ANALYZING WORKING CAPITAL EFFICIENCY IN KTDC

Project Report

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By

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DECLARATION

I **Abitha Pilot (Reg. No.: YPAWMBA002),** hereby declare that the project report entitled **"ANALYZING WORKING CAPITAL EFFICIENCY IN KTDC "** has been prepared by me and submitted to the University of Calicut in partial fulfillment of requirement for the award of the **Master of Business Administration**, is a record of original work done by me under the supervision **Mr. Amson Symon**, **Assistant Professor**, Naipunnya Business School, Pongam, Koratty East, Thrissur.

I also declare that this project work has not been submitted by me fully or partially for the award of any Degree, Diploma, Title or recognition before any authority.

Place: Pongam, Thrissur **ABITHA PILOT**

Date: YPAWMBA002

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Place: Pongam, Thrissur **ABITHA PILOT**

Date: YPAWMBA002

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER-I

INTRODUCTION

1.1 INTRODUCTION

Working capital management is the process of planning and controlling the level and mix of a company's current assets and their financing. In particular, working capital management requires financial managers to decide how much cash, other liquid assets, accounts receivable, and inventory the company has at any given time. In addition, financial managers must decide how to finance current assets. Financing options include both short-term and long-term loans. This high level of allocation has two important implications for working capital management. First, if management so desires, working capital can be increased to meet immediate needs as they arise. The advantage of such a hand-to-mouth policy is that it reduces the average investment in working capital, thus minimizing the interest, insurance and inventory costs necessary to realize the investment. However, the verbal policy has these disadvantages: an increase in ordering costs is associated with a higher probability that the company will run out of working capital because there is no buffer stock with which to cover unexpected fluctuations in demand. Balancing savings against shortages and higher acquisition costs, company management usually finds it profitable to maintain working capital at a higher level than necessary to meet immune needs. However, the relationships between carrying costs, shortage costs and acquisition costs are such that most firms find that the economic level of working capital is only a few months' spare. The relatively short planning horizon of working capital decisions differs sharply from the much longer planning horizon of fixed capital decisions. The second consequence of divisibility, which logically follows from the first, concerns the appropriate financial methods of investment capital. The fact that working capital takes only a few months means that the working capital cycle, which progresses from cash to inventory, from inventory to accounts receivable, and from accounts receivable to cash, is measured in months, not years. Such liquidity of working capital allows the management to have the corresponding flexibility in making financial decisions. While fixed capital should generally be financed from long-term financial sources, working capital can be properly financed with either long-term or short-term funds or a combination of the two. So, there are two key things for a company to do in working capital management. First, based on the level of sales and important cost considerations, what are the optimal amounts of cash, accounts receivable, and inventory that the company should choose to hold? But how is it cheapest to finance these working capital investments at these optimal amounts? To get the best possible return, companies should not hold non-performing assets and finance with the cheapest possible source of financing. Why? In general, it is often profitable for a company to invest in short-term assets and finance short-term liabilities.

Working capital management is a critical aspect of financial management that directly impacts a company's liquidity, profitability, and overall operational efficiency. By effectively managing the components of working capital—cash, receivables, payables, and inventory—businesses can ensure smooth operations, reduce financial costs, and support sustainable growth. Despite the challenges, adopting strategic measures such as efficient cash flow forecasting, robust receivables and payables processes, and prudent inventory management can enhance working capital efficiency. Ultimately, effective working capital management enables businesses to sustain growth, reduce financial risks, and improve profitability, thereby contributing to long-term success and competitiveness in the market.

1.2 STATEMENT OF THE PROBLEM

Kerala Tourism Development Corporation (KTDC) is an integral part of the tourism industry in Kerala but faces challenges in managing its working capital effectively. The purpose of this study is to address the absence of an in-depth analysis of the working capital efficiency of KTDC, trends in its components and assessment of changes over time. It is important to assess whether KTDC's working capital management practices have evolved under the influence of the dynamic tourism industry and its impact on financial performance. Addressing this issue provides insight into the strengths and weaknesses of KTDC and provides a basis for recommendations to improve its working capital management to support the effective promotion and retention of tourism in Kerala.

1.3 OBJECTIVES OF THE STUDY

1. To analyze the working capital efficiency of KTDC
2. To find out the trend of the various components related to working capital
3. To evaluate the performance or changes of working capital of KTDC

4. To determine the relationship between various components of working capital and the overall net working capital.

1.4 SCOPE OF THE STUDY

India’s economy relies heavily on tourism. It is a crucial industry that supports the economy of the nation by generating foreign exchange Particularly the KTDC, the public sector is rising to prominence. Consequently, performing a working capital management study of KTDC can offer a general understanding of the effectiveness of managing the short-term funds them currently possess.

The management of KTDC will benefit from another area of this study in order to strengthen working capital procedures and the company's liquidity situation. Various scholars can utilize this work as a starting point for additional analysis.

1.5 RESEARCH METHODOLOY

Research methodology is a systematic plan for conducting research. It involves the processes and techniques used to collect, analyse, and interpret data. In this study quantitative research methodology will be employed, focusing on secondary data collected from KTDC's financial statements and reports. The study will specifically analyse current assets, current liabilities, accounts receivable, accounts payable, and inventory data over a specified timeframe. This collected data will undergo rigorous statistical analysis and calculation of financial ratios such as current ratio, quick ratio, inventory turnover ratio, and accounts receivable/payable turnover ratios. These tools will be used to quantify trends and changes in KTDC's working capital components, providing a detailed assessment of its efficiency.

1.5.1 RESEARCH DESIGN

A research design is a plan for collecting, measuring and analyzing data. It provides a framework for conducting research and ensures that systematic research is conducted to achieve the goal. The research design for this study is analytical, focusing on a detailed examination of the working capital efficiency of Kerala Tourism Development Corporation (KTDC). This design involves the collection, analysis, and interpretation of secondary quantitative data from KTDC's financial statements and reports. By employing rigorous statistical methods and financial ratio analysis, the study aims to evaluate the trends, performance, and relationships among various components of working capital over a specified timeframe. This analytical approach provides a comprehensive assessment, enabling informed recommendations to improve KTDC's working capital management practices.

1.5.3 SOURCES OF DATA

This study is using secondary data. Historical data for the financial year for 5 years from 2018-2022 is taken.

- Profit and loss account
- Balance sheet

1.5.4 TOOLS OF DATA ANALYSIS

- Ratio Analysis
- Trend Analysis
- Schedule of changes in working capital
- Correlation Coefficient

1.5.5 PERIOD OF THE STUDY

The period of the study is for 56 days or 8 weeks from 1st April 2024 to 26th May 2023.

1.6 LIMITATIONS OF THE STUDY

The study has following limitations such as:

- There are several matters which are kept as confidential that are not exposed to us and the study is mainly based on secondary data.
- The study was conducted for only a period of five years.
- The recent data is not available with the firm i.e., the data available for the study was only up to 2021-2022.
- The complete data are taken from given annual report only and also the accuracy of the analysis depends upon the accuracy of the available data.

1.7 INDUSTRY PROFILE

One of the most noticeable businesses interior the world is tourism. The economy of different countries is to an uncommon degree subordinate on tourism. Over the past few a long time, it has experienced the world's speediest advancement. Tourism has wrapped up up fundamental money related action in afterward a long time. It may well be a mass of companies and working environments that give stock and organizations to individuals who travel exterior of their homes for enchant commerce, or other reasons. This division covers a wide intensify of works out, checking travel, lodging, nourishment and refreshment organizations, attractions, and transportation. Tourism is the commercial action that locks in and strengthens travel, whether it is for charm or trade. It is straightforwardly a well-liked loosening up movement on a around the world scale. There were more over 842 million Arreign guests in 2006. Concurring to the WITC's most a short time later yearly examination, the travel and tourism industry contributed 7.6% of the world's GDP in 2022, up 22% from 2021 and since it was 23% less than in 2019, 22 million unused works were made in 2022, a 7.9% increase over 2021 and sensible 11.4% less than in 2019.

This will be a complicated and multidimensional industry that's essential to creating around the world communication, social trade, and budgetary enhancement. The cash related and political climate all through the world has an impact on tourism. Where the colossal greater parcel of individuals lives in relative luxury and security, it is conceivable on a huge scale. Since the center of the 1960s, there has been an increment in all-inclusive tourism. The progressed industrialized countries are where tourism has experienced its exceptional headway since it has affected people's ways of life and getting affinities. The World Tourism Alliance characterizes sightseers as "individuals who travel to and remain in places exterior their commonplace environment for not more than one progressive year for loosening up. commerce and other purposes not related to the work out of an advancement compensated from insides the put gone by".

It makes a fundamental commitment to the around the world economy by making wage and occupations for distinctive countries and communities. Around the world, the globe tourism commerce may be a prospering division of the economy. In any case, the industry's scene is diligently moving. Due to the compensation made by visitor buys of things and organizations, charges compelled on the travel and tourism division, and commerce openings in related advantage divisions, tourism is critical for different countries. These advantage divisions connect those that allow transportation, like taxis and travel ships, lodging, such lodgings, eateries, bars, and entertainment venues,and other neighborliness organizations, läs spas and resorts. The require to travel has driven forward through the centuries Ten thousand a long time earlier, man crested the wheel and started long-distance travel, A whereas afterward, he included wheels to the chariot's cart and joined creatures to drag it. This publicized him consolation and briskness. Since the headway of the wheel, travel has progressed drastically.

The modern world is seeing tourism as a prominent activity. Its presence is established, and there are many connections to its current development. It enters the picture as the biggest industry on the planet. The tourism sector has significantly boosted the nation's balance of payments, created more job possibilities, and indirectly supported all development initiatives. Thus, the growth of the tourism industry has been a major problem. In the modern world, tourism is a dynamic, complex system with many interrelated and overlapping parts or functions. Therefore, it is possible to refer to tourism as a functional system made up of five functions, or components tourist attractions, service facilities, transportation, and information direction

Economic, social, and technological factors are the main drivers of this explosive development in travel demand in highly industrialized nations. A great majority of people can now enjoy tourism thanks to rising per capita income, which increases purchasing power and disposable money. New attitudes about travel and leisure are correlated with the socioeconomic causes of the tourist industry's explosive rise. The impact of modern transportation technology, particularly in the sphere of aviation, has given tourism an entirely new meaning.

1.7.1 MEANING OF TOURISM

The actual definition of tourism denotes broader meanings. The average person associates tourism with people visiting their nation equipped with cameras, binoculars, maps, and guidebooks in order to take in the sights, including historic sites, temples, stupas, monasteries, and beautiful mountain vistas. However, true tourism encompasses much more than this. More of these particular human individuals are involved in this endeavour. Travelling outside one's typical area for personal, business, or professional reasons is known as tourism, and it is a social, cultural, and economic phenomenon. It goes beyond an effort or undertaking. Therefore, research and analysis of the tourism industry require more critical thought and study of the fundamental meaning of tourism. The tourism industry is a vast, dynamic system with many interconnected and overlapping parts or services. Every human endeavour that has ever been done has been done to promote tourism. Therefore, travel's primary goal is movement.

1.7.2 DEFINITION OF TOURISM

The definition of tourism given by the Swiss Prof. Hunziker and Krapfas "Tourism is the total relationship and phenomena linked with the stay of foreign persons to a locality on condition that they do not settle there to exercise a major, permanent or temporary activity of a lucrative nature.

1.7.3 THE NATURE OF TOURISM

The tourism industry is multi-segmented. It is a service sector and the goods it produces are invisible exports that are consumed locally. Activities and encounters of tourists and visitors while away from their home environment and supporting the travel and tourism industry and the host location are included in tourism as a socio-economic phenomenon. The combination of these experiences, activities and services can be considered a tourist offer. Demand and supply can be used to describe the tourism system. The goal of tourism planning should be a balance between supply and demand. In addition to market characteristics and trends, this requires knowledge of the design procedure used to meet market requirements.The existence of many sectors supporting the success of the tourism industry makes the system both dynamic and complex. Providing a tourism experience and creating tourism revenues and markets are interrelated aspects and sectors. Due to the dynamism of the tourism system, in order to maintain a strong and sustainable tourism economy, it is important to regularly assess the internal and external environment of destinations and make changes if necessary. As a result, it is now widely recognized that tourism development cannot continue in a way that ignores the environment and local population and the social and cultural effects of tourism.

1.7.4 IMPORTANCE OF TOURISM

Today's tourism poses an unmarched challenge to developing nations' economies. There are tremendous financial and socioeconomic benefits to be had. Numerous facets of the economy and public life are impacted by tourism. In certain nations, tourism makes up a larger portion of the economy than any other industry, to the point where the trade balance includes it as one of the key components. Unable to forecast its future significance, the tourism industry is typically one that is fast increasing.

There are significant economic repercussions, particularly for foreign travel. A tourist who spends money on travel abroad that he or she would have spent at home is actually importing travel while the destination is exporting it. The following are some ways that tourism can help a nation's economy grow:

- Employment Creation: Tourism generates a lot of jobs for both direct service providers (like hotels, restaurants, travel agencies, tour operators, guides, and tour escorts) and indirect service providers.
- Infrastructure Growth: Tourism promotes infrastructure growth. Any location would require the entire necessary infrastructure, including good connectivity via rail, road, and air transport, adequate lodging, restaurants, a well-developed telecommunication network, and medical facilities, among others, in order to become an important commercial or leisure destination.
- Foreign exchange: Tourists spend a lot of money on lodging, transportation, sightseeing, and shopping when they visit other nations. Therefore, an incoming tourist is a crucial source of revenue for any nation in terms of foreign exchange.

1.7.5 GLOBAL SCENARIO OF TOURISM INDUSTRY

The Travel and Tourism (T&T) industry is one of the largest contributors to the worldwide economy. Directly contributing around 3.6% and indirectly about 10.3% of the global Gross Domestic Product (GDP). This industry directly employs about 77 million people globally, making up around 3% of all employment worldwide, and is one of the largest contributors to the global GDP. The T&T sector also generates 234 million indirect jobs, or 8.7% of all employment, which means that the tourist sector accounts for one in every twelve jobs globally. Additionally, the sector accounts for around 12% of global exports. Long- distance travel, neighbouring country tourism, rural and ethnic tourism, wellness and health vacatices cultioral trim, spiritustises, cotouriem, sports and advertire vacations, coastal tourium, and crulies are only a few emerging tourist interests, according to global market trends

Over the five years to 2023, the industry will grow at a CAGR of 0.8%, reaching $2.3 trillion, with a rise of 13.9% in 2023 alone. For the majority of the five-year period, interrational tourisun has performed well, wah rising economies fuelling expansion. The per capita income of nations in South America and Asis has grown rapidly, enabling customers in these countries to go abroad more frequently. However, COVID-19 caused a 40.19% decline in industry sales in 2020. All tourism-related industries were severely impacted by the global pundemic as a result of several nations suspending international travel and reducing the frequency of domestic flights. Global travel is experiencing surging growth, as consumers seek to travel aller up to two years with travel restrictions. Strong pent-up demand for travel will carry into 2023, despite heightened economic uncertainty and inflation concerns.

1.7.6 INDIAN SCENARIO

One of the most well-liked tourist destinations in Asia is India. With a lengthy history and diverse culture, India provides a vast variety of palaces to see and things to do. India is bordered by the Himalayan peaks in the north and is surrounded by sea on three sides (the Arabian Sea, Bay of Bengal, and the Indian Ocean). In 2004, 15.4 billion US dollars were spent by foreign visitors to India. It ranks as the ninth highest point on Earth. India is one of the top 3 locations for adventure tourism. One of the nation's fastest-growing economic sectors is the tourism industry in India. The sector has a big impact on employment, propels regional growth, and boosts the performance of sectors that are closely associated.

One of the major sources of foreign exchange, tourism indirectly boosts the economy by tying into industries including horticulture, agriculture, poultry, handicraft, and construction. Through its connections to other economic sectors, the tourism industry in India also directly and indirectly employs millions of people. An estimate places the overall number of direct jobs in the tourism industry at 20 million. India's travel and tourism sector is characterized by a strong government presence. In addition to the India tourist Development organization, which is controlled by the federal government, each state abo has its own tourist organization that manages a network of hotels, guesthouses, and organizes package trips. The vistor esports bom ledis's tourism and hospitality sector are predicted to reach $50.9 billion by 2028. up from $26.9 billion in 2018, in addition, it is expected that by 2028, there would be 30.5 million foreign tourists arriving in the country. The Ministry of Tourism has declared 2023 as the "Visit India Year" to encourage is hounds travel in light of India's G20 Presidency and the Indiwi75 Azadi ka Amrit Mahotsav celebrations. The Honourable Prime Minister has envisioned a mission-mode strategy with a strategic road map for the following 25 years to boost tourism during Amrit Kaal. By the time we celebrate India's 100th birthday in 2047, the goal is to establish India as the top travel destination on the planet, attracting tourists from all over the world with an unmatched allure. Along with Central Ministries and State/UT Governments, the Ministry of Touriun intends to host a Global Tourism Investors Summit to highlight trade and investment prospects. Global investors will be able to learn more about Indian tourism's goods and services at the event.

1.7.7 STATE SCENARIO

In Kerala is one of the few states that have successfully promoted natural beauty in the leisure tourism industry. Tourists from all over the world are attracted to the state because of its unique historical and cultural diversity. According to a BBC Travel survey, Kerala is the world's most popular tourist destination among international travelers in 2018. At current exchange rates, Kerala's GDP is projected to grow by 12.2% in 2012 to Rs. 10,17,872.58 billion (US$ 124.18 billion) in 2022-23. A CAGR of R.84 percent was observed in the state's GSDP between 2015-16 and 2022-23.

Under industrial and trade policies, Kerala offers a wide range of tax and policy incentives to companies, along with carefully crafted sector-specific policies. The participation of the state was .01 MW, 2312.28 MW in central plants and 1841.55 MW in private plants.

1.8 COMPANY PROFILE

Kerala Tourism Development Corporation Ltd. (KTDC) is the largest hotel chain in Kerala, incorporated under the Indian Companies Act, 1956. It was originally called Kerala Tourism Handicraft Development Corporation Ltd. On December 26, 1965, operations began on April 1, 1966 with three hotels: Aranya Nivas, Lake Palace and Kovalam Complex. On 15 July 1970, the company was renamed as "Kerala Tourism Development Corporation". The registered/corporate office is at Mascot Square, Thiruvananthapuram. KTDC has grown significantly in its 50-year history and plays a pivotal role in the promotion and expansion of tourism in Kerala. KTDC has been instrumental in improving tourism infrastructure in Kerala as it caters to the growing flow of tourists. It offers a variety of services such as guided tours, boating, tourist reception centers, centralized/online reservations, traditional services and customized travel packages. With a forward-looking corporate vision, KTDC plans to position Kerala as a premier travel destination in India, attracting many tourists and significant investment. Currently, KTDC has 71 units, which include three premium hotels, 18 restaurants and beer bars, nine budget hotels, 14 Tamarind Easy hotels, 12 motels, one shopping mall, three tourist reservation centers, two tourism departments and three restaurants. KTDC is associated with various national and international organizations such as World Tourism Organization and Travel Agents Association of India. Recently, it established a subsidiary Tourist Resort Kerala Limited (TRKL) to develop joint ventures with major tourism companies. KTDC is also involved in building major tourism infrastructure in Kerala, offering a wide range of accommodation options from luxury resorts to affordable motels. Major hotels like Mascot Hotel, Arya Nivas and Lake Palace Hotel Samudra are being renovated. In addition, KTDC runs a full-service restaurant for pilgrims at Sabarimala and recently opened an amusement park at Veli Tourist Village. Innovative amenities like floating restaurant at Neeraja Veli and traditional houseboats at Kumarakom Tourist Complex are KTDC's latest offerings.

1.8.1 HISTORY

Until the early 1960s, Kerala was relatively unknown to tourists. The first step in promoting Kerala as a tourist destination was taken by HH Colonel Godavarma Raja, the first prince of Travancore, who established Kerala Tour Limited to promote the major tourist destinations. After the union of Travancore with India, Kerala Tours Limited became a private company under the royal family. In the 1960s, KTL partnered with Thomas Cook to popularize Kovalam among Western tourists, leading to the hippie movement in Kovalam Beach and recognition by the Kerala government as a vital tourism industry. Legal issues related to the nationalization of Kerala Tours Limited led to the creation of KTDC in 1966.

1.8.2 KTDC DESCRIPTION

"The official host of God's country."

The KTDC symbol has six flowers representing six luxury hotels: Hotel Samudra, Mascot Hotel, Aranya Nivas, Tea County and Bolgatty Palace Hotel The letters K on the KTDC logo holds them like flowers in a vase, symbolizing care and quality.

1.8.3 SHARE CAPITAL

KTDC is a limited liability company with an authorized and paid up capital of Rs.85.00 million.

