- Using invoice discounting concept, the company can pay their vendors as earlier with some discount from the supplier. It aids the company to utilize their liquidity position well. On the other hand it help the supplier to fulfill their obligations.
- It help to increase the goodwill of the company among suppliers and can maintain good relationship with them.
- The credit policy of the company has to be changed for effective receivables management.

4.2. Conclusion:

The present study reveals the following important outcomes:

- Accent hotels private Limited is playing very important role in augmenting socio-economic development of the share members.
- The majority of suppliers are satisfied for price and the payment of the bills. It can be improved by utilizing the liquidity in well organized manner.
- Much growth opportunities are kept open for utilizing by-products in an effective manner.
- Shareholders are satisfied with the performance of the company.
- The management provides an opportunity for their growth and welfare of its employees.
- Central and State Government have to come forward to assist the industry with promising policies.

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