1.8.4 OBJECTIVES OF KTDC

Government of Kerala established KTDC primarily to promote tourism in the state. Other objectives include: - To promote Kerala as a top travel destination- To provide quality services to tourists- To act as a single point of contact for the tourism industry- To play a key role. in building the tourism infrastructure of the state- To provide best accommodation and best quality services in KTDC hotels and restaurants

1.8.5 AWARDS

KTDC has received several excellence awards from KTDC -Government of India including: - best tourism state (1999, 2000, 2001)- most innovative use of information technology (2001)- best travel film (2001)- most tourism-friendly international airport (2002)- most environmentally friendly destination (2002)

1.8.6 WORKING STRUCTURE OF KTDC

The organizational structure of KTDC includes centralized and decentralized units. The centralized units are managed by regional offices located at Calicut, Thiruvananthapuram and Kochi covering the North, South and Central regions. The Central Reservation Cell has four Tourist Reservation Centers at Thiruvananthapuram, Kochi, Chennai and Delhi. Decentralized units, which include luxury hotels, premium hotels, budget hotels and motels, operate independently with their own management staff and manage day-to-day operations with allocated funds.

1.8.7 WORKING STRUCTURE OF KTDC

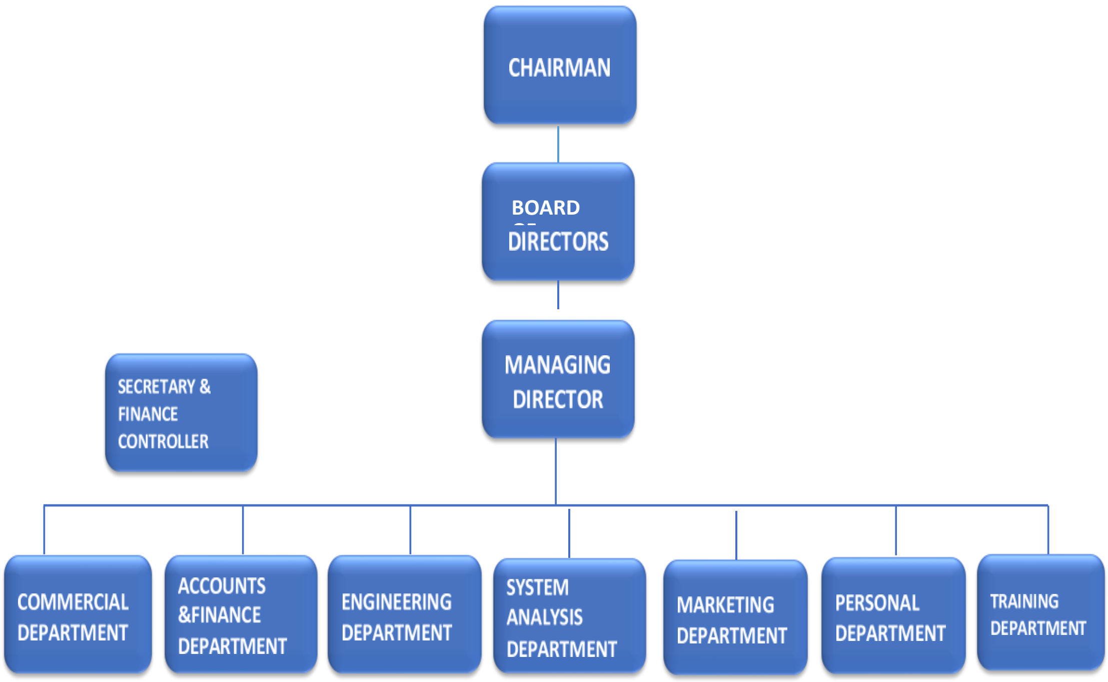


Figure 1.1: Working Structure of KTDC

1.8.8 PRODUCT PROFILE

Premium Hotels

1. HOTEL SAMUDRA

Category: Premium Beach Resort

Description: Located in Kovalam, every room has a view of the sea. The wide lawn extends to the coast and the architecture reflects the essence of sun, sand and sea. Guests can enjoy surfing, seafood or just relaxing.

Main Competitors: Leela Palace, Samara Beach Resort, Soma Palm Shore Beach Resort, Niramaya Retreats

2. MASCOT HOTEL

Category: Premium Heritage Business Hotel

The oldest Star Hotel of KTDC, the Mascot Hotel is situated in the centre of Trivandrum City, the capital of Kerala. It served as a home for Royal British Army officers during World War I. And it currently stands as a historical structure that has been meticulously maintained over time to provide tourists and business travellers with all the amenities of a five-star hotel. It was originally inhabited by British Army personnel in the beginning, and then a British woman converted it into hotels. Around 1969, the Kerala government took possession and focused more on the hotel industry when they founded KTDC. Mascot Hotel, a building that showcases amenities that embody the East Wild Travancore Monarchy's defining characteristics and excludes an ambiance that spends luxury, eventually came under the authority of KTTC. It is currently the city's most cutting-edge company.

Today, it provides visitors with the ideal fusion of history, luxury, and commerce in the centre of Thiruvananthapuram city. It is a favourite refuge for travellers because of the well-furnished rooms, elegantly planned surroundings, and tranquil atmosphere in a vast area amid the city. It is Trivandrum's sole heritage business hotel. It serves as a central location for people who want to visit the city, the nearby villages, andtourism sites. Main competitors of Mascot Hotel, Trivandrum: Muthoot Plaza, South Park, TajVivanta, Rajadhani Group (MauryaRajadhani, Windsor Rajadhani etc).

3. WATER SCAPES

Category-4 Star Backwater Resort

Kumarakom Bird Sanctuary, which attracts migratory birds from Siberia, is a beautiful backwater destination Waterscapes on the banks of the city. Vembanad Lake. Being the only resort in the area located in a bird sanctuary, it is known for its stand-alone bungalows on stilts surrounded by dense mangrove forest. It gives its visitors unlimited access to the backwaters of Kumarakom. It is also a fascinating area for ecotourists interested in mangrove ecology and bird-related ecosystems. The plot was once part of the Kavanattinkara estate of Alfred George Baker. "Honeymooners" really like it too

4. BOLGATTY PALACE AND ISLAND RESORT

Category: Premium Heritage Property

The magnificent Bolgatty Palace, a four-palace luxury home in the middle of the picturesque Bolgatty Island, offers guests first-class services and excellent leisure facilities. It is the oldest of its kind still in existence outside the Netherlands and was built by Dutch merchants in 1744. Also called the honeymoon paradise, the resort combines pleasure and business. Nestled among large, vibrant green umbrellas in Bolgatty, the resort certainly offers an unusual island experience. The resort consists of a main building, a mansion with castle rooms and a marina building facing the marina. The golf course is located on the opposite side of the marina. The resort also has six lake view cabins. The resort is surrounded by a 9-hole golf course built in 1925.

5. LAKE PALACE

Category: Premium Heritage Jungle Lodge

The historic summer residence of the King of Travancore, Lake Palace is located on island in Periyar Lake, a 20-minute boat ride from the mainland. British viceroys and governors-general flocked to the Periyar Tiger Reserve in this area to relax and listen to the calls of nature. Visitors to this lakeside lodge in the Periyar Tiger Reserve can

see herds of elephants playing by the lake or go on a jungle trek in search of a beautiful tiger. It has 6 rooms with vintage decoration.There is nothing more royal in life than this.

6. ARANYA NIVAS

Category- 3 Star Wildlife Resort

Wild and untamed Thekkady opened official hosts AranyaNivas. It is located near a bend in the Periyar River. This exotic jungle house is one of them. AranyaNivas, also known as Sylvan Abode, is located in a deep forest region on the banks of Periyar Lake. This charming colonial-style building is the only one in India located in the middle of a game reserve. AranyaNivas is not only an ideal vacation retreat, but also an ideal location for a casual business meeting or business conference.

7. TEA COUNTRY

Category: Premium Hill Resort

The official host of Munnar is Tea District, conveniently located between two hills. Every room in this hotel offers a breathtaking view. The comfort of the elegantly furnished rooms is the perfect place to enjoy the falling mist. Plus, it really is honeymoon heaven. For the more adventurous, there are many outdoor activities such as mountain biking, paragliding and hiking. rock climbing, rainbow trout fishing and spending the day on a tea plantation. Eravikulam National Park, Chinnar Wildlife Sanctuary and shola forests like Pampadum Shola National Park and the recently established Neelakurinji Sanctuary are important ecotourism destinations. Nilgiri Tahr (goat), elephants, bison and other wild species can be seen.

BUDGET HOTELS

1. **GOLDEN PEAK**: Visitors will discover a harmonious blending of the wooden and granite cottages with the surrounding mountain environment at the Golden Peak hill resort, which is very inspiring for extended stays as well

as for exploring the hills of Ponmudi. While staying in the cottage allows one to enjoy the beauty of the mist- covered hills, taking leisurely walks around the property allows one to experience the various moods of the hills and the variety of flora and wildlife.

2. **GRAND CHAITHRAM**: Trivandrum, also known as Thiruvananthapuram, is the capital of Kerala and emanates a splendour derived from its illustrious past. In this city, which is renowned for its temples, palaces, museums, galleries, and art festivals, heritage, culture, and aristocracy go hand in hand. Thiruvananthapuram, the location of the State's administrative centre, is close to Kovalam Beach. The Hotel Grand Chaithram, which located in the centre of Thiruvananthapuram, the capital of Kerala, guarantees guests a delightful stay. It provides a chance to keep up with the hectic pace of city life and easy access to popular tourist attractions close by.

3. **RIPPLE LAND**: The nickname Venice of the East, given to Lord Curzon when he served as viceroy of British India, is known for its endless expanse of paddy fields and is used to describe Kerala's rice bowl. Alappuzha, formerly known as Aleppey, is a distinctive area of land in Kerala because of its little streams, backwater stretches, canals, and beautiful green coconut palms. Trade ties with classical Greece and Rome formerly existed. The town of Alappuzha is distinguished by its network of roads, canals, and bridges. It also features a lovely coastline and a historic harbour. The property is conveniently situated on the national highway in the centre of Alappuzha town.

4. **SUVASAM KUMARAKOM GATEWAY THANNEERMUKKOM**: Suvasam is situated in Alappuzha. Sanskrit for "pleasant stay" is "Suvasam". Between Thanneermukkom and Vechur. a barrier known as Thanneermukkom was built to block tidal action and the entry of saline water into the Kuttanad lowlands over Vembanad Lake. This area of the lake has the purest water. KTDC, Suvasam is just a short drive from Kumarakom and is easily reachable from Kochi and Alappuzha (1 hour). 37 rooms at KTDC, Suvasam with views of the Vembanad Lake and front gardens are available. KTDC Suvasam offers freshness and greenery along with a fantastic escape from the stress and bustle of city life and a window to see the peaceful rural life.

5. **PERIYAR HOUSE**: Periyar House is a low-cost jungle lodge that provides a vantage point for travellers to come up close to the animals in Thekkady. It is

situated on the banks of the Periyar Lake. The Periyar Wildlife Sanctuary contains it. This is the finest choice in this location for a traveller on a tight budget who wants to stay in a wildlife refuge.

6. **NANDANAM**: In South India, the temple town of Guruvayoor is a well-liked destination for travellers. Numerous people go to the Guruvayoor Sree Krishnaswamy Temple every day. Punnathoor Kotta, the elephant care facility, and the training facility for mural painting at the neighbouring Mammiyur are nearby attractions. Visitors visiting Guruvayoor can be sure that the Hotel Nandanam will provide a relaxing stay that fits with their visit's objectives.

7. **LOOM LAND**: North Kerala's Kannur area is renowned for its weaving and songs. The area was referred to as Cannanore when British India was still in existence. In the twelfth and thirteenth centuries, commercial links existed between Kannur and Persia, making it one of the most significant ports on the Arabian Sea according to history. Up until 1887, it served as the British military's command centre on India's west coast. The property provides a fantastic opportunity to discover the historical landmarks of the north Malabar because it is situated in the centre of the town and so near to the railway station.

8. **GARDEN HOUSE**: Malampuzha Garden House perched on a hilltop and overlooking the Malampuzha dam, provides a magnificent view of the Western Ghats.

9. **PEPPER GROVE**: Pepper Grove is the perfect starting point from which to explore this verdant region because it perfectly represents the beauty and brightness of spice- scented Wayanad. Pepper Grove, which is situated in Sulthan Bathery in the centre of Wayanad, is the perfect place to stay and see all that the region has to offer. The resort is close to historical sites like the Edakkal Caves and a wildlife sanctuary called the Muthanga Wildlife Sanctuary, and it has amenities for both a leisurely stay and business travel. When compared to other areas of Wayanad, getting to locations in the neighbouring State of Karnataka is very simple, especially for anyone interested in visiting Mysore or the Nagarhole or Bandipur national parks.

10. **Rain Drops**:Rain Drops is a restaurant company of KTDC located strategically near Chennai Port and important offices of shipping and IT companies. It is close to American and British consulates, many shopping

malls, and major hospitals like Apollo Hospital and Shankara Nethralaya. The proximity to Marina Beach, the second longest beach in the world, adds to the appeal, making it a convenient and enjoyable place for both business and leisure travelers

11. **FOLK LAND**:Located in the temple town of Parasinikadavu, about 20 km north of Kannur, this property offers a peaceful and rustic setting on the Kannur-Mangalore highway. The Parasinikadavu Muthappan Temple, known for its unique rituals, is situated on the banks of the Valappattanam river and attracts visitors from various religions, castes, and creeds. The hotel's location provides a tranquil environment ideal for pilgrims and tourists alike.

Motels

- Motel Aarams, Kottarakkara
- Motel Aarams, Punaloor
- Motel Aarams, Palaruvi
- Motel Aarams, Vaikkom
- Motel Aarams, Kuttipuram
- Motel Aarams, Erumayur
- Motel Aarams, Kannur
- Water Sports Veli
- Aahar Restaurant Techno Park
- Restaurant Cum Beer Parlour Karamana
- Restaurant Cum Beer Parlour Balaramapuram
- Restaurant Cum Beer Parlour Statue
- Restaurant Cum Beer Parlour Kazhakuttom
- Restaurant Cum Beer Parlour Varkala
- Restaurant Cum Beer Parlour Karunagappally
- Restaurant Cum Beer Parlour Vaikkom
- Restaurant Cum Beer Parlour Kappilmekku
- Restaurant Cum Beer Parlour Devikulangara
- Restaurant Cum Beer Parlour Meeyannoor
- Restaurant Cum Beer Parlour Maranalloor
- Restaurant Cum Beer Parlour Arasummoodu

1.8.9 SERVICES

- CONDUCTED TOURS: The KTDC's tourist information centre arranges guided tours to the majority of the State's top tourist attractions. The tours offered include half-day and full-day excursions to local attractions, half-day and full-day boat cruises, as well as hiking and mountaineering excursions to locations close to the reception centre. The trips are normally planned and led by the KTDC tourist information centre.
- TOUR PACKAGES: Exclusive Escapades offers holiday packages and organized excursions that are placed in the top properties of KTDC, the most dependable tour operator and travel agent of the Kerala government. As a forerunner in the industry, KTDC has also launched cutting-edge ideas like Insured Holiday and Rail, which provide visitors a full understanding of Kerala.
- ENTERTAINMENT ACTIVITIES: The work that KTDC has done in the area of tourism entertainment is impressive. The corporation kept up its efforts to showcase Kerala's culture and traditions by planning unique events during the State's festival seasons. Onam, Eid, Christmas, and national and international conferences all featured a variety of cultural performances, including Kathakali, Theyyam, Mohiniyattam, Thiruvathirakali, and other folk dances and music.
- HANDLOOM AND HANDCRAFTS: The Kerala Tourism Development Corporation provides affordable handmade goods of guaranteed quality, including Kerala Handlooms, Handicrafts, and Antiques, to both domestic and international travellers. Through its many divisions, the corporation makes special efforts to promote handloom and handicraft products, and it also sets up handicraft shops in its most notable hotels and units.
- CONSULTATION SERVICE: The Company offers a number of consulting services through its many departments, including the engineering and travel divisions, to share with state governments and others seeking to improve the tourism environment. This service entails complete consulting. from research to feasibility studies to project execution, for developing hotels, hotel management, transportation projects, entertainment, and publicity, including graphic design and print work as well as audiovisual tools like displays, slide. The units are separated

into centralized and decentralized units by KTDC. The regional offices are in charge of the centralized units. KTDC has three regional offices: the North Regional Office is in Calicut, the South Regional Office is in Trivandrum, and the Central Regional Office is in Kochi.

- KTDC SHOPPING COMPLEX: The units are separated into centralized and decentralized units by KTDC. The regional offices are in charge of the centralized units. KTDC has three regional offices: the North Regional Office is in Calicut, the South Regional Office is in Trivandrum, and the Central Regional Office is in Kochi.
- KTDC HOLIDAY PACKAGE: With a perfect understanding of varying tourists need KTDC has evolved a comprehensive tour package that suit the tourists all over the world.

1.8.10 ORGANISATIONAL STRUCTURE OF KTDC

The traditional organization structure of KTDC is as follows:

- Chairman: The organization's overall activities under the chairman's direction. He serves as the level 2 managers' reporting officer according to the organizational hierarchy. In most cases, he is in charge of resolving problems at his level.
- Managing director: The level 2 managers represented in the organization chart report to the managing director. In most cases, he is in charge of resolving problems at this level. The Managing Director serves as the Corporation's CEO. The heads of the several divisions help him at the registered office. The functional HOD'S at KTDC head office are:

  - Operation's manager
  - Marketing Manager
  - Personnel Officer
  - Chief Corporate Engineer
  - Chief Accounts Officer
  - Training Manager
  - System Analyst

1.8.11 FUNCTIONAL DEPARTMENTS OF KTDC

The KTDC has been broken down into many functional departments, including the departments of business, marketing, human resources, engineering, accounts & finance, training, and systems & networking.

Following is a quick summary of each department:

1. COMMERCIAL DEPARTMENT

All of the Kerala Tourism Development Corporation Lad's business endeavours are managed by this department. This division issues the purchase orders required for the KTDC hotels. A crucial role of the commercial division is the acquisition of land and properties. The commercial manager is in charge of this division, and underneath him in the hierarchy are regional managers, office superintendents, and other employees.

2. MARKETING DEPARTMENT

From the point of manufacturing to the point of consumption, handling and transit of goods are concerns of marketing. The marketing strategy is based on a customer-centric integrated marketing approach, with customer happiness as the key to achieving organizational objectives. All of the organization's marketing and promotion initiatives are handled by the KTDCY Central Reservation section. The Central Reservation section handles the majority of the marketing activity. It belongs to the marketing department. The central reservation serves as a travel and tour operating agoxy, making hotel reservations across India and through KTDCs numerous tourist reservation centres spread across the nation and internationally.

3. PERSONNEL AND ADMINISTRATION DEPARTMENT

The department's leader is the personnel officer. This division handles KTDC personnel issues, in particular appointment, transfer, and other issues. The company has internal policies governing the staff's level of service. The corporation's personnel might move from one division to another. Human resources are an organization's main building block. It is of utmost relevance because majority organizational problems are social and human in nature. A huge number of people with various educational backgrounds make up an organization's staff.

4. ACCOUNTS AND AUDIT DEPARTMENT

The accounts department of Kerala Tourism Development Corporation Limited maintains records of all financial transactions, payrolls and related information. The department is headed by an accountant. Accounting is responsible for reporting financial transactions of KTDC, including payroll accounting and unit accounting, e.g. Business accounting is the recording of a company's financial changes in chronological order using an accrual-based, double-entry bookkeeping system.Head Office received income and expenditure and other relevant accounting records from centralized and decentralized units. After coordinating the necessary accounts, the head office prepares a consolidated annual account for management and budget control. These accounts are used for financial control and for the unified collection of sales analysis statement, selected debtors and pre-sent statements.

Figure 1.2: Accounts Department

Functions of Accounts and Audit Department

- The creation of unit-specific budgets and advanced capital budgets.
- Account preparation and maintenance.
- The creation of a capital budget in response to requests from units for capital additions that are based on long-term development plans.
- Keeps track of all information pertaining to product purchases and payments.
- Maintaining the internal auditing system.
- Budget and financial management.
- Statutory audit. The administration of payroll.
- Recording of payments given to trainees, casual workers, contract workers, vendors, sales tax, luxury tax, etc.
- Transactions involving the acquisition of assets are recorded.

5. TRAINING DEPARTMENT

The newly created department of the company is the training department. The head of this department is responsible for training. Training of KTDC personnel is the primary objective of the department. The department is the culmination of many years of hard work. The main objective of the training is to develop the behavior of the workforce. The effectiveness of an organization is greatly influenced by its training. Vocational training is organized at the workplace and at the workplace. This informal approach is also the cheapest.

6. TECHNICAL DEPARTMENT

The engineering department takes care of the construction and maintenance of the entire company. It mainly focuses on new hotel development, projects and maintenance of already existing structures and assets. The chief engineer of the company is responsible for this department. The planning department is responsible for organizing all construction and maintenance work in the company's area. This department deals with plumbing and drainage, furniture, fixtures and fittings, as well as civil and electrical maintenance, building maintenance, garden maintenance, roads and facilities maintenance. The group is led by the Group Chief Engineer. Each project is managed independently of the department. The board estimates and approves the total construction cost. If the assessment exceeds Rs. 10 lakhs, it requires permission from the government. Each project is assigned a project engineer. To implement the project, assistant engineering supervisors, auditors, etc. are appointed under the project engineer.

7. SYSTEM ANALYST DEPARTMENT

The System and Network Department of Kerala Tourism Development Corporation is responsible for managing and coordinating all system and network functions of the KTDC office, its hotels and other departments. The entire hotel system of KTDC is connected to a centralized server located in the company's office, which helps to solve software problems. The computer system also helps collect sales data, identifying the changing needs of consumers and the market, and the need for new technological developments.

8. SUPPORTING DIVISIONS

There are two divisions play supporting role in KTDC. They are:

- REGIONAL DIVISION: The Commercial Manager II of the corporate office's Commercial Department is in charge of this section. Southern, middle, and northern regions make up the KTDC. With the exception of the premium properties, this section I oversaw all of the properties' operations. All of the upscale properties are in centralized locations. All eight of the luxury hotels are included in the premium properties. Yathri Nivas, Motels, Tamarinds Hotels, Sabals Restaurants, and Beer Parlours are some of the properties. Seventy units total are included in this section.
- VIGILANCE DIVISION: The person in charge of vigilance oversees this division. To address any complaints that are received, this department is required. The majority of complaints are directed at the employees' conduct. The department handles the type of complaints that are received. A client or any member of the comparison team may also file a complaint. Anonymous complaints are also possible. The employee is then suspended until an investigation is conducted. The vigilance officer then creates a report and gives it to the managing director. The organization keeps a record of the complaints made against an employee and sends it forth. Sexual harassment complaints are taken seriously.

1.8.12 SWOT ANALYSIS

In order to understand the strengths, weakness and opportunities of the Corporation, its structure, overall operations and marketing functions of the Corporation, it seems paramount important to have SWOT Analysis. The following are the major strengths, weaknesses, opportunities and threats of the organisation identified through the analysis.

Strengths:

- The largest hotels and resorts networks in the State.
- The official host to the God's own country.
- The first Government agency to promote tourism in the State.
- 45 years' experience in tourism promotional efforts and tourism infrastructural developments in the State
- Very good reputation.
- High quality Tourism Products.
- Strong brand positioning (Global super brand).
- Good range of quality visitor attractions offering a multitude of different tourism experiences and environments.
- It has over 70 units located across the length and width of the state.
- Large number of quality and attractive tour packages and conducted tours.
- Rich cultural heritage and tradition.
- High repeat visitation and customer retention.
- Good communication links giving access to a large catchment area.
- Tremendous government and political support.
- Public support and acceptance.
- Systematically organised, attractive, informative and user-friendly website.
- Supported with a dedicated team of employees by which the goals of the organisation can easily be achieved.
- Large number of tourism information centres and tourist reception centres.
- Well-structured and well-equipped high tech central reservation cell.
- Possess highly skilled and professional managers at top level.
- Large number of massage centres and houseboat accommodation facilitations.

- Scientific and systematic organisation of the employees on a well-designed organisational structure.
- Local community cooperative, hospitable, kind, tourist-friendly and perceived with warmth and welcome.
- Professionally skilled marketing personnel with a strong front-line sales team.

Weaknesses:

- Lack of adequate number of professionally and technically skilled manpower
- Lack of proper planning and implementation of projects and plans.
- Unaffordable pricing strategies for common man
- Differential pricing strategies and price discrimination.
- Absence of clear and well - defined policies.
- Inadequate infrastructure for matching the expectations.
- Lack of clarity in quality matters.
- Lack of vision and mission connectivity
- Organisation does not follow a professional management system and hence efficient decision-making is not easily possible.
- Proper channel of communication is not maintained within the organisation
- Absence of public relations department and officer (PRO) in the organisation structure
- Marketing efforts undertaken by the Corporation seems to be insufficient at international level.
- Improper maintenance of funds may impair the functioning of the Corporation.
- The centralised attitude of the superiors inside the organisation.
- Employees feel that the work is mechanical and monotonous.
- Lack of trained personnel in information centres.
- Insufficiency of the scientific tourism development
- Poor tourism promotional strategies and techniques.
- Limited number of tour packages to attract international tourists.
- Level of customer care and professionalism need improvement.
- Lack of serviced accommodation at highest quality level, i.e. five - star hotel accommodation.
- Insufficient funds for tourism promotion and infrastructure developments.

Opportunities:

- Tourism is one of the fastest growing industries in the world with new products in its arson, which is becoming more and more popular and entering into new and existing markets by offering new opportunities.
- The awareness and attitude of people towards tourism is very much conductive to the growth of the tourism industry in the State and development of the Corporation.
- The State's special features like high literacy rate, high life expectancy, high position in human development index etc. offers sufficient opportunities for the development of KTDC
- Vast and untapped potential on heritage tourism, backwater tourism, beach tourism, eco- friendly tourism, health tourism, farm tourism and pilgrimage tourism etc
- Brand image of God's Own Country for achieving the targeted high spending tourists.
- Tourism policy issued by the state provides opportunities for the development of the corporation by inviting private investments which may result in the rapid growth of the industry.
- The Corporation has well-qualified and experienced human resources which can be effectively utilised for tapping the opportunities.
- The promotion of eco-tourism, farm tourism, hill station tourism, Ayurveda tourism and backwater tourism.
- The existence of available areas for investments.
- The ability of the Corporation to appeal to the various market segments by providing accommodation, packages, products and services in order to compete effectively with other organisations
- Growing interest in local distinctiveness, packages, accommodation and attractions, which have not become over-developed.
- The competitiveness of the Corporation in terms of value - based quality delivered for the price paid by the visitor; and the marketing effectiveness in attracting visitors to the products and services offered by the Corporation.
- Partnerships with private industry, government and stakeholders.

- Development of the new infrastructures and wayside amenities.
- Increasing opportunities for Ayurveda Packages.
- Opportunities for restaurants and beer parlours.
- Transportation facilities by improved air connectivity with the introduction of low-cost airlines.
- Development of activity - based tourism.
- Development of more five - star hotels and other forms of accommodation.

Threats:

- Competition from the private sector
- Various social organisations do not support tourism development due to the fear that it will disturb the environmental balance and cultural heritage of the State.
- Existence of unethical traders and unlicensed agencies in and around tourism centres.
- Undesirable attitude of public towards tourism.
- Exploitation of natural resources, environmental pollution, ecological hazards and cultural degradation etc.
- Changes in the economic policies by the Government adversely affect the tourism industry in the State
- Customs, culture and tradition of tourists
- Seasonal changes and demands
- Environmental pollution caused by backwater tourism
- Product development pattern in the recent past are against the principles of sustainable tourism development.
- Political instability, safety and security situation
- Lack of resources compared with some competing private agencies
- Failure to keep abreast of IT developments in marketing communications
- Relying on government input and funding.

CHAPTER-II

REVIEW OF LITERATURE & THEORETICAL FRAMEWORK

2.1 REVIEW OF LITERATURE

Maynard E Rafuse - Working Capital Management in Urgent Need for Refocus (1996) argues that efforts to increase working capital by delaying payments to creditors are harmful both to individuals and the broader economy. In addition, research shows that reducing inventories can lead to massive financial improvements and many other important benefits.

Kieth V Smith-financial management (1973) provides a summary of various existing methodologies for working capital management, encompassing aggregate guidelines, constraint sets, cost balancing, probability models, portfolio theory, mathematical programming, multiple goals, and financial simulation. The paper delves into the interconnections among these diverse approaches, examines their limitations, and discusses the potential risks of suboptimization within the current state of the art of working capital management.

Marc Deloof - Journal of Business Finance and Accounting (2003) examines the relationship between working capital management and firm profitability in a sample of 1,009 large non-financial firms in Belgium between 1992 and 1996. Business credit and inventory practices are evaluated using metrics such as days, accounts receivable, accounts payable, and inventory. The cash conversion cycle is a comprehensive dimension of working capital management. The results show that the company's profitability can be improved by management actions aimed at reducing accounts receivable and storage days. In addition, less profitable companies delay payments to their creditors.

Carole Howorth, Paul Westhead-Management Accounting Research (2003) investigates the working capital management practices among a diverse and randomly selected group of small companies in the UK. A notable diversity in the adoption of 11 working capital management routines was observed. Through principal components analysis and cluster analysis, the identification of four distinct company types based on their working capital management patterns was confirmed. The findings imply that small companies tend to concentrate their efforts on specific areas of working capital management where they anticipate the potential for enhancing marginal returns.

Greb Filbeck, Thomas M Kruger-American Journal of Business (2005) reveals notable variations in working capital measures over time, emphasizing substantial differences between industries. By minimizing the funds allocated to current assets, companies can cut down on financing costs and enhance the resources available for expansion. The CFO magazine's annual Working Capital Management Survey offers valuable insights into the performance of surveyed firms, focusing on crucial aspects of working capital management.

Andrew Harris-working capital management difficult but rewarding (2005) ensuring that the organization can cover the disparity between short-term assets and short-term liabilities. However, in practice, working capital management has emerged as a significant challenge for numerous finance organizations, posing difficulties for many CFOs in identifying core working capital and determining the appropriate levels. This challenge has made working capital management a vulnerable point for companies, hindering their ability to navigate unforeseen or adverse events and maintain readily available cash as needed, irrespective of circumstances. A comprehensive understanding of the role and influencers of working capital management, coupled with efforts to attain the optimal levels of working capital, empowers companies to minimize risk, adeptly prepare for uncertainties, and enhance overall performance

Kessavan Padachi-International Review of business research papers (2006) emphasizes the necessity for a firm to strike a balance between liquidity and profitability in its daily operations. Liquidity is essential to meet short-term obligations, and a profitable organization ensures a sustained flow of liquidity in the future. Effective working capital management signifies an efficient and profitable business operation. However, the study cautions that an excessive emphasis on liquidity could potentially come at the cost of profitability.

Wielsaw Meszek, Marcin Polewski- Technical and Economic Development of economy (2006) examines the profiles of chosen strategies employed for its management. Financial ratios serve as the basis for this analysis. The key finding is that effective working capital management necessitates the construction companies, focusing on the formation of working capital and the development of a comprehensive control methodology. The distinctive nature of the construction industry, with its operational factors and market demands, expands the scope of working capital management to encompass concerns related to investment processes, production, and logistics. Consequently, the conclusion emphasizes the need for a developed controlling methodology in working capital management.

Lorenzo Preve, Virigina Sarria-Allende - Oxford University Press (2010) gives managers a broad perspective to understand working capital by linking operational decisions to their financial consequences and aligning them. with an overall business strategy. This approach not only helps managers understand the fundamentals of profitability, but also increases their understanding of the drivers of value creation.

Sonia Banos Cabellero, Pedro J Garcia- Terual, Pedro Martinez Solano- Working Capital management in SMEs (2010) delves into the factors influencing the Cash Conversion Cycle (CCC) in small and medium enterprises. The findings reveal that these enterprises tend to have a specific target length for the CCC, towards which they endeavour to converge swiftly. The study further indicates that the CCC is longer for older firms and those with larger cash flows. Conversely, firms with increased growth prospects, higher leverage, investments in fixed assets, and superior return on assets tend to adopt a more assertive working capital policy.

Erik Hofmann, Herbert Kotzab-A supply chain-orientedapproach of working capital management (2010) examines and illustrates the impact of payment conditions on enhancing Working capital in supply chains. The proposal advocates for a collaborative approach to working capital management, extending the cash conversion cycle for enterprises with the lowest weighted average cost of capital and shortening it for those with higher costs.

Hiren Maniar-Working capital management in projects- case study on Indian construction companies (2011) The study proposes a straightforward model that can serve as a guide for estimating the least working capital necessary for construction projects in India.The primary objective of this research is to establish the interrelationships among factors such as inflation, labour wages, material costs, construction equipment and machinery expenses, subcontractor charges, and overhead costs that contribute to determining the minimum working capital requirements. estimation relies on historical data and is expressed as a percentage of variables relative to the contract value. The researcher emphasizes that working capital management stands as a central concern for all short-term obligations and financial considerations.

Nor Balkish Zakaria, Juyati M Amin- Journal of currebr issues in the finance, business and economics (2013) examines the correlation between the working capital management performance and the working capital financing strategies employed by 52 Malaysian construction companies during the period from 1999 to 2001. The study highlights a noteworthy association between the chosen method of working capital financing and the overall effectiveness of working capital management. Additionally, the research assesses the cash conversion efficiency and days of working capital for individual Malaysian construction firms in comparison to industry averages, aiming to provide insights that could enhance governance in working capital management within the construction sector

Richard Kofi Akoto, Dadson Awunyo -Vitor, Peter Lawer Angmor-Working Capital management and profitability (2013) aims to investigate the correlation between working capital management practices and the profitability of manufacturing firms listed in Ghana. Utilizing secondary data from all 13 listed manufacturing firms in Ghana spanning the years 21 2005 to 2009, the research uncovers a noteworthy negative association between profitability and accounts receivables as well as cash. Additionally, the study identifies that both current asset ratio and current asset turnover exert a significant influence on profitability

Stanleyb Chukwudi Ugochukwu, Tobechukwu Onyekwena International Journal of Civil Engineering, Construction andProperty Management (2014) focuses on assessing the participation of indigenous contractors in construction projects in Nigeria and examines the main factors that hinder effective working capital management. The aim of the study is to identify and analyse the key challenges affecting the level of working capital required by domestic entrepreneurs. Findings show that among indigenous entrepreneurs in Nigeria, the prevailing problems are ignorance of the importance of working capital management and challenges related to downsizing and inflation. The document recommends that entrepreneurs actively address these issues by raising awareness of the benefits of good management capital and taking steps to mitigate the factors that contribute to increased working capital requirements.

Anupam Mehta-International journal Of Management Excellence (2014) investigate the connection between working capital management and profitability. The real estate and construction sector in the UAE experienced substantial growth from 2004 to 2007, followed by a significant downturn in the aftermath of the global crisis. Despite displaying some recovery signs in 2011, these sectors continue to grapple with challenges such as an oversupply relative to demand and sluggish growth. Employing correlation and multiple regression analysis, this study reveals a noteworthy negative correlation between profitability and the duration of the firm's cash conversion cycle.

Janina Jedrzejczak-Gas-Net Working capital Management strategies in the construction enterprises listed in the new connect market (2017) introduces the notion of discerning strategies for managing Net Working Capital. The objective of this article is to recognize the strategies employed in managing Net Working Capital by enterprises within the construction sector listed on the alternative exchange market New Connect. The study covers the period from 2009 to 2014, which coincided with severe economic crisis since the fourth decade of the twentieth century

Eljelly -working capital management and its impact on profitability (2018) Conducting empirical research, Eljelly investigated the association between profitability and liquidity, using current ratio and cash gap (cash conversion cycle) as measures, across a sample of 929 joint stock companies in Saudi Arabia. Through correlation and regression analysis, Eljelly identified a significant negative correlation between a firm's profitability and its liquidity level, particularly concerning the current ratio. This negative relationship was more pronounced for companies with high current ratios and extended cash conversion cycles. Notably, at the industry level, the study revealed that the cash conversion cycle or cash gap holds greater significance as a liquidity measure compared to the current ratio, exerting a more notable impact on profitability.

Lazardis and Tryfonidis (2018) conducted a cross-sectional study using a sample of 131 firms listed on the Athens Stock Exchange from 2001 to 2004. The study identified a statistically significant correlation between profitability, assessed through gross operating profit, and the cash conversion cycle, including its individual components such as accounts receivables, accounts payables, and inventory. The analysis of annual data through correlation and regression tests led to the conclusion that proficient management of the cash conversion cycle, along with the optimization of each component (accounts receivables, accounts payables, and inventory), can enable managers to generate profits for their companies

Vinay Kandpal-Journal of Commerce and Management Thought (2019) examine the components of working capital and analyse the impact of working capital management across various companies. The effective operation of a business organization relies significantly on both fixed and current assets, as organizations commonly allocate investments in these areas. Utilizing correlation and regression analysis, the study aims to identify the substantial effects of working capital management on profitability. The management of operational capital is crucial, as it can directly influence both profitability and liquidity.

Vivien Lefebvre -Performance of the working capital management and liability of the smallness; A question of opportunity costs (2020) delves into the correlation between working capital management and firm operating performance, with a specific focus on examining the moderating effect of firm size. A extensive dataset comprising 56,221 small, medium, and large firms from France, Germany, and Italy is employed. The findings reveal that the influence of working capital management on performance is significantly influenced by the size of the firm. Notably, smaller firms exhibit a heightened sensitivity to underinvestment in net operating working capital, while no comparable sensitivity is observed for overinvestment. These results imply that small firms bear substantial opportunity costs in terms of lost sales when their net operating working capital is insufficient. The study discusses potential explanations for these findings, including financial constraints and a lack of financial management, both of which are considered expressions of the challenges associated with the liability of smallness.

Hrishkesh Battacharya-PHI Learning Pvt Ltd (2021) Working Capital is conventionally defined as the capital necessary to cover the daily operational expenses of a business. This study seeks to reconcile existing conflicts by employing a techno-financial approach to working capital management. It introduces risk analysis and evaluates working capital to comprehend the nature of business services and associated risks. The subsequent step involves creating a model for assessing the working capital requirements.

Nurgul Chambers - Management and Companies on Working Capital Performance in the Hospitality and Tourism Industry (2022) aims to present empirical results on the impact of working capital on the performance of companies in the hospitality and tourism industry. industry It aims to identify and establish an inverted U-shaped relationship between working capital and firm performance, with a particular focus on hospitality, food and tourism firms. In contrast, a positive linear relationship is observed for sports companies, while there is no noticeable effect on the results of gambling companies. In particular, this research is the first empirical study to extend the cross-country analysis of sub-sectors of the hotel and tourism industry worldwide. The findings highlight the importance of hospitality and tourism managers recognizing the various relationships between working capital and firm performance13in formulating effective working capital management strategies in specific subsectors.

E Louw, John H Hall, Rudra P Pradhan-Global Business Review (2022) investigates and compares the enduring connection between working capital management and profitability in South African firms within the retail and construction industries throughout the period from 2004 to 2015. The study employs techniques such as the cointegration method and a Granger causality test. The findings suggest the presence of a long-term relationship between working capital management and firm profitability in most cases. The study's results indicate that the influence of working capital management on profitability is more pronounced in retail firms compared to construction firms. The significance of this study lies in the recognition that management in diverse industries should acknowledge the varying impact of working capital management on different measures of profitability.

Srikant Krupasindhu Paanigrahi - Working CapitalManagement and Shareholder Wealth Creation (2022) In the current environment characterized by credit constraints due to the COVID-19 crisis.Effective management of capital is key to a successful manufacturing company. The purpose of this article is to examine the interaction between working capital management, quality of income, sales growth and shareholder wealth in the context of listed companies in Oman. The study uses balanced panel data spanning the years 2004 to 2019 and covering 31 manufacturing companies listed on the Muscat Stock Exchange (MSE). The study reveals important insights. The results show that measures such as working capital days, cash conversion period, payment delay period, sales growth and earnings quality positively affect shareholder wealth, such as return on assets. Conversely, intraday working capital has a negative effect on stock returns. Furthermore, the study does not identify any significant impact of working capital management on earnings per share (EPS). In addition, it is emphasized that sales growth and the quality of results have a positive effect on EPS. The overall conclusion emphasizes that improving sales growth and earnings quality can lead to shareholder wealth creation.

Kamlesh Kumar (2022) investigates the impact of efficient working capital management on the fundamental aspects of Indian listed firms. Using a fixed-effects logit regression model, we empirically examine how working capital management efficiency influences the fundamental strength of a sample of 538 Indian listed firms from the Centre for Monitoring Indian Economy (CMIE) database spanning the years 2012 to 2020. The findings reveal a positive association between working capital management efficiency and the fundamental strength of these firms. Additionally, the study employs a fixed-effects regression model to explore the specific influence of working capital management efficiency on individual fundamental measures. The results indicate that an efficient working capital management positively correlates with overall profitability, operational effectiveness, asset utilization efficiency, and the ability to generate cash from operations. Conversely, inefficient management of working capital tends to steer firms toward increased reliance on long-term debt financing within the Indian context.

Emmanuel Asare, De Graft Owusu Manu, Joshua Ayarkwa, David John Edwards, Igor Martek- Construction Innovation (2023) Construction projects exhibit financially dynamic, relying on highly variable working capital and cash-flow needs. Understanding working capital management is imperative in this context. This study seeks to conduct a comprehensive review of existing literature on Working Capital Management within the construction industry, presenting a contemporary positional paper to stimulate broader discussions on this crucial phenomenon. Key observations include a scarcity of experts examining the field, with no authors revisiting the theme more than once. Additionally, the study notes a limited focus on

Working Capital Management topics, with only the relationship between "Working Capital Management and profitability" being revisited and refined in the literature, while other aspects remain less detailed. Consequently, the paper concludes 10 by highlighting the insufficient research data on Working Capital Management and advocating

2.2 THEORETICAL FRAMEWORK

2.2.1 Working Capital

Working capital serves as a fundamental gauge of a company's financial health and operational efficiency, delineating the disparity between its current assets and liabilities. Current assets, comprising cash, accounts receivable, inventory, and prepaid expenses, represent resources anticipated to be converted into cash within a year. Conversely, current liabilities encapsulate short-term obligations like accounts payable, accrued expenses, and short-term debt, all due within the same timeframe.

The formula for computing working capital is straightforward:

$$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

A positive working capital denotes that a company possesses adequate short-term assets to settle its immediate liabilities, indicating robust financial health and the capability to meet operational needs without heavy reliance on external funding. This ensures smooth day-to-day management of expenses, facilitates operational continuity, and positions the firm to seize growth opportunities.

Conversely, negative working capital suggests potential challenges in meeting short-term obligations solely through existing assets. This scenario may highlight issues such as cash flow inefficiencies, excessive debt burden, or difficulties in swiftly converting assets into cash.

Effectively managing working capital is pivotal for businesses seeking to optimize cash flow, mitigate financial risks, and sustain profitability over time. Strategies to achieve this include streamlining inventory turnover, improving collections from customers, negotiating favourable credit terms with suppliers, and maintaining adequate reserves of cash. Maintaining a balanced ratio between current assets and liabilities enhances financial stability and resilience, fortifying the company's position amid fluctuating market dynamics.

2.2.2 Importance of Working Capital

Working capital is a vital business statistic that represents the difference between current assets and current liabilities. It is an important part of a company's operational efficiency and short-term financial health. Effective working capital management guarantees that a company can satisfy its short-term obligations, keep operations running smoothly, and invest in expansion prospects. Several fundamental characteristics help to understand the relevance of working capital:

- **Improving operational efficiency**

  Effective working capital management has a direct impact on operational efficiency. Businesses can run smoothly if they successfully manage their inventory, receivables, and payables. Optimizing inventory levels helps to avoid problems like overstocking and shortages. Timely receivables collection enables a constant cash input to fund everyday operations, whereas timely payables payment builds supplier relationships and avoids fines.
- **Ensuring liquidity.**

  Liquidity is essential for any firm to operate without interruption. Working capital ensures that a company's cash flow is sufficient to cover its short-term obligations and operational costs. A company with adequate working capital may pay its suppliers, employees, and other creditors on time, allowing it to keep its operations running smoothly and avoid insolvency.
- **Profitability enhancement**

  Effective working capital management can considerably increase a company's profitability. A corporation can reduce financing costs and increase return on assets by maximizing the utilization of existing assets and liabilities. For example, reducing days sales outstanding (DSO) by collecting receivables more rapidly can boost cash flow and reduce the requirement for external borrowing. Similarly, establishing improved payment terms with suppliers can help you manage cash outflows more efficiently. Overall, effective working capital management contributes to maximizing the company's profitability.
- **Risk Mitigation**

Proper working capital management helps to mitigate a variety of financial hazards. For example, having adequate liquidity lowers the danger of cash shortages, which can cause operational disruptions. Effective inventory management reduces the risk of inventory obsolescence and the associated losses. Similarly, effective receivables management lowers the chance of bad debts. By avoiding these risks, a company can ensure its financial stability and operational continuity.

- **Encouragement of Business Expansion**

Sufficient operating capital is necessary to enable the expansion and growth of businesses. It offers the money required to invest in fresh ideas, break into untapped markets, or introduce novel goods. Strong working capital situations enable businesses to take advantage of growth possibilities without unduly depending on outside funding. Businesses are able to react swiftly to shifts in the market and pressure from competitors thanks to this flexibility.

- **Maintaining Creditworthiness**

Lenders and investors view a company that manages its working capital well as sound financially and creditworthy. Sustaining a good working capital position contributes to the development of credibility and trust, both of which are essential for obtaining finance on favorable conditions. This can be especially crucial when credit conditions are tight or the economy is struggling, as it might make it difficult to obtain funding.

2.2.3 Components of Working Capital

Working capital is crucial for assessing a company's ability to meet its short-term financial obligations and operational needs. It comprises current assets and current liabilities, which are essential for day-to-day operations and liquidity management.

- **Cash and Cash Equivalents**

Cash and cash equivalents represent the most liquid assets available to a company. These include physical currency, bank deposits, and short-term investments with high liquidity and short maturity periods (typically within three months). Cash and cash equivalents are vital for covering immediate expenses, such as payroll, utility bills, and supplier payments. Maintaining adequate cash reserves ensures that a company can handle unexpected expenses and seize opportunities without delays.

Effective cash management involves monitoring cash flows, optimizing cash balances, and ensuring sufficient liquidity to sustain operations.

- **Accounts Receivable**

Accounts receivable refer to amounts owed to a company by customers for goods sold or services rendered on credit. It represents revenue recognized but not yet collected in cash. Managing accounts receivable involves establishing credit policies, monitoring payment terms, and pursuing timely collections to minimize bad debts and enhance cash flow. Efficient management of accounts receivable accelerates cash inflows, reduces the cash conversion cycle, and enhances liquidity. Strategies such as offering discounts for early payments and employing robust invoicing and collection processes help optimize accounts receivable turnover.

- **Inventory**

Inventory includes goods and materials held by a company for sale or used in the production process. It encompasses raw materials, work-in-progress items, and finished goods awaiting distribution. Effective inventory management balances supply and demand, minimizes carrying costs, and prevents stockouts or overstock situations. Optimizing inventory levels ensures operational efficiency and cost-effectiveness. Techniques like just-in-time (JIT) inventory systems, ABC analysis (categorizing inventory based on value and usage), and implementing inventory tracking systems help reduce storage costs and improve cash flow by aligning inventory turnover with sales cycles.

- **Accounts Payable**

Accounts payable represent obligations owed by a company to suppliers and creditors for goods and services received on credit. It includes invoices for raw materials, utilities, operating expenses, and other liabilities. Managing accounts payable involves negotiating favorable credit terms, monitoring payment deadlines, and maintaining positive supplier relationships.Efficient management of accounts payable enables businesses to optimize cash flow by delaying payments while leveraging credit terms. Strategies such as taking advantage of supplier discounts for early payments and integrating automated payment systems streamline accounts payable processes and enhance financial flexibility.

- **Short-Term Investments**

Short-term investments are financial assets acquired by a company with the intention of converting them into cash within a short period, usually less than one year. These investments include marketable securities, certificates of deposit (CDs), and treasury bills. They provide liquidity while earning a return on excess cash not immediately needed for operations including short-term investments as part of working capital management helps optimize cash utilization and generate additional income. Balancing liquidity needs with investment returns requires assessing risk tolerance and market conditions to maximize returns without compromising liquidity.

Each component of working capital plays a critical role in supporting a company's liquidity, operational efficiency, and financial health. By effectively managing current assets and liabilities, businesses can ensure sufficient cash flow to meet short-term obligations, capitalize on growth opportunities, and navigate economic uncertainties successfully. Understanding these components enables strategic decision-making and fosters resilience in a dynamic business environment.

2.2.4 WORKING CAPITAL POLICY

A working capital approach alludes to a company's rules and rules to oversee its working capital proficiently. The essential center is to keep up a adjust between the business's resources and liabilities, guaranteeing money related solidness and operational effectiveness. With the right working capital financing approach, a company proprietor can give sufficient liquidity to meet regular operations and limit the fetched of cash holding and short-term assets.

Ways to Get Working Capital Financing

A company can get working capital financing in numerous ways, counting the following:

- **Business Credit**: Loaning teach like Legend FinCorp offer diverse sorts of Trade Credits to make a working capital money related approach, counting working capital advances, term advances, asset- based credits, and lines of credit.

- **Trade Credit**: This is when a provider permits a trade to buy products and administrations on exchange credit and pay afterward. It gives short-term working capital fund to a company.
- **Invoice Financing**:The alternative permits a trade to borrow stores against an exceptional receipt. The financing suppliers like Legend FinCorp pay a rate of the receipt sum and collect the add up to sum from the client on the due date.
- **Crowdfunding**: Companies may utilize crowdfunding stages to raise reserves from individuals interested in their business.
- **Factoring**: It includes offering accounts receivable at a markdown and accepting quick cash in trade. It makes a difference businesses confronting cash stream issues.

What Are the Distinctive Sorts of Working Capital Policies?

Working capital approach is a vital monetary approach to overseeing a company's short-term resources and liabilities. It plays a vital part in building up a company's development, soundness, and hazard administration and directing choices almost fund assets. The most common working capital approaches in money related administration incorporate the following:

Conservative Policy

As its title recommends, a preservationist working capital approach is secure and compelling. It basically centers on saving current resources to clear current liabilities and taking care of crises emerging amid the trade lifecycle. Whereas the approach gives adequate stores to handle different circumstances, the company has a littler sum to re-invest in the trade. So, assessing the company's development arrange some time recently choosing this working capital approach is essential.

Aggressive Policy

This sort of working capital arrangement is best suited for businesses in a secure position. It works by saving a few current resources and building up creditors' terms that permit reimbursement afterward and obligation collection quickly. Accomplishing these parameters proficiently makes a difference keep up negligible working capital and underpins trade development. Be that as it may, it is a high- risk approach that requires weighing the significant picks up against the company's chance appetite.

Matching Policy

A well-established commerce feels more comfortable with the thought of taking dangers. In such circumstances, selecting for a coordinating approach is fitting. Such companies have sufficient resources to pay their current liabilities, and they have a incline working capital. This approach is perfect for companies gathering force and breaking into a modern development stage. It gives a greater sum to re- invest into the trade by holding back the working capital.

Benefits of Working Capital Financing Policy

Choosing the best working capital arrangement offers multi-faceted benefits to a company.

- It guarantees adequate liquidity in the trade to cover regular operations whereas lessening the bankruptcy risk.
- It enhances resource utilization by adjusting them with short-term liabilities, productively progressing operational efficiency.
- A adjusted approach improves a business's financial soundness, making credit and credits more available when a working capital prerequisite arises.
- It offers adaptability to alter to the changing showcase conditions and underpins advancement and growth.

Overall, an fitting working capital financing arrangement is crucial to keep up evelopment, money related solidness and home in the commerce environment.

2.2.5 CONCEPT OF WORKING CAPITAL

There are two conceivable translations of working capital concept:

a) Balance Sheet Concept
b) Operating Cycle Concept

It goes without saying that the design of administration will be exceptionally generally impacted by the approach taken in characterizing it. Subsequently the two concepts are examined independently in a nutshell.

a) Balance Sheet Concept

There are two translations of working capital beneath the adjust sheet concept. It is spoken to by the abundance of current resources over current liabilities and is the sum ordinarily accessible to back current operations. In that case, the overabundance of current resources over current liabilities is called the net working capital or net current resources. But, some-times working capital is too utilized as a equivalent word for net or add up to current resources. Financial specialists like Mead, Malott, Bread cook and Field back the last mentioned see of working capital. They feel that current resources ought to ben considered as working Capital as the entire of it makes a difference to gain benefits; and the administration is more concerned with the add up to current resources as they constitute the add up to reserves accessible for operational purposes. On the other hand, financial specialists like Lincoln and Saliers maintain the previous see. They contend that (a) in the long run what things the overflow of current resources over current liabilities (b) it is this concept which makes a difference leasers and speculators to judge the money related soundness of the venture; (c) what can continuously be depended upon to meet the possibilities, is the excees of current resources over the current liabilities since this sum not be returned; and (d) this definition makes a difference to discover out the rectify money related position of companies having the same sum of current resources.

Established of Chartered Bookkeepers of India, whereas recommending a vertical shape of balance sheet, too supported the previous see of working capital when it depicted net current resources as the contrast between current resources and current liabilities.

The routine definition of working capital in terms of the contrast between the current resources and the current, liabilities to some degree confounding. Working capital is truly what a portion of long- term fund is bolted in and utilized for supporting current exercises. Subsequently, the bigger the sum of working capital so determined, more noteworthy the extent of long-term capital sources siphoned off to short-term exercises. It is troublesome to say whether this is right or off- base Clearly, when firms are cautioned around tight working capital circumstance, the rationale of the over definition would maybe demonstrate redirection of long- term funds for r short-term purposes. For, it short-term bank credits were secured to bring in cash, beneath the customary strategy, working capital would apparently stay unaltered. Liquidation of indebted individuals and stock into cash would too keep the level of working capital unaltered. Essentially, a moderately huge a sum of working capital concurring to this definition may deliver a wrong sense of security at time when cash assets may be irrelevant, or when these may be given progressively by long-term fand sources in the nonattendance of satisfactory benefits. Once more, beneath the customary strategy, cash enters into the computation of working capital. But it may have been more fitting to avoid cash from such calculations since one compares cash necessities with current resources less currear liabilities. The suggestion of this in ordinary working capital computations is that e amid the budgetary period current resources get changed over into cash which. after paying off the currem liabilities, can be utilized to meet other operational costs. The conundrum, be that as it may, is that c current resources as are depended upon to surrender cash must themselves to be bolstered by long-term fim until they are changed over into cash.

At slightest three focuses appear to develop from the over. To begin with, the adjust sheet definition working capital is maybe not so important, but as an sign of the firm's currem dissolvability in reimbursing its leasers. Furthermore, when firms talk of deficiency of working capital they in reality conceivable infer shortage of cash assets. Thirdly, in support stream examination an increment in working capital, as customarily characterized, speaks to business or application of funds

b) Operating Cycle Concept

A company's working cycle ordinarily comprises of three essential exercises: obtaining assets, creating the item, and dispersing (offering) the item. These exercises make reserves streams that are both unsynchronised and questionable. They are unsynchronised since cash distributions (tor case, instalments for asset buys) ordinarily take put some time recently cas receipts (for illustration, collection of receivables). They are questionable since future deals costs, which create the particular receipts and payment, cannot be forecasted with total exactness. If the firm is to keep up liquidity and work appropriately, it has to contribute funs in different short-term resources (working capital) amid this cycle. It has to keep up a cash balamce to pay the bills as they come due. In expansion, the company must contribute in inventories to t client orders expeditiously. And, at last, the company contributes in accounts receivable to expand credit to its customers.

The working cycle is break even with to length of the stock and receivables change periods:

Operating cycle= Inventory conversion -period+Receivable conversion period

The stock transformation period is the length of time required to create and offer the item. It is characterized as follows:

$$\text{Inventory conversion period} = \frac{\text{AVERAGE INVENTORY}}{\text{COST OF SALE}/365}$$

The receivables transformation period, or normal collection period, speaks to the length of time required to collect the deals receipts. It is calculated as follows:

$$\text{Receivables conversion period} = \frac{\text{Accounts receivable}}{\text{ANNUAL CREDIT SALES}}$$

The payables deferral period is the length of time the firm is ble to concede installment on its different asset buys (for illustration, materials, compensation, and charges). To calculate the payables deferral period:

$$\text{Payables deferral period} = \frac{\text{ACCOUNS PAYABLE+SALARIES BENEFITS AND PAYROLL TAXES PAYABLE}}{\text{(COST OF SALES SELLING,GENERAL \&ADMINISTATIVE EXPENSES)}/365}$$

Finally, the cash transformation cycle speaks to the net time interim between the collection of cash receipts from item deals and the cash installments for the company's different asset buys. It is calculated as follows:

Cash conversion cycle = Operating cycle- payables deferral period

2.2.6 Types of working capital

When it comes to working capital, there are 8 distinctive types:

- **Gross working capital**: This sort of capital is the whole a company has invested in assets that can quickly alter over to cash. Assets high in liquidity, such as stocks, appear drop under this category.
- **Net working capital** :distinction between current assets and current liabilities, net working capital can be positive or negative and shows up a company's liquidity. When you refer to working capital, this refers to a company's net working capital and illustrates if it can meet its short-term budgetary obligations.
- **Permanent working capital**: As well known as "fixed working capital," this is the slightest whole of reserves that must be in cash or current assets, required to cover all current liabilities. The whole of settled capital a exchange requires depends on the degree and improvement of that commerce. The greater the commerce, the more settled or changeless working capital will be needed.
- **Temporary working capital**: Additionally known as "variable, fluctuating, or cyclical working capital." It is the differentiate between net working capital and permanent working capital.
- **Normal working capital**: This is the slightest entirety of capital required to meet current working costs underneath ordinary conditions. A few cases of this capital incorporate compensation and wage installments, materials and supplies, and overhead costs.
- **Reserve Margin working capital**: Think of this sort of working capital like a "safety cushion". This is the whole of "rainy day" stores set aside for unforeseen circumstances such as characteristic fiascos, strikes, reductions, or inflation.
- **Seasonal working capital**: Related to the customary ask of things, this kind of working capital joins the additional entirety a commerce needs to operate in the midst of the peak season. It can as well be considered a variable sort of working capital.

- **Extraordinary working capital**: Included underneath brief working capital, this is for startling or exceptional circumstances such as disasters, advancing or advertising campaigns, or unused thing change tries. This is too another sort of variable working capital.

2.2.7 What are the components influencing working capital requirement

Determining the variables influencing working capital prerequisite of a commerce is important to make educated decisions.

- **Business size**
  One of the most critical components influencing working capital prerequisite is the estimate of a commerce and the scale of its operations. A company that has numerous fabricating units and works on a huge scale will have a expansive working capital prerequisite. However, they will too have way better financial execution since of way better bargaining control when compared to littler trade units.
- **Working cycle length**
  The working cycle length, too known as the cash change cycle, is a budgetary metric that measures the time it takes for a company to change over its ventures in inventory and other assets into cash inflows. It gives bits of knowledge into the efficiency of a company's working capital administration and operational processes.
- **Seasonality**
  Many season-specific businesses don't see much deals all through the year. Instep, they witness a surge in deals amid a specific season as it were. For illustration, businesses selling woolen pieces of clothing or umbrellas/raincoats encounter a surge in request amid winters and storms respectively. The rise in request keeps going for a few weeks or greatest for a few months. The trade invariably requires more working capital to meet the expanded request amid the period which outlines why regularity is one of the pivotal components influencing working capital requirement.
- **Scale of operations**
  Larger companies regularly have more broad operations, counting higher deals volumes and bigger generation capacities. This can result in higher levels of

stock and receivables, affecting a bigger working capital prerequisite. Littler businesses may have constrained generation capacity and lower deals volumes, driving to comparatively lower levels of stock and receivables. Their working capital needs may be more sensible in scale.

- **Business sales**

  The volume of deals essentially impacts the working capital needs of a commerce. When pointing to boost deals, an substance must maintain significant levels of current resources, including stock and cash. This vital approach guarantees the capacity to meet demand and maintain every day operations.

- **Technology and production cycle**

  The choice of innovation in the generation handle is one of the significant components affecting working capital prerequisite. In scenarios where a company receives a labor-intensive generation approach, there’s a increased require for working capital to guarantee a steady cash stream for compensating laborers. Alternately, if the generation process depends on machine-intensive procedures, the request for working capital is notably reduced. Additionally, the length of the generation cycle plays a

- **Pivotal part**

  A trade locked in in a drawn-out generation cycle requires more working capital due to the expanded time required to change crude materials into wrapped up goods. Alternately, a shorter generation cycle connects with diminished working capital needs, as less reserves are basic for stock support and crude fabric procurement.

- **Inventory management**

  The stock administration approach received by a company holds critical influence over its working capital needs. Indeed, for littler businesses, a considerable working capital requirement gets to be basic when managing with broad inventories, irrespective of the turnover pace. To outline the significance of stock administration, consider this situation: Envision a commerce proprietor picking to amass crude materials well in progress of generation. In such a case, the working capital prerequisite surges altogether as assets remain tied up until the whole generation prepare concludes.

Contrastingly, imagine a company grasping the JIT (Just In Time) stock management arrangement, where crude materials are sourced accurately when the require emerges. In this situation, the working capital prerequisite lessens substantially.

- **Collection cycle**

  The normal time period required to collect procedures of deal is alluded to as the collection cycle. Compelling variables, such as industry standards and the financial soundness of clients, shape the elements of this cycle. Opting for a generous collection cycle places a higher request on working capital, as funds are tied up for an amplified period. On the opposite, a trade following to a short-term or rigid credit arrangement can work effectively with decreased working capital necessities. Key choices with respect to the collection cycle play a pivotal role in adjusting cash stream and advancing generally money related stability.

- **Credit availability**

  Credit accessibility, the term a commerce takes to get credit from providers, is one of the key variables influencing working capital necessity. This calculate is particularly critical for littler businesses where installments drive deals and contribute to securing extra orders. The complexities of credit accessibility ended up especially clear in scenarios including missed or conceded installments, straightforwardly impacting the working capital equation. Consider a trade proprietor confronting short-term liabilities or having used a working capital credit already. In such cases, the working capital costs, counting reimbursement, contribute to increased working capital requirements.Contrastingly, when a commerce benefits from favorable terms for crude materials and ensures convenient installments, the working capital necessity decreases altogether. Strategic administration of credit accessibility not as it were impacts cash stream but plays a vital part in advancing generally working capital efficiency.

- **Inflation**

  Fluctuations in crude fabric and labor costs can altogether affect a company’s working capital needs. When confronted with fetched increments, there is a normal heightening in the necessity for working capital. Be that as it may, a key offset comes into play when a company can concurrently alter the costs of its products. In a situation where a company can successfully raise item costs in reaction to increased costs, the affect on working capital is moderated, and the require for additional stores is reduced. It's fundamental to perceive that the impacts of cost increments shift over distinctive businesses. Each industry and commerce show react interestingly to such shifts, highlighting the significance of a nuanced understanding of working capital flow in the confront of advancing taken a toll structures.

- **Competition**

  In a competitive showcase, businesses discover themselves compelled to embrace a generous credit arrangement and guarantee opportune conveyance of merchandise to remain competitive. Viably managing expansive inventories gets to be a need, driving the necessity for a higher level of working capital. This proactive approach empowers businesses to meet client demands expeditiously and keep up a competitive edge.Conversely, in circumstances where competition is constrained, or a commerce holds a imposing business model position, the elements move.With the capacity to manage terms and conditions, businesses in such scenarios require less working capital. The diminished competition engages them to set the pace, emphasising the key impact of advertise conditions on working capital needs.

2.2.8 Positive and Negative Working Capital

Working capital can be either positive or negative. A negative figure frequently shows financial trouble and may be a sign of approaching insolvency. Be that as it may, exceptionally expansive companies with noteworthy brand acknowledgment and open back now and then work with reliably negative working capital since they can effortlessly raise stores on short take note if the require arises.

Positive working capital can have a extend of elucidations depending on the real figure, the industry the trade is in, and the particular trade itself. Distinctive sorts of businesses require diverse levels of working capital to run smoothly.

What Low Working Capital Means If a company has a proven commerce show and steady accounts, it may select to invest in long-term resources that produce higher returns or maybe than keeping its capital in exceedingly fluid short-term securities with lower yields. Whereas this speculation strategy can diminish the business' current resource add up to and its net working capital, a highly steady trade with negligible costs may choose the expanded speculation income warrants the reduction.

Essentially, a company may choose to take on modern ventures to extend the commerce, thereby expanding its current liabilities and diminishing its current resources and net working capital. In this case, a moo working capital figure is demonstrative of a company focusing on development whereas keeping up fair sufficient liquidity to meet its current obligations

2.2.9 Significance of Working Capital

Working capital plays a significant part in the monetary health and operational productivity of businesses over all businesses, counting substances like Kerala Tourism Development Enterprise (KTDC) in the tourism division. It speaks to the capital available for day-to-day operations, demonstrating the liquidity and short-term money related strength of an organization. This paper dives into the importance of

working capital, its components, administration methodologies, and suggestions for trade sustainability.

Significance of Working Capital:

- Liquidity Management: Satisfactory working capital guarantees that a company can meet its short-term budgetary commitments instantly. It serves as a buffer against unforeseen costs or downturns in income, giving monetary stability amid periods of financial uncertainty.
- Operational Efficiency: Productive working capital administration optimizes cash stream and diminishes the hazard of cash deficiencies. By adjusting current resources and liabilities, businesses can minimize sit out of gear cash whereas guaranteeing adequate funds are accessible to bolster day by day operations and development initiatives.
- Commerce Development: Legitimate administration of working capital underpins trade expansion and capital speculation openings. It gives the monetary flexibility to take advantage of advertise openings, contribute in unused ventures, and enhance inside the industry.

- Validity and Financial soundness: Keeping up sound working capital ratios upgrades a company's validity with partners, counting providers,creditors, and speculators. It signals money related quality and unwavering quality, making it easier to arrange favorable credit terms and pull in outside financing.
- Risk Management: Compelling working capital administration mitigates money related risks related with liquidity deficiencies, late installments, and operational disruptions. By estimating cash streams and observing key measurements like current ratio and speedy proportion, businesses can proactively recognize and address potential financial challenges.

2.2.10 Management Strategies:

- Inventory Control: Optimizing stock levels diminishes carrying costs and minimizes the chance of out of date stock. Actualizing just-in-time stock systems and normal request determining makes a difference adjust stock levels with customer demand.

- Accounts Receivable Administration: Productive credit approaches and opportune collection hones quicken cash inflows. Advertising rebates for early payments and conducting customary credit appraisals moderate the hazard of awful debts and move forward cash change cycles.

- Accounts Payable Management: Arranging favorable installment terms with suppliers and overseeing installment plans viably optimize cash outflows. Leveraging seller connections and utilizing installment computerization tools streamline accounts payable processes.

- Cash Flow Determining: Customary cash stream estimating encourages proactive decision-making and guarantees satisfactory liquidity for operational needs. Monitoring working capital patterns and altering methodologies in reaction to market conditions improve monetary versatility.

2.2.11 Implications for Business Sustainability:

The effective administration of working capital is significant for accomplishing long-term business supportability and competitiveness in the showcase. It empowers businesses to navigate financial cycles, capitalize on development openings, and keep up monetary health amidst industry disruptions. By prioritizing liquidity administration, optimizing asset utilization, and controlling liabilities, companies like KTDC can improve operational effectiveness, cultivate partner certainty and drive economic development in the energetic tourism sector.In conclusion, working capital serves as a foundation of budgetary administration, providing the establishment for operational progression, development, and strength in commerce operations. By understanding its importance, components, and key suggestions, organizations can proactively oversee working capital to accomplish vital destinations

and support long-term victory in an advancing financial landscape.

2.2.12 Limitations of Working Capital

Working capital, whereas significant for day-to-day operations and money related health, moreover has several limitations that businesses must consider in their monetary administration strategies. Understanding these restrictions makes a difference organizations like Kerala Tourism Development Enterprise (KTDC) moderate dangers and optimize their operational efficiency effectively.

1. Static Estimation: Working capital is a depiction of a company's liquidity position at a particular point in time. It does not account for regular fluctuations, advertise flow, or changes in commerce cycles, possibly leading to deluding conclusions almost money related health.
2. Ignorance of Quality of Assets and Liabilities: Working capital proportions center solely on the amount of current resources and liabilities without considering their quality. For occurrence, tall accounts receivable seem show slow-paying customers, influencing cash stream in spite of a apparently sound current ratio.
3. Inflation Affect: Inflation can mutilate the esteem of current resources and liabilities over time. An increment in costs may expand stock values,

artificially blowing up the current proportion without reflecting genuine operational liquidity.

4. Industry-Specific Variations: Distinctive businesses have special working capital necessities and cycles. Standard benchmarks may not precisely reflect the ideal working capital levels required to bolster operations and growth in particular segments like tourism, where request and cash streams can be highly seasonal.
5. Chance of Over-Optimization: Overemphasis on minimizing working capital (e.g., diminishing stock levels or postponing installments to providers) can jeopardize operational effectiveness and client fulfillment. It may lead to stockouts, missed openings, or strained provider relationships.
6. External Financial Components: Outside components such as financial downturns, regulatory changes, or geopolitical occasions can affect working capital management capriciously. Businesses must adjust their methodologies to moderate external dangers that influence liquidity and budgetary stability.
7. Complexity in Forecasting: Estimating future cash streams and working capital prerequisites precisely can be challenging, particularly for businesses with unstable deals designs or tall reliance on outside financing sources. Inaccurate figures can lead to liquidity deficiencies or abundance cash holdings.
8. Impact on Strategic Investments: Strict working capital administration policies may restrain a company's capacity to contribute in development openings, innovation, or vital activities. Adjusting short-term liquidity needs with long-term venture objectives is fundamental for economic development.

CHAPTER-III

DATA ANALYSIS AND INTERPRETATION

3.1 DATA ANALYSIS AND INTERPRETATION

3.1 CURRENT RATIO

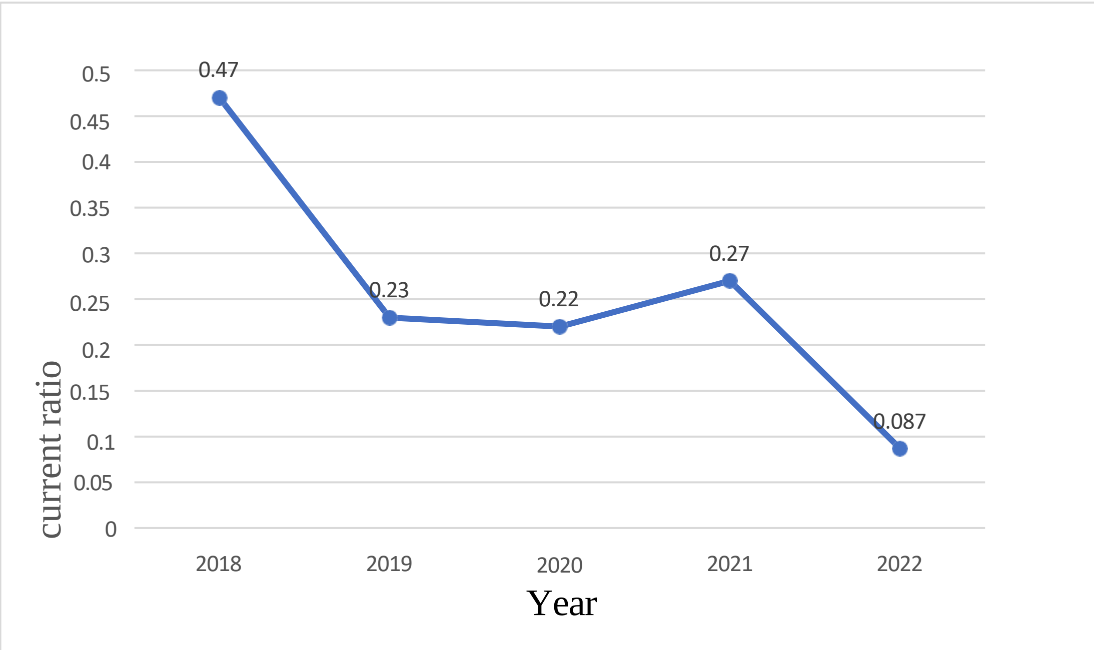
The most widely used ratio for assessing liquidity is current ratio. It is computed by dividing the amount of current assets and liabilities. This ratio demonstrates how a company's current assets and liabilities are related. A current ratio 2:1 is thought to be the ideal ratio by ther accounting concept.

Table 3.1 Current ratio

(Rs in lakhs)

Year	Current asset	Current liabilities	Current ratio
2018	5443.63	11573.75	0.47
2019	2435.04	10743.48	0.23
2020	2448.62	11125.66	0.22
2021	4309.24	15992.59	0.27
2022	1449.70	16532.69	0.09

Figure 3.1 current ratio



INTERPRETATION

The above table and graph show the current ratios of KTDC from the year 2018 to 2022.here, we can see that in the year 2018 is comparatively high but not satisfactory.in the years 2020,2021 current ratio decreases gradually.an ideal ratio is 2:1. none of the year shows an ideal ratio. Hence current ratio is not satisfactory. The ratio declined from 0.47 in 2018 to a critical low of 0.09 in 2022, reflecting severe difficulties in meeting short-term obligations and a worsening financial position.

3.2 QUICK RATIO

The Quick ratio commonly refers to as the acid test or the liquid ratio is a stricter liquidity test than the current ratio.The link between current or liquid obligations and quick or liquid asset is known as quick ratio.The quick ratio shows weather the company is able to pay its current creditors immediately or within a month.A 1:1 quick ratio is best.This ratio provides a better indicator of the companies short-term financial position.

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}}$$

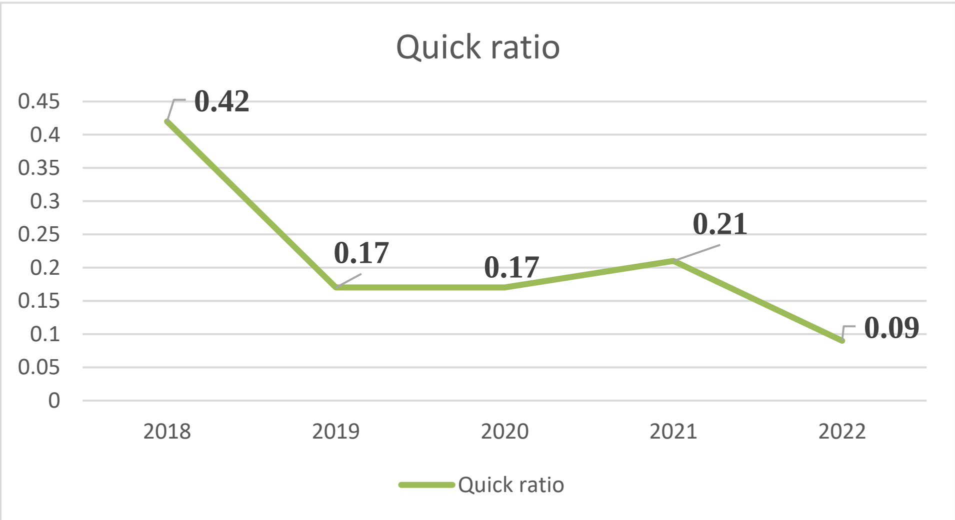
Quick Asset = Current Asset – (Inventory + Prepaid Expenses)

Table 3.2 current ratio

(Rs in lakhs)

Year	Quick asset	Current liabilities	Quick ratio
2018	4906.58	11573.75	0.42
2019	1774.38	10743.48	0.17
2020	1954.38	11125.66	0.17
2021	3408.48	15992.59	0.21
2022	1449.70	16532.69	0.09

Figure 3.2 Quick ratio



INTERPRETATION

An ideal quick ratio is 1:1. From the above analysis it can be seen that any of the year doesn't shows an ideal quick ratio.it shows a grat fall in 2018. the ideal 1:1 ratio. In 2018, the quick ratio was 0.42, indicating limited liquidity. It further declined to 0.17 in 2019 showing increasing difficulty in meeting short-term liabilities. A slight improvement to 0.21 occurred in 2021, yet it remained inadequate. By 2022, the quick ratio dropped drastically to 0.09, signaling severe liquidity issues and an inability to cover immediate obligations.

3.3 ABSOLUTE LIQUIDITY RATIO

The absolute liquidity ratio is calculated by dividcash and marketable securities by current obligations.It also goes by the name cash position ratio. To ensure liquidity, a ratio of 0.5:1 is advised.This is how the ratio is determined.

$$\text{Absolute liquidity ratio} = \frac{\text{ABSOLUTE LIQUID ASSETS}}{\text{CURRENT LIABILITIES}}$$

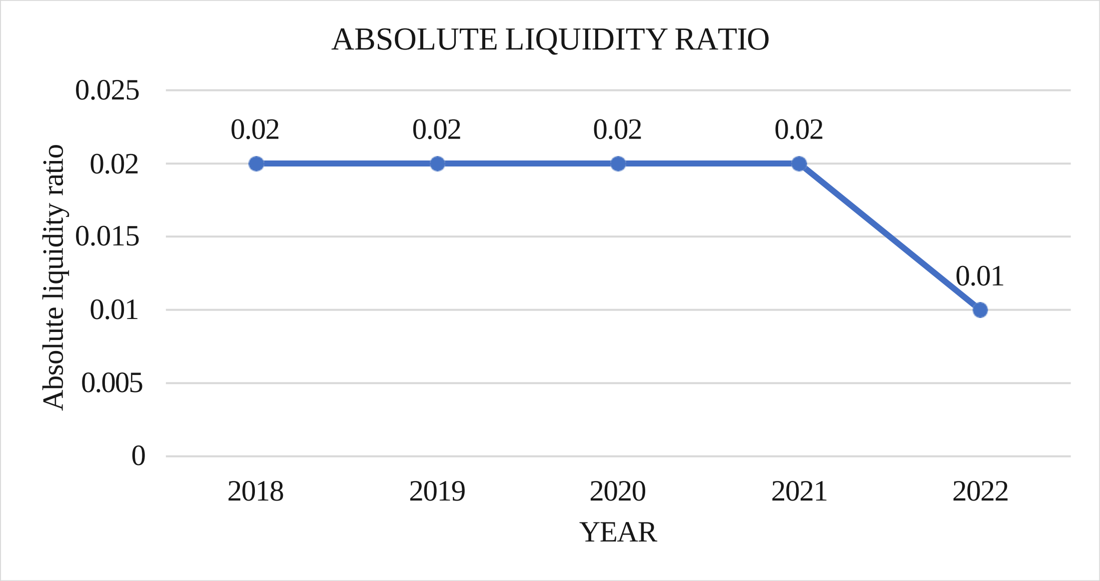
Absolute liquid assets = cash in hand + cash at bank + marketable securities

Table 3.3 Absolute liquidity ratio

(Rs in lakhs)

Year	Absolute liquid assets	Current liabilities	Quick ratio
2018	225.05	11574	0.02
2019	203.23	10743	0.02
2020	174.33	11126	0.02
2021	318.42	15993	0.02
2022	193.9	16533	0.01

Figure 3.3 Absoulte liquid ratio



INTERPRETATION

Absoulte liquid asset include cash in hand and bank and marketable securities or temporary investments. The acceptable norm for this ratio is 50% or 0.5:1.This analysis shows that the absolute liquidity ratio of KTDC was stable ratio for 2019 to 2021 and falls in 2022.this analysis reveals that the absolute liquid ratio never satisfied the acceptable ratio of 50%.So thr liquid position of KTDC is not satisfactory.

TURNOVER RATIO

Turnover ratio guages how efficiently a business or organization turns its output into cash or cash sales to generates revenue. The activity and operational effectiveness of the business concerns are highlighted by this ratio. The turnovber ratio calculates how effectivelty the company uses its resources. Efficiemncy ratio is another name for these ratios.

3.4 WORKING CAPITAL TURNOVER RATIO

The calculation of the working capital turnover ratio involves dividing the average working capital by the net sales. It displays how well a company generates sales income over a specific time period using all of the working capital that is available to the company. The following formula is used to compute the ratio:

$$\text{WORKING CAPITAL RATIO} = \frac{\text{NET REVENUE FROM OPERATION}}{\text{NET WORKIN CAPITAL}}$$

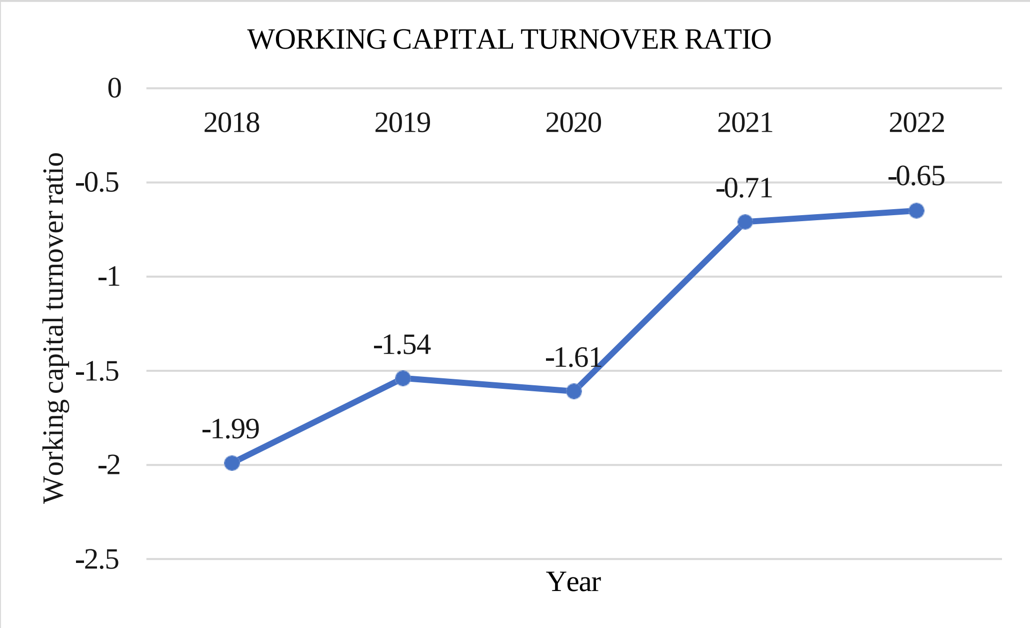
Net working capital= current asset - current liabilities

Table 3.4 Working capital turnover ratio

(Rs in lakhs)

Year	Net revenue from operations	Net working capital	Working capital turnover ratio
2018	12221.1	-6130.12	-1.99
2019	12777	-8308.44	-1.54
2020	14001.29	-8677.04	-1.61
2021	8240.49	-11683.35	-0.71
2022	9834.8	-15082.99	-0.65

Figure 3.4 Working capital turnover ratio



INTERPRETATION

The working capital turnover ratio expresses the ratio of net sales to working capital. The working capital is calculated by subtracting the current liabilities from the current assets. Generally a working capital ratio of 1.2 to 2 is satisfactory. The analysis reveals that the working capital of KTDC shows a negative rent from the year 2018 to 2022. Hence it shows a net negative working capital position.

3.5 INVENTORY TURNOVER RATIO

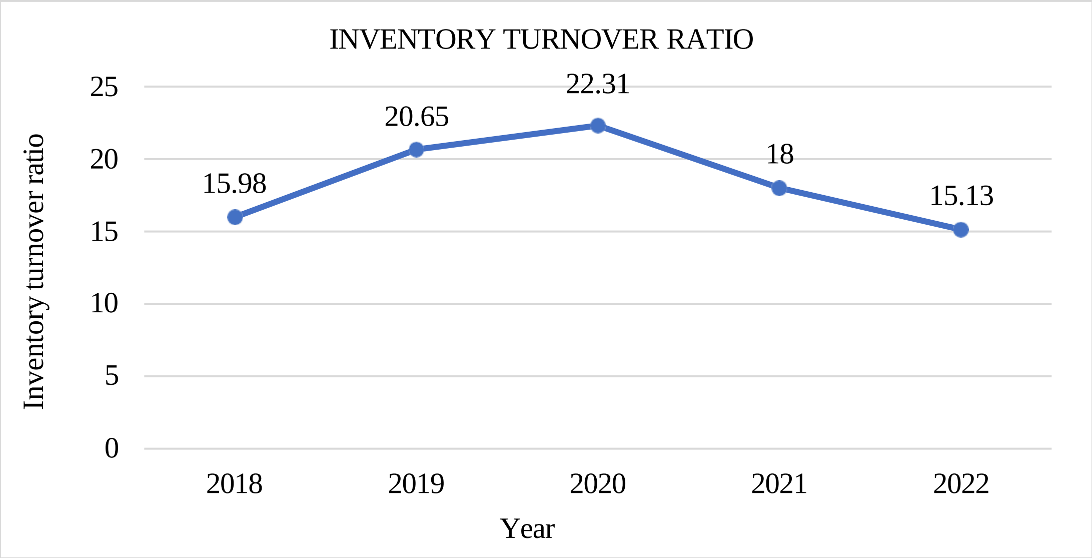
The inventory ratio shows whether or not inventory investments are being used effectively. It also clarifies if investing in inventories is within acceptable bounds. The number of times a business sells its inventory in a given year is gauged by the inventory turnover ratio. A high ratio of inventory turnover suggested that sales of the product are strong. Here's how the ratio is computed:

$$\text{INVENTORY TURNOVER RATIO} = \frac{\text{COST OF REVENUE FROM OPERATION}}{\text{AVERAGE INVENTORY}}$$

Table 3.5 Inventory turnover ratio

Year	Cost Of Revenue From Operations	Average Inventory	Inventory turnover ratio
2018	3496.26	218.77	15.98
2019	4477.34	216.85	20.65
2020	4810.88	215.63	22.31
2021	4825.92	268.02	18.00
2022	4584.19	303.07	15.13

Figure 3.5 Inventory turnover ratio



INTERPRETATION

This ratio is a measure to discover the possible trouble in the form of over stocking. Hey hi inventory turnover ratio indicates brisk sales. A low inventory turnover ratio results in blocking of fund in inventory. The analysis shows that in the year 2018 inventory turnover ratio is 15.98 and the ratio is improving and we can see an increasing and decreasing inventory turnover ratio.

3.6 DEBRTORS TURNOVER RATIO

The organization's policy and credit collecting power are reflected in the debtor turnover ratio. It is calculated by dividing the average amount of accounts receivable by the net credit sales for the period.

The debtor turnover ratio is a simple metric that indicates how frequently debtors are rotated over a given length of time. If the rotation is higher, the profitability is also higher, and vice versa. The following formula is used to compute the ratio:

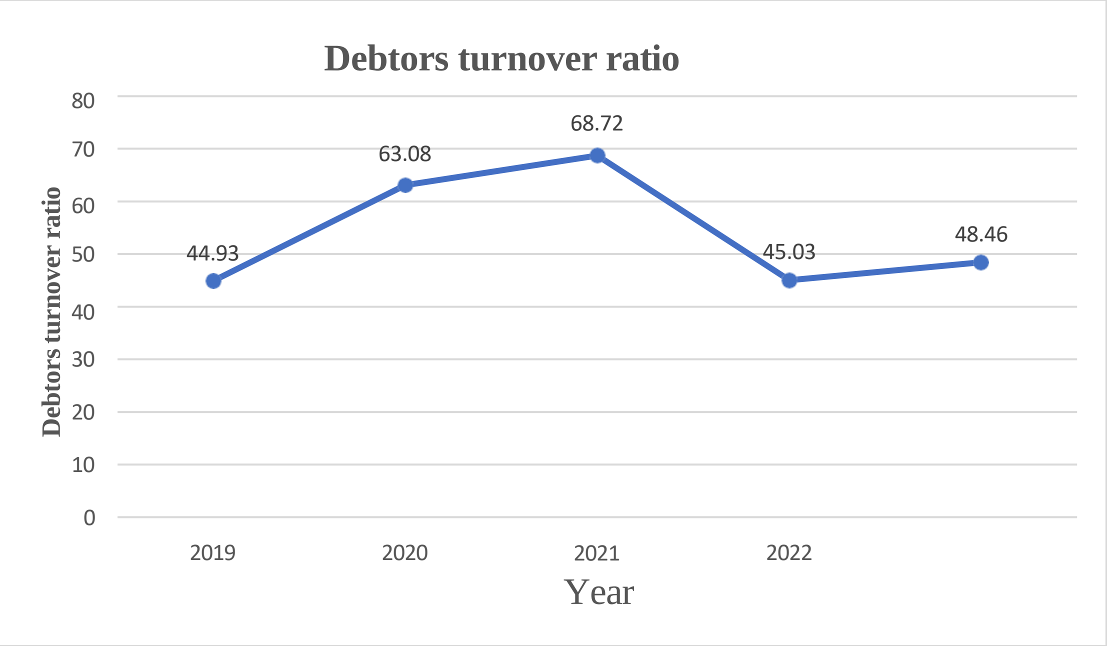
$$\text{DEBTORS TURNOVER RATIO} = \frac{\text{NET SALES OR NET CREDITSALES N}}{\text{AVERAGE RECEIVABLES}}$$

Table 3.6 Debtors turnover ratio

(Rs in lakhs)

YEAR	NET REVENUE FROM OPERATIONS	AVERAGE TRADE RECEIVABLES	DEBTORS TURNOVER RATIO
2018	12221.1	271.99	44.93
2019	12777	202.56	63.08
2020	14001.29	203.73	68.72
2021	8240.49	182.99	45.03
2022	9834.8	202.96	48.46

Figure 3.6 Debtors turnover ratio



INTERPRETATION

In the year 2020 the debtor's turnover ratio was higher than the following years. This ratio measures the liquidity of accounts receivable. Generally high ratio indicates that the receivables are more liquid and being collector promptly. A low ratio is a sign of less liquid receivables and may reduce the two liquidity of the business.

3.7 AVERAGE DEBT COLLECTION PERIOD

The average number of days or average number of months that debt is typically recovered is known as the average collection period. A longer duration will cause more money to be blocked in trade receivables.

$$\text{AVERAGE DEBT COLLECTION PERIOD} = \frac{\text{AVERAGE RECEVABLES}}{\text{CREDIT SALES}} \times 365$$

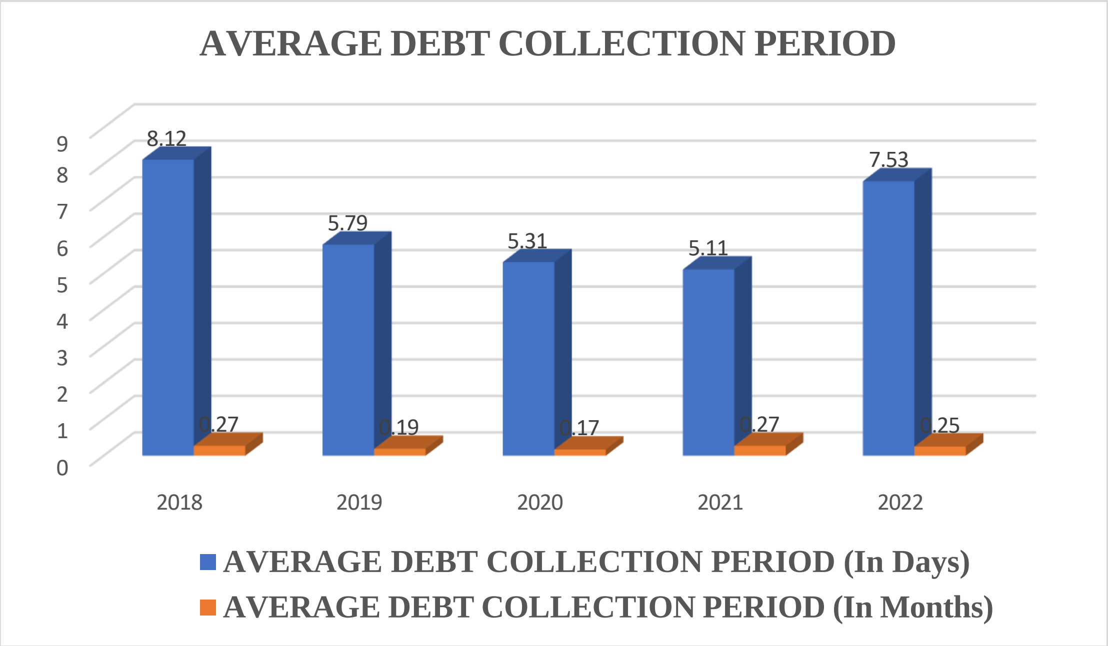
$$\text{AVERAGE DEBT COLLECTION PERIOD} = \frac{\text{AVERAGE RECEVABLES}}{\text{CREDIT SALES}} \times 12$$

Table 3.7 Average debt collection period

(Rs in lakhs)

Year	Net revenue from operations	Average trade receivables	Average debt collection period (in days)	Average debt collection period (in months)
2018	12221.1	271.99	8.12	0.27
2019	12777	202.56	5.79	0.19
2020	14001.29	203.73	5.31	0.17
2021	8240.49	182.99	5.11	0.27
2022	9834.8	202.96	7.53	0.25

Figure 3.7 Average debt collection period



INTERPRETATION

Possessing a low average dead collection period is normally a positive sign, because it means that it does not take the company very long to turn it's receivables into cash. The average dead collection period of KTDC is higher in the year 2018 and 2021. This is not a good sign.

3.8 CURRENT ASSETS TURNOVER RATIO

The Current Asset Turnover Ratio shows how many times current assets were converted into sales during a specific time frame. Inventory turnover and receivables turnover are two often utilized asset turnover ratios. Here's how the ratio is computed:

$$\text{CURRENT ASSET TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{CURRENT ASSET}}$$

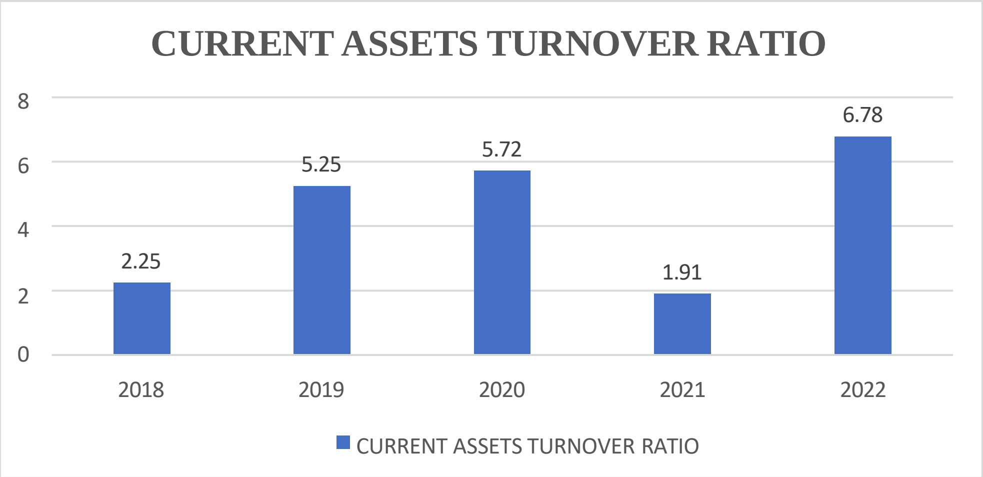
Table 3.8 Current assets turnover ratio

(Rs in lakhs)

Year	Net revenue from operations	Current asset	Current assets turnover ratio
2018	12221.1	5443.63	2.25
2019	12777	.04	5.25
2020	14001.29	2448.62	5.72
2021	8240.49	4309.24	1.91
2022	9834.8	1449.7	6.78

Figuring 3.8 Current assets turnover ratio

(Rs in lakhs)



INTERPRETATION

From 2018 to 2022, the company's current assets turnover ratio fluctuated significantly, reflecting varying efficiency in using current assets to generate revenue. The ratio was 2.25 in 2018, spiked to 5.25 in 2019 and 5.72 in 2020, indicating improved asset utilization. However, it dropped to 1.91 in 2021, showing decreased efficiency, before surging to 6.78 in 2022, suggesting exceptional asset utilization. These fluctuations highlight **inconsistent** operational efficiency over the years.

3.9 CREDITORS TURNOVER RATIO

The number of times the trade payables turnover in a year is shown by trade payables turnover ratios. It represents the length of time the company had to pay off its creditors. This ratio illustrates the connection between the trade payables and the net credit purchases for the entire year. It can be computed using the formula:

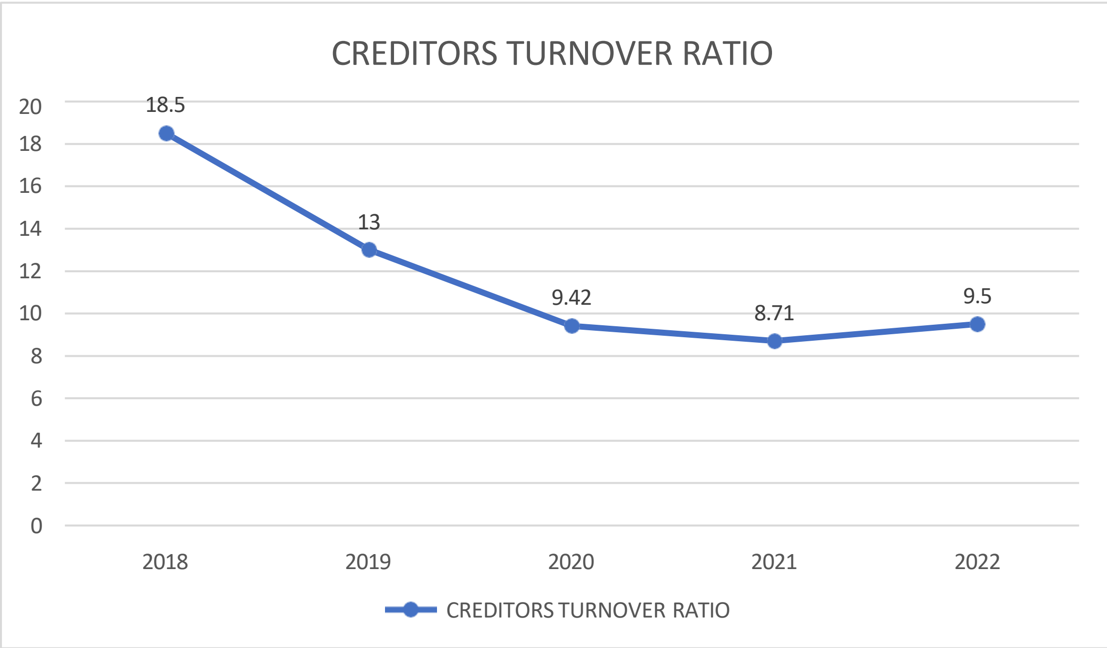
$$\text{CREDITORS TURNOVER RATIO} = \frac{\text{NET CREDIT PURCHASE N}}{\text{AVERAGE TRADE PAYABLE}}$$

Table 3.9 Creditors turnover ratio

(Rs in lakhs)

Year	Net purchase	Average trade payable	Creditors turnover ratio
2018	3528.67	190.65	18.5
2019	4441.09	341.69	13.00
2020	4844.69	514.48	9.42
2021	4896.89	562.24	8.71
2022	4886.82	514.48	9.50

Figuring 3.9 Creditors turnover ratio



INTERPRETATION

A low credit and over ratio is good for a company. From the analysis this clear that the creditors turnover ratio is decreasing gradually from the year 2018 to 2022. It is better in the year 2021 and worst in the year 2018.

3.10 AVERAGE PAYMENT PERIOD

The average number of days or months that debt is typically paid off is known as the average payment period. An extension of the timeframe denotes a lengthy payment period. The ratio can be computed as:

$$\text{CREDITORS TURNOVER RATIO} = \frac{\text{NET CREDIT PURCHASE}}{\text{AVERAGE TRADE PAYABLE}}$$

$$\text{AVERAGE PAYMENT PERIOD} = \frac{\text{AVERAGE TRADE PAYABLE}}{\text{NET CREDIT PURCHASE}} X\ 365(DAYS)$$

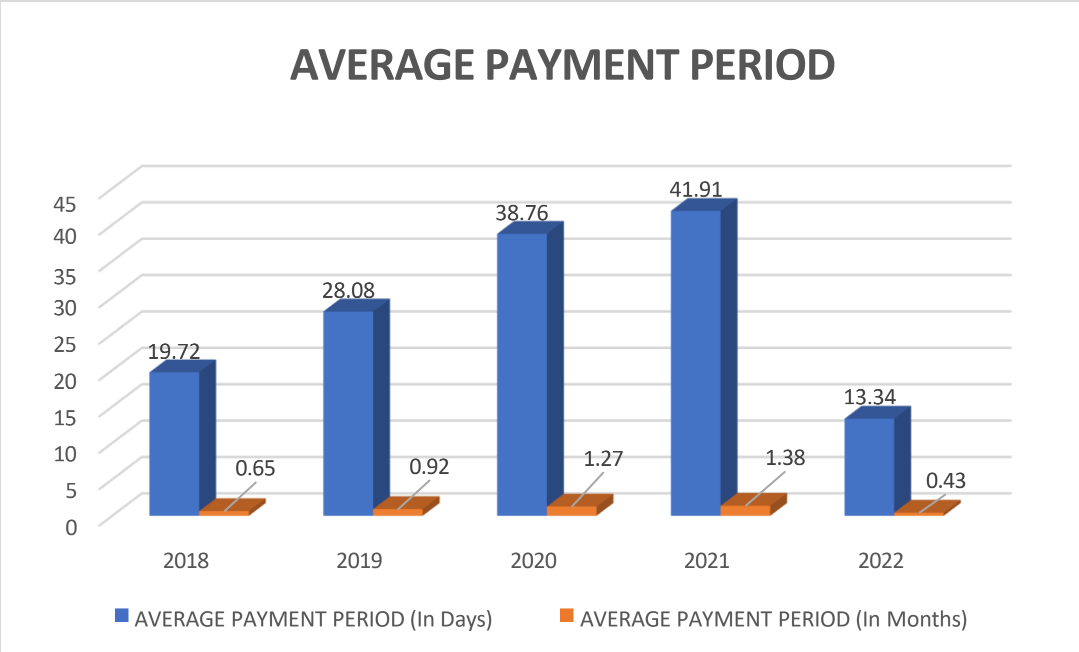
$$\text{AVERAGE PAYMENT PERIOD} = \frac{\text{AVERAGE TRADE PAYABLE}}{\text{NET CREDIT PURCHASE}} X\ 12(MONTHS)$$

Table 3.10 Average payment period

(Rs in lakhs)

Year	Average trade receivables	Net purchase	Average payment period (in days)	Average payment period (in months)
2018	190.65	3528.67	19.72	0.65
2019	341.69	4441.09	28.08	0.92
2020	514.48	4844.69	38.76	1.27
2021	562.24	4896.89	41.91	1.38
2022	167.47	4583.3	13.34	0.43

Figuring 3.10 Average payment period



INTERPRETATION

For many businesses, an average payment time of about 90 days is ideal. If a company takes more than 90 days to settle its credit, it can be a sign that it is taking too long. Shorter average payment duration can be a sign that the business pays its suppliers on time. From the above analysis the average payment period of KTDC is higher in the year 2021 and lower in the year 2022.

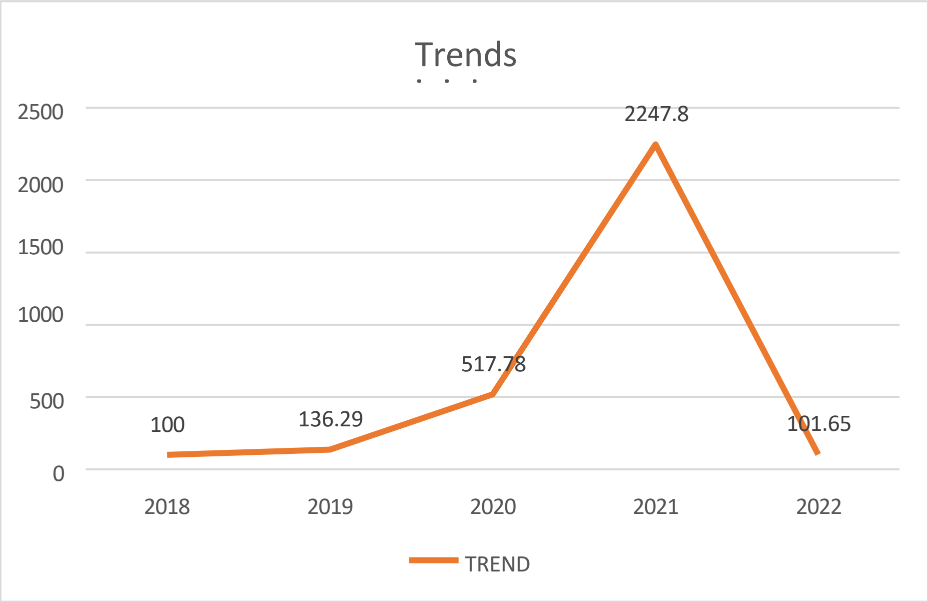
3.11 TREND ANALYSIS- TREND IN CASH

Trend analysis involves examining historical data to identify patters or trends over a specific period. By analyzing these trends, businesses can make informed predictions about future performance, identify potential issues, and develop strategies to capitalize on positive trends or mitigate negative ones.

Table 3.11 Trend in Cash

YEAR	CASH BALANCE	TREND
2018	2875.9	100
2019	236.29	136.29
2020	617.78	517.78
2021	2347.8	2247.8
2022	201.65	101.65

Figure3.11 Trend in Cash



INTERPRETATION

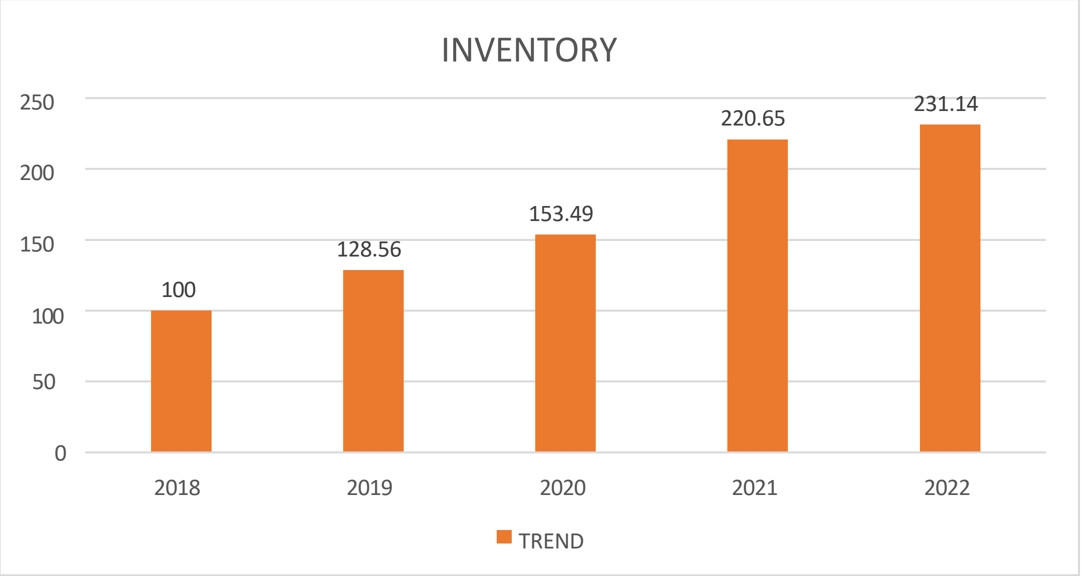
From 2018 to 2022, the company's cash balance changed a lot. In 2018, the cash balance was ₹2875.9 lakhs (base year trend 100). It dropped sharply to ₹236.29 lakhs in 2019, increased to ₹617.78 lakhs in 2020, and then rose significantly to ₹2347.8 lakhs in 2021. However, in 2022, the cash balance fell again to ₹201.65 lakhs. These ups and downs show inconsistent cash management and potential financial instability during this period.

3.12 TREND ANALYSIS - TREND IN INVENTORY

Table 3.12 Trend in Inventory

YEAR	INVENTORY	TREND
2018	256.24	100
2019	228.56	128.56
2020	253.49	153.49
2021	320.65	220.65
2022	331.14	231.14

Figure3.12 Trend in Inventory



INTERPRETATION

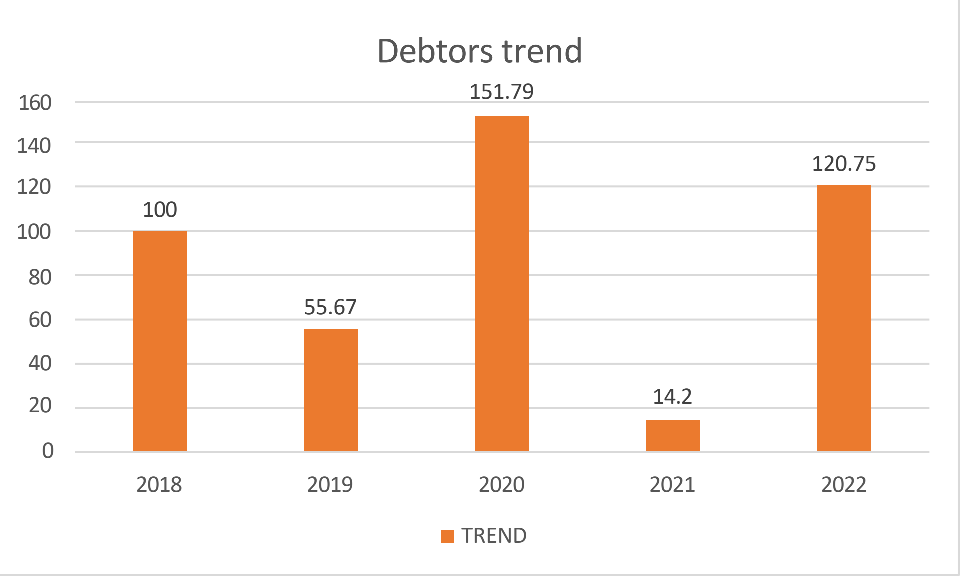
From 2018 to 2022, the company's inventory levels fluctuated. In 2018, inventory was ₹256.24 lakhs (trend 100). It decreased to ₹228.56 lakhs in 2019, then rose to ₹253.49 lakhs in 2020. Inventory significantly increased to ₹320.65 lakhs in 2021 and further to ₹331.14 lakhs in 2022. The trend indicates an initial drop followed by a steady rise in inventory levels, suggesting changes in stock management or demand. Liabilities should be monitored to ensure that it does not outpace the company’s ability to meet its obligations

3.13 TREND ANALYSIS- TREND IN DEBTORS

Table 3.13 Trend in Inventory

YEAR	DEBTORS	TREND
2018	249.45	100
2019	155.67	55.67
2020	251.79	151.79
2021	114.2	14.2
2022	220.75	120.75

Figure3.13 Trend in Inventory



INTERPRETATION

The trend in debtors from 2018 to 2022 shows significant fluctuations, indicating varying levels of outstanding payments owed to the entity. Starting at 249.45 in 2018, there was a notable decrease to 155.67 in 2019, followed by a sharp increase to 251.79 in 2020. Subsequently, debtors decreased sharply to 114.2 in 2021 before rising again to 220.75 in 2022. These changes suggest potential shifts in sales patterns, credit policies, or economic conditions influencing the collection of receivables over the years.

3.14 SCHEDULE OF CHANGES IN WORKING CAPITAL

The schedule of changes in working capital is a financial statement that outlines the fluctuations in a company's working capital over a specific period. It tracks changes in current assets and current liabilities, providing insights into the company's short-term financial health and its ability to manage liquidity and operational efficiency.

Table 3.14 Schedule of changes in working capital in the year 2017-2018

Schedule of changes in working capital in the year 2017-2018

Particulars	(in rs)		Changes in working capital	
	2017	2018	INCREASE	DECREASE
Current assets				
Inventories	304.76	256.24		48.52
Trade receivables	294.53	249.45		45.08
Cash and cash equivalents	2583.9	2875.86	291.96	
Short term loan and advances	123.79	226.41	102.62	
Other current assets	345.01	1835.67	1490.66	
Total current asset	3651.99	5443.63		
Current liabilities				
Short term borrowing				
Trade payables	125.61	255.7		130.09
Other current liabilities	8039.23	10989		2949.81
Short term provision	381.83	329.02	52.81	
Total current liabilities	8546.67	11573.8		
Net working capital	-4894.68	-6130.1	1938.05	3173.5
Increase/decrease		1236.45		1236.45
Total	-4894.68	-4894.7		

INTERPRETATION

The schedule of changes in working capital for 2017-2018 illustrates a dynamic financial situation. There was an overall decrease in net working capital from - 4894.68 to -6130.1, primarily driven by significant increases in inventories, trade receivables, cash equivalents, and other current assets. This increase was partially offset by rises in trade payables, other current liabilities, and short-term provisions.

Table 3.15 Schedule of changes in working capital in the year 2018-2019

Schedule of changes in working capital in the year 2018-2019

PARTICULARS	(IN RS)		CHANGES IN WORKING CAPITAL	
	2018	2019	INCREASE	DECREASE
Current Assets				
INVENTORIES	256.24	228.56		27.68
TRADE RECEIVABLES	249.45	155.67		93.78
CASH AND CASH EQUIVALENTS	2875.86	236.29		2639.57
Short term loan and advances	226.41	229.95	3.54	
Other current assets	1835.67	1584.57		251.1
Total current asset	5443.63	2435.04		
Current liabilities				
Short term borrowing		875.34		875.34
Trade payables	255.7	427.68		171.98
Other current liabilities	10989.04	9149.83	1839.21	
Short term provision	329.02	290.63	38.39	
Total current liabilities	11573.76	10743.5		
Net working capital	-6130.13	-8308.4	1881.14	4059.45
Increase/decrease		2178.31		2178.31
Total	-6130.13	-6130.1	4059.45	4059.45

INTERPRETATION

The schedule of changes in working capital for 2018-2019 highlights a significant transformation in financial position. Net working capital decreased from -6130.13 to -8308.4, driven by reductions in inventories, trade receivables, and other current assets, along with an increase in cash equivalents. Concurrently, there were increases in trade payables and short-term provisions, which helped offset liabilities. This shift suggests efforts to improve liquidity by managing receivables and inventory levels, while also leveraging more external financing for operational needs during the period

Table 3.16 Schedule of changes in working capital in the year 2019-2020

Schedule of changes in working capital in the year 2019-2020

PARTICULARS	(IN RS)		CHANGES IN WORKING CAPITAL	
	2019	2020	INCREASE	DECREASE
CURRENT ASSETS				
Inventories	228.56	253.49	24.93	
Trade receivables	155.67	251.79	96.12	
Cash and cash equivalents	236.29	617.78	381.49	
Short term loan and advances	229.95	235.3	5.35	
Other current assets	1584.57	1090.26		494.31
Total current asset	2435.04	2448.62		
Current liabilities				
Short term borrowing	875.34	113.06	762.28	
Trade payables	427.68	601.28		1736
Other current liabilities	9149.83	10139.3		989.5
Short term provision	290.63	272	18.63	
Total current liabilities	10743.48	11125.7		
Net working capital	-8308.44	-8677.1	1288.8	1657.41
Increase/decrease		368.61		368.61
Total	-8308.44	-8308.4	1657.41	1657.41

INTERPRETATION

In 2019-2020, changes in working capital indicate a moderate decrease in net working capital from -8308.44 to -8677.1. Significant increases in cash equivalents and trade receivables suggest improved liquidity and sales. Meanwhile, reductions in inventories and other current assets reflect efficient operational management. Liabilities also increased, including short-term borrowing and trade payables, possibly to support growth. Overall, the adjustments show a balanced approach to enhancing liquidity while managing operational and financial obligations during the period.

Table 3.17 Schedule of changes in working capital in the year 2020-2021

Schedule of changes in working capital in the year 2020-2021

PARTICULARS	(IN RS)		CHANGES IN WORKING CAPITAL	
	2020	2021	INCREASE	DECREASE
CURRENT ASSETS				
Inventories	253.49	320.65	67.16	
Trade receivables	251.79	114.2		137.59
Cash and cash equivalents	617.78	2363.09	1745.31	
Short term loan and advances	235.3	113.13		122.17
Other current assets	1090.26	1378.16	287.9	
Total current asset	2448.62	4289.23		
Current liabilities				
Short term borrowing	113.06	781.13		668.07
Trade payables	601.28	523.21	78.07	
Other current liabilities	10139.33	14535		4395.65
Short term provision	272	153.27	118.73	
Total current liabilities	11125.67	15992.6		
Net working capital	-8677.05	-11703	2297.17	5323.48
Increase/decrease		3026.31		3026.31
Total	-8677.1	-8677.1	5323.48	5323.48

INTERPRETATION

In 2020-2021, the schedule of changes in working capital reflects significant adjustments. Net working capital decreased from -8677.05 to -11703, influenced by substantial increases in cash equivalents and other current assets. Trade receivables decreased, indicating improved collections, while liabilities surged, particularly short-term borrowing and other current liabilities, possibly for expansion. Overall, these changes highlight a strategic shift towards bolstering liquidity through increased cash holdings, alongside managing higher liabilities to support business growth and operational needs during the period.

Table 3.18 Schedule of changes in working capital in the year 2021-2022

Schedule of changes in working capital in the year 2020-2022

PARTICULARS	(IN RS)		CHANGES IN WORKING CAPITAL	
	2021	2022	INCREASE	DECREASE
Current Assets				
Inventories	320.65	331.14	10.49	
Trade receivables	114.2	220.75	106.55	
Cash and cash equivalents	2347.8	201.65		2146.15
Short term loan and advances	171.44	205.83	34.39	
Current tax asset	56.2	42.24		13.96
Other current asset	1283.65	498.08		785.57
Total current asset	4293.94	1499.69		
Current liabilities				
Short term borrowing	798.54	450.57		347.97
Trade payables	523.21	625.02	101.81	
Other financial liabilities	1424.65	1225.92		198.73
Other current liabilities	13092.92	14028.6	935.64	
Short term provision	153.27	201.61		48.34
Total current liabilities	15992.59	16531.7		
Net working capital	-11698.65	-15032	1188.88	3540.72
Increase/decrease		3333.34		3333.34
Total	**-11698.7**	**-11699**		

INTERPRETATION

In 2021-2022, changes in working capital show a decrease in net working capital from -11698.65 to -15032. This was driven by increases in trade receivables and inventories, suggesting higher sales and inventory levels. Cash equivalents decreased significantly, possibly indicating strategic investments or expenditures. Liabilities also rose, including trade payables and other current liabilities, potentially for financing growth.

3.15 CORRELATION COEFFICIENT

Correlation is a statistical measure that describes the strength and direction of the relationship between two variables. It ranges from -1 to +1, where +1 indicates a perfect positive relationship, -1 indicates a perfect negative relationship, and 0 indicates no relationship between the variables.

Table 3.19 Inventories and Networking Capital

Year	Inventories	Net working capital
2018	256.24	-6130.12
2019	228.56	-8308.44
2020	253.49	-8677.04
2021	320.65	-11683.35
2022	331.14	-15082.99

Table 3.19.1 Correlation Coefficient between the Inventories and Networking Capital for the year 2018-2022

Particulars	Value
Correlation	-0.86

INTERPRETATION

The correlation of -0.86 between inventories and net working capital indicates a strong negative relationship. As inventory levels increase, the net working capital tends to decrease significantly. This suggests that higher inventory holdings are associated with lower available working capital, potentially due to increased costs tied up in inventory.

Table 3.20 Trade Receivables and Networking Capital

Year	Trade receivables	Net working capital
2018	249.45	-6130.12
2019	155.67	-8308.44
2020	251.79	-8677.04
2021	114.2	-11683.35
2022	220.75	-15082.99

Table 3.20.1 Correlation Coefficient between the Trade Receivables and Networking Capital for the year 2018-2022

Particulars	Value
Correlation	0.26

INTERPRETATION

The correlation of 0.26 between trade receivables and net working capital indicates a weak positive relationship. This suggests that as trade receivables increase, net working capital also tends to increase slightly, but the relationship is not strong. Therefore, changes in trade receivables have a limited impact on net working capital.

Table 3.21 Cash and Cash Equivalents and Networking Capital

Year	Cash and cash equivalents	Net working capital
2018	2875.86	-6130.12
2019	236.29	-8308.44
2020	617.78	-8677.04
2021	2347.8	-11683.35
2022	201.65	-15082.99

Table 3.21.1 Correlation Coefficient between the Cash and Cash Equivalents and Networking Capital for the year 2018-2022

Particulars	Value
Correlation	0.41

INTERPRETATION

The correlation of 0.41 between cash and cash equivalents and net working capital indicates a moderate positive relationship. This suggests that as cash and cash equivalents increase, net working capital also tends to increase moderately. Therefore, higher levels of cash reserves are associated with a relatively better net working capital position.

Table 3.22 Short-term Loan and Advances and Networking Capital

Year	Short term loan and advances	Net working capital
2018	226.41	-6130.12
2019	229.95	-8308.44
2020	235.3	-8677.04
2021	113.13	-11683.35
2022	205.83	-15082.99

Table 3.22.1 Correlation Coefficient between the Short-term Loan and Advances and Networking Capital for the year 2018-2022

Particulars	Value
correlation	0.44

INTERPRETATION

The correlation of 0.44 between short-term loans and advances and net working capital indicates a moderate positive relationship. This suggests that as short-term loans and advances increase, net working capital tends to increase moderately. Thus, higher short-term loans and advances are somewhat associated with an improved net working capital position.

Table 3.23 Other Current Asset and Networking Capital

Year	Other current asset	Net working capital
2018	1,835.67	-6130.12
2019	1,584.57	-8308.44
2020	1,090.26	-8677.04
2021	1,378.16	-11683.35
2022	498.08	-15082.99

Table 3.23.1 Correlation Coefficient between Other Current Asset and Networking Capital for the year 2018-2022

Particulars	Value
Correlation	0.87

INTERPRETATION

The correlation of 0.87 between other current assets and net working capital indicates a strong positive relationship. This suggests that as other current assets increase, net working capital also tends to increase significantly. Therefore, higher levels of other current assets are strongly associated with a better net working capital position.

Table 3.24 Short term Borrowing and Networking Capital

Year	Short term borrowing	Net working capital
2018	0	-6130.12
2019	875.34	-8308.44
2020	113.06	-8677.04
2021	798.54	-11683.35
2022	450.57	-15082.99

Table 3.24.1 Correlation Coefficient between Short term Borrowing and Networking Capital for the year 2018-2022

Particulars	Value
correlation	-0.38

INTERPRETATION

The correlation of -0.38 between short-term borrowing and net working capital indicates a moderate negative relationship. This suggests that as short-term borrowing increases, net working capital tends to decrease moderately. Therefore, higher short-term borrowings are somewhat associated with a lower net working capital position.

Table 3.25 Trade Payables and Networking Capital

Year	Trade payables	Net working capital
2018	255.7	-6130.12
2019	427.68	-8308.44
2020	601.28	-8677.04
2021	523.21	-11683.35
2022	625.02	-15082.99

Table 3.25.1 Correlation Coefficient between Trade Payables and Networking Capital for the year 2018-2022

Particulars	Value
correlation	-0.77

INTERPRETATION

The correlation of -0.77 between trade payables and net working capital indicates a strong negative relationship. This suggests that as trade payables increase, net working capital tends to decrease significantly. Therefore, higher trade payables are strongly associated with a lower net working capital position.

Table 3.26 Other Current Liabilities and Networking Capital

Year	Other current liabilities	Net working capital
2018	9,149.83	-6130.12
2019	11,038.48	-8308.44
2020	8,252.38	-8677.04
2021	14,534.98	-11683.35
2022	14,028.56	-15082.99

Table 3.26.1 Correlation Coefficient between Other Current Liabilities and Networking Capital for the year 2018-2022

Particulars	Value
Correlation	-0.8

INTERPRETATION

The correlation of -0.82 between other current liabilities and net working capital indicates a strong negative relationship. This suggests that as other current liabilities increase, net working capital tends to decrease significantly. Therefore, higher levels of other current liabilities are strongly associated with a lower net working capital position.

Table 3.27 Short term Provision and Networking Capital

Year	Short term provision	Net working capital
2018	329.02	-6130.12
2019	329.02	-8308.44
2020	272	-8677.04
2021	153.27	-11683.35
2022	201.61	-15082.99

Table 3.27.1 Correlation Coefficient between Short term Provision and Networking Capital for the year 2018-2022

Particulars	Value
correlation	0.81

INTERPRETATION

The correlation of 0.81 between short-term provisions and net working capital indicates a strong positive relationship. This suggests that as short-term provisions increase, net working capital also tends to increase significantly. Therefore, higher levels of short-term provisions are strongly associated with a better net working capital position.

CHAPTER-IV

FINDINGS, RECOMMENDATIONS AND SUMMARY

4.1 FINDINGS

- The current ratio declined from 0.47 in 2018 to 0.09 in 2022, consistently below the ideal ratio of 2:1, indicating worsening liquidity and increasing difficulty in meeting short-term obligations.
- The quick ratio fell from 0.42 in 2018 to 0.09 in 2022, well below the ideal 1:1 ratio, highlighting severe liquidity issues and an inability to cover immediate obligations with quick assets.
- The absolute liquidity ratio remained stable at 0.02 from 2018 to 2021 but dropped to 0.01 in 2022, far below the acceptable norm of 0.5:1, indicating an unsatisfactory liquid position.
- The working capital turnover ratio was negative throughout 2018 to 2022, reflecting inefficient use of working capital and a net negative working capital position.
- The inventory turnover ratio improved from 15.98 in 2018 to 22.31 in 2020 but decreased to 15.13 in 2022, indicating fluctuating efficiency in inventory management, with potential overstocking issues in recent years.
- The debtor's turnover ratio peaked at 68.72 in 2020 but decreased to 48.46 in 2022, indicating decreasing liquidity of receivables and potential collection issues.
- The average debt collection period decreased from 8.12 days in 2018 to 5.11 days in 2021 but rose to 7.53 days in 2022, showing varying efficiency in converting receivables to cash.
- The average debt collection period decreased from 8.12 days in 2018 to 5.11 days in 2021 but rose to 7.53 days in 2022, showing varying efficiency in converting receivables to cash.
- The creditors turnover ratio decreased from 18.5 in 2018 to 9.5 in 2022, suggesting worsening credit management and extended payment durations to creditors.
- The average payment period increased, indicating longer durations to pay off creditors, which could signify liquidity problems or extended credit terms.

- KTDC's cash balance fluctuated significantly from 2018 to 2022, indicatinginconsistent cash management and potential financial instability.
- KTDC's debtors showed significant fluctuations from 2018 to 2022, indicatingvarying patterns in outstanding payments and collection efficiency.
- KTDC's working capital decreased from -4894.68 to -6130.1 in 2017-2018,driven by changes in assets and liabilities, indicating liquidity
- KTDC's working capital decreased from -6130.13 to -8308.4 in 2018-2019, showing efforts to enhance liquidity through inventory and receivables management.
- KTDC's net working capital decreased slightly from -8308.44 to -8677.1 in 2019-2020, indicating improved liquidity and balanced financial management.
- KTDC's net working capital decreased from -8677.05 to -11703 in 2020-2021, emphasizing enhanced liquidity and strategic management of liabilities.
- KTDC's net working capital decreased from -11698.65 to -15032 in 2021-2022, driven by increased trade receivables and inventories, and decreased cashequivalents.
- A correlation of -0.86 between inventories and net working capital indicates thatas inventory levels increase, net working capital decreases significantly. This suggests that higher inventory holdings reduce available working capital, likelydue to increased costs tied up in inventory.
- The correlation of 0.41 between cash and cash equivalents and net working capital indicates a moderate positive relationship. This suggests that as cash and cash equivalents increase, net working capital also tends to increase moderately, implying that higher levels of cash reserves are associated with a relatively better net working capital position.
- The correlation of 0.44 between short-term loans and advances and net workingcapital indicates a moderate positive relationship. This suggests that as short- term loans and advances increase, net working capital tends to increase moderately.

- The correlation of 0.87 between other current assets and net working capital indicates a strong positive relationship. This suggests that as other current assetsincrease, net working capital also tends to increase significantly.
- The correlation of -0.38 between short-term borrowing and net working capital indicates a moderate negative relationship. This suggests that as short-term borrowing increases, net working capital tends to decrease moderately.
- The correlation coefficient of -0.77 indeed indicates a strong negative relationship between trade payables and net working capital. This suggests that as trade payables increase, net working capital tends to decrease significantly.
- The correlation coefficient of -0.82 between other current liabilities and net working capital indicates a very strong negative relationship. This implies that as other current liabilities increase, net working capital tends to decreasesignificantly.
- T correlation coefficient of 0.81 between short-term provisions and net working capital indicates a strong positive relationship. This means that as short-term provisions increase, net working capital also tends to increase significantly.

4.2 RECOMMENDATION

- KTDC should implement robust cash flow forecasting and management practices. This includes maintaining adequate cash reserves to stabilize liquidity and meet short-term obligations promptly.
- Since the current assets turnover ratio fluctuated significantly, indicating inconsistent efficiency, KTDC should streamline operational processes to improve the utilization of current assets. This can involve better inventory management and optimizing receivables collection to enhance liquidity.
- KTDC should focus on reducing excess inventory. Implementing efficient inventory control systems and forecasting demand accurately can help in freeing up working capital for other strategic investments.
- KTDC should negotiate favorable payment terms with suppliers and manage other current liabilities effectively. This would help in minimizing cash outflows and preserving working capital.
- Address the issues identified in higher average debt collection periods by implementing stricter credit control policies and enhancing monitoring of receivables.This would accelerate cash inflows and improve liquidity.
- Despite the fluctuating creditors turnover ratio, KTDC should aim to negotiate betterterms with creditors to balance cash flow requirements and operational needs effectively.
- KTDC should ensure these provisions are adequately planned and utilized to supportoperational contingencies without overstressing liquidity.
- Given the dynamic nature of the financial metrics observed, KTDC should establish a framework for regular financial performance reviews. This would facilitate timely adjustments to strategies, ensuring alignment with organizational goals and improvingoverall financial stability.

4.3 SUMMARY

In examining KTDC's working capital efficiency over the period from 2018 to 2022, several critical insights have emerged regarding its financial health and operational management. The study reveals a concerning trend of declining liquidity and persistent challenges in managing current assets and liabilities effectively. This has implications for KTDC's ability to maintain sufficient cash flow and meet its financial obligations in a timely manner. Operational inefficiencies, particularly in inventory management and cash flow forecasting, have contributed to fluctuations in working capital and overall financial stability.

Strategic recommendations are essential for KTDC to address these challenges and enhance its financial resilience. Implementing robust cash flow management practices will be crucial to stabilizing liquidity and improving the organization's ability to navigate economic uncertainties. Streamlining operational processes, such as optimizing inventory levels and enhancing receivables management, can help mitigate risks associated with fluctuating cash flows and working capital deficits. Furthermore, strengthening relationships with creditors and implementing stricter controls over debtor accounts will support more sustainable financial practices and improve cash flow dynamics over the long term.

Ultimately, by focusing on these areas of improvement, KTDC can position itself for greater financial stability and operational efficiency. These efforts not only aim to address immediate liquidity concerns but also lay the groundwork for sustained growthand competitiveness in the tourism sector.

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KERALA TOURISM DEVELOPMENT CORPORATION LTD.

CIN U63040KL1965SGC002120

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	Note No.	FOR THE YEAR ENDED 31.03.2018	FOR THE YEAR ENDED 31.03.2017
			₹	₹
I	Revenue from Operations(net)	21	12,221.10	13,379.19
II	Other Income	22	60.22	62.88
III	**Total Revenue(I+II)**		**12,281.33**	**13,442.07**
IV	**Expenses:**			
	a.Cost of raw materials consumed	23	3,496.26	4,202.11
	b.Employee benefit expense	24	5,478.19	7,135.15
	c.Finance costs	25	139.07	120.64
	d.Depreciation and amortisation expenses	26	827.26	913.92
	e.Other expenses	27	3,609.75	3,605.81
V	**Total expenses**		**13,550.53**	**15,977.62**
VI	**Profit/(Loss) Before Exceptional & extra ordinary items and tax(III-V)**		**(1,269.21)**	**(2,535.55)**
VII	Exceptional Items	28	-	-
VIII	**Profit/(Loss) before Tax(III-V)**		**(1,269.21)**	**(2,535.55)**
IX	**Tax expenses:**			
	(1) Current tax expenses		-	-
	(2) Tax expense relating to prior years		-	-
	(3) Deferred tax		-	-
X	**Profit/(Loss) for the period from continuing operations (VI+IX)**		**(1,269.21)**	**(2,535.55)**
			in ₹	in ₹
XIII	**Earnings Per equity share:** (See note to accounts B.34)			
	(a)Basic		**(14.93)**	**(29.83)**
	(b)Diluted		**(14.93)**	**(29.83)**
	Significant Accounting Policies (29.A) & other Significant notes (29.B)	29		
	The accompanying notes 1 to 29 are an integral part of the financial statements			

For and on behalf of the Board of Directors

As our report of even date
For ANANTHAN & SUNDARAM
Chartered Accountants (FRN 000148S)

Sd/-
M.VIJAYAKUMAR
Chairman

Sd/-
V.R. KRISHNA TEJA IAS
Managing Director

Sd/-
V.A.SASIDHARAN NAIR
Secretary & Finance Controller

Sd/-
C.A. Harikrishnan R.S.,
M.Com,DISA,FCA
Partner, (M.NO.230338)
UDIN:21230338AAAAAA1362

Thiruvananthapuram
Date : 28-12-2020

KERALA TOURISM DEVELOPMENT CORPORATION LTD.

CIN U63040KL1965SGC002120

BALANCE SHEET AS AT 31ST MARCH 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	NOTE No.	AS AT 31st March 2019 ₹	AS AT 31st March 2019 ₹	AS AT 31st March 2018 ₹	AS AT 31st March 2018 ₹
1. EQUITY & LIABILITIES					
(1) Share Holder's funds					
a) Share Capital	1	8,500.00		8,500.00	
b) Reserves & Surplus	2	(10,882.64)	**(2,382.64)**	(8,964.12)	**(464.12)**
(2) **Share Application Money Pending Allotment**	3	-	-	-	-
(3) **Non Current liabilities**					
a) Long term borrowings	4	772.11		963.62	
b) Other long term liabilites	5	346.69		250.64	
c) Long term provisions	6	1,604.77	**2,723.57**	1,637.11	**2,851.37**
(4) **Current Liabilites**					
a) Short-term borrowings	7	875.34		-	
b) Trade payables	8			-	
(i) Total outstanding dues of micro and small enterprises;		48.41		35.74	
(ii) Total outstanding dues of creditors other than micro and small enterprises;		379.27		219.96	
c) Other current liabilities	9	9,149.83		11,038.48	
d) Short-term provisions	10	290.63	**10,743.48**	329.02	**11,623.20**
Total			**11,084.41**		**14,010.44**
II. ASSETS					
(1) **Non Current Assets**					
a) Property plant and Equipment	11				
(i)Tangible Assets		6,757.89		7,188.24	
(ii)Intangible Assets		8.56		5.55	
(iii)Capital Work -in-Progress		766.53	**7,532.97**	306.70	**7,500.49**
b) Non-current investments	12	406.29		406.29	
c) Deferred Tax Assets(net)	13	-		-	
d) Long-term loans and advances	14	498.40		469.12	
e) Other non-current assets	15	211.70	**1,116.39**	190.91	**1,066.32**
(2) **Current Assets**					
a) Inventories	16	228.56		256.24	
b) Trade Receivables	17	155.67		249.45	
c) Cash and cash equivalents	18	236.29		2,875.86	
d) Short-term loans and advances	19	229.95		226.41	
e) Other current assets	20	1,584.57	**2,435.04**	1,835.67	**5,443.63**
TOTAL			**11,084.41**		**14,010.44**

The accompanying notes 1 to 29 are an integral part of the financial statements

For and on behalf of the Board of Directors

As our report of even date
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
(F.R.No. 006113S/S200094)

Sd/-
P.K. Sasi
Chairman

Sd/-
V.VIGNESHWARI IAS
Managing Director

Sd/-
V.A.SASIDHARAN NAIR
Secretary & Finance Controller

Sd/-
J.SREEKUMAR
Partner, (M.No. 200882)
UDIN: 22200882ACOALF7834

Thiruvananthapuram
Date : 29-12-2021

KERALA TOURISM DEVELOPMENT CORPORATION LTD.

CIN U63040KL1965SGC002120

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	Note No.	FOR THE YEAR ENDED 31.03.2019	FOR THE YEAR ENDED 31.03.2018
			₹	₹
I	Revenue from Operations(net)	21	12,777.00	12,221.10
II	Other Income	22	12.59	49.52
III	**Total Revenue(I+II)**		**12,789.59**	**12,270.62**
IV	**Expenses:**			
	a.Cost of raw materials consumed	23	4,477.33	3,496.26
	b.Employee benefit expense	24	5,857.77	5,478.19
	c.Finance costs	25	182.14	113.10
	d.Depreciation and amortisation expenses	26	719.96	827.26
	e.Other expenses	27	3,492.49	3,471.96
V	**Total expenses**		**14,729.70**	**13,386.77**
VI	**Profit/(Loss) Before Exceptional & extra ordinary items and tax(III-V)**		**(1,940.11)**	**(1,116.14)**
VII	Exceptional Items	28	(21.59)	153.06
VIII	**Profit/(Loss) before Tax(VI-VII)**		**(1,918.52)**	**(1,269.21)**
IX	**Tax expenses:**			
	(1) Current tax expenses		-	-
	(2) Tax expense relating to prior years		-	-
	(3) Deferred tax		-	-
X	**Profit/(Loss) for the period from continuing operations (VI+IX)**		**(1,918.52)**	**(1,269.21)**
			in ₹	in ₹
XI	**Earnings Per equity share:**			
	(See note to accounts B.34)			
	No. of Shares issued		85 Lakhs	85 Lakhs
	Face value of Shares		100 each	100 each
	(a)Basic		**(22.57)**	**(14.93)**
	(b)Diluted		**(22.57)**	**(14.93)**
	Significant Accounting Policies (29.A) & other Significant notes (29.B)	29		

The accompanying notes 1 to 29 are an integral part of the financial statements

For and on behalf of the Board of Directors

As our report of even date
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
(F.R.No. 006113S/S200094)

Sd/-	Sd/-	Sd/-	Sd/-
P.K. Sasi	**V.VIGNESHWARI IAS**	**V.A.SASIDHARAN NAIR**	**J.SREEKUMAR**
Chairman	Managing Director	Secretary & Finance Controller	**Partner, (M.No. 200882)**
			UDIN: 22200882ACOALF7834

Thiruvananthapuram
Date : 29-12-2021

KERALA TOURISM DEVELOPMENT CORPORATION LTD.
CIN U63040KL1965SGC002120
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in lakhs of Indian Rupees,unless otherwise stated)

	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
			₹	₹
I	Revenue from Operations(net)	21	14,001.29	12,777.00
II	Other Income	22	14.75	12.59
III	**Total Revenue(I+II)**		**14,016.04**	**12,789.59**
IV	**Expenses:**			
	a.Cost of raw materials consumed	23	4,810.87	4,477.33
	b.Employee benefit expense	24	6,766.39	5,857.77
	c.Finance costs	25	333.84	182.14
	d.Depreciation and amortisation expenses	26	610.33	719.96
	e.Other expenses	27	3,904.15	3,492.49
V	**Total expenses**		**16,425.59**	**14,729.70**
VI	**Profit/(Loss) Before Exceptional & extra ordinary items and tax(III-V)**		**(2,409.56)**	**(1,940.11)**
VII	Exceptional Items	28	178.25	(21.59)
VIII	**Profit/(Loss) before Tax(VI-VII)**		**(2,587.81)**	**(1,918.52)**
IX	**Tax expenses:**			
	(1) Current tax expenses		-	-
	(2) Tax expense relating to prior years		-	-
	(3) Deferred tax		-	-
X	**Profit/(Loss) for the period from continuing operations (VI+IX)**		**(2,587.81)**	**(1,918.52)**
XI	**Earnings Per equity share:**			
	(See note to accounts B.34)			
	No. of Shares issued		**85 Lakhs**	**85 Lakhs**
	Face value of shares		**100 each**	**100 each**
	(a)Basic		**(30.44)**	**(22.57)**
	(b)Diluted		**(30.44)**	**(22.57)**
	Significant Accounting Policies (29.A) & other Significant notes (29.B)	29		

The accompanying notes 1 to 29 are an integral part of the financial statements

As our report of even date

For and on behalf of the Board of Directors

For Kumar & Biju Associates LLP
Chartered Accountants
(F.R.No. 006113S/S200094)

Sd/-	Sd/-	Sd/-	Sd/-
P.K.SASI	**V.VIGNESHWARI IAS**	**V.A.SASIDHARAN NAIR**	**ASHA SREE M NAIR**
Chairman	Managing Director	Secretary& Finance Controller	Partner,(M.NO.231248)
			UDIN: 22231248BCHSWF9376

Thiruvananthapuram
Date: 07-11-2022

KERALA TOURISM DEVELOPMENT CORPORATION LTD.

CIN U63040KL1965SGC002120

BALANCE SHEET AS AT 31ST MARCH 2020

(All amounts are in lakhs of Indian Rupees,unless otherwise stated)

PARTICULARS	NOTE No.	As at 31st March 2020		As at 31st March 2019	
		₹	₹	₹	₹
I. EQUITY & LIABILITIES					
(1) Share Holders' funds					
a) Share Capital	1	8,500.00		8,500.00	
b) Reserves & Surplus	2	(13,470.46)	(4,970.46)	(10,882.64)	(2,382.64)
(2) Share Application Money Pending Allotment	3	-	-	-	-
(3) Non Current Liabilities					
a) Long term borrowings	4	2,526.71		772.11	
b) Other long term liabilites	5	339.57		346.69	
c) Long term provisions	6	1,674.56	**4,540.84**	1,604.77	**2,723.57**
(4) Current Liabilities					
a) Short-term borrowings	7	113.06		875.34	
b) Trade payables	8			-	
(i) Total outstanding dues of micro and small enterprises;		62.21		48.41	
(ii) Total outstanding dues of creditors other than micro and small enterprises;		539.07		379.27	
c) Other current liabilities	9	10,139.33		9,149.83	
d) Short-term provisions	10	272.00	**11,125.66**	290.63	**10,743.48**
TOTAL			**10,696.05**		**11,084.41**
II. ASSETS					
(1) Non Current Assets					
a) Property, Plant and Equipment	11				
(i)Tangible Assets		6,329.49		6,757.89	
(ii)Intangible Assets		0.00		8.56	
(iii)Capital Work -in-Progress		897.95	**7,227.44**	766.53	**7,532.97**
b) Non-current investments	12	406.29		406.29	
c) Deferred Tax Assets(net)	13	-		-	
d) Long-term loans and advances	14	436.69		498.40	
e) Other non-current assets	15	177.00	**1,019.99**	211.70	**1,116.39**
(2) Current Assets					
a) Inventories	16	253.49		228.56	
b) Trade Receivables	17	251.79		155.67	
c) Cash and cash equivalents	18	617.78		236.29	
d) Short-term loans and advances	19	235.30		229.95	
e) Other current assets	20	1,090.26	**2,448.62**	1,584.57	**2,435.04**
TOTAL			**10,696.05**		**11,084.41**

The accompanying notes 1 to 29 are an integral part of the financial statements

For and on behalf of the Board of Directors

As our report of even date
For Kumar & Biju Associates LLP
Chartered Accountants
(F.R.No. 006113S/S200094)

Sd/- Sd/- Sd/-

Sd/-

KERALA TOURISM DEVELOPMENT CORPORATION LTD.
CIN U63040KL1965SGC002120
BALANCE SHEET AS AT 31ST MARCH 2021

(All amounts are in lakhs of Indian Rupees,unless otherwise stated)

PARTICULARS	NOTE No.	As at 31st March 2021		As at 31st March 2020	
		₹	₹	₹	₹
I. EQUITY & LIABILITIES					
(1) Share Holders' funds					
a) Share Capital	1	8,500.00		8,500.00	
b) Reserves & Surplus	2	(18,932.49)	(10,432.49)	(13,470.46)	(4,970.46)
(2) Share Application Money Pending Allotment	3	-	-	-	-
(3) Non Current Liabilities					
a) Long term borrowings	4	3,664.65		2,526.71	
b) Other long term liabilites	5	2,571.51		2,226.52	
c) Long term provisions	6	1,518.57	7,754.72	1,674.56	6,427.79
(4) Current Liabilities					
a) Short-term borrowings	7	781.13		113.06	
b) Trade payables	8	523.21		601.28	
c) Other current liabilities	9	14,534.98		8,252.38	
d) Short-term provisions	10	153.27	15,992.59	272.00	9,238.71
TOTAL			13,314.83		10,696.05
II. ASSETS					
(1) Non Current Assets					
a) Property, Plant and Equipment	11				
(i)Tangible Assets		7,416.02		6,329.49	
(ii)Intangible Assets		64.70		-	
(iii)Capital Work -in-Progress		347.24	7,827.96	897.95	7,227.44
b) Non-current investments	12	406.29		406.29	
c) Deferred Tax Assets(net)	13	-		-	
d) Long-term loans and advances	14	553.22		436.69	
e) Other non-current assets	15	218.13	1,177.64	177.00	1,019.99
(2) Current Assets					
a) Inventories	16	320.65		253.49	
b) Trade Receivables	17	114.20		251.79	
c) Cash and Bank Balances	18	2,363.09		617.78	
d) Short-term loans and advances	19	133.13		235.30	
e) Other current assets	20	1,378.16	4,309.24	1,090.26	2,448.62
TOTAL			13,314.83		10,696.05

The accompanying notes 1 to 30 are an integral part of the financial statements

For and on behalf of the Board of Directors

P.K.SASI
Chairman

SHIKHA SURENDRAN IAS
Managing Director

V.A.SASIDHARAN NAIR
Secretary& Finance Controller

Thiruvananthapuram
Date:29/07/2023

As our report of even date
For Kumar & Biju Associates LLP
Chartered Accountants
(F.R No. 006113S/S200094)

ASHA SREE M NAIR
Partner,(M.NO.231248)
UDIN: 23231248BGVWRB7587

KUMAR & BIJU ASSOCIATES LLP
Reg: No. 006113S/S200094
TRIVANDRUM
CHARTERED ACCOUNTANTS

KERALA TOURISM DEVELOPMENT CORPORATION LTD.
CIN U63040KL1965SGC002120
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts are in lakhs of Indian Rupees,unless otherwise stated)

	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
			₹	₹
I	Revenue from Operations(net)	21	8,240.49	14,001.29
II	Other Income	22	31.22	14.75
III	**Total Revenue(I+II)**		**8,271.71**	**14,016.04**
IV	**Expenses:**			
	a.Cost of raw materials consumed	23	4,825.92	4,810.87
	b.Employee benefit expense	24	5,189.82	6,766.39
	c.Finance costs	25	358.75	333.84
	d.Depreciation and amortisation expenses	26	561.69	610.33
	e.Other expenses	27	2,788.13	3,904.15
V	**Total expenses**		**13,724.31**	**16,425.59**
VI	**Profit/(Loss) Before Exceptional & extra ordinary items and tax(III-V)**		**(5,452.60)**	**(2,409.56)**
VII	**Prior Period expenses**	28	2.59	174.96
VIII	**Exceptional Items**	29	6.84	3.30
IX	**Extra Ordinary Items**		-	-
X	**Profit/(Loss) before Tax(VI-VII-VIII-IX)**		**(5,462.03)**	**(2,587.81)**
XI	**Tax expenses:**			
	(1) Current tax expenses		-	-
	(2) Tax expense relating to prior years		-	-
	(3) Deferred tax		-	-
XII	**Profit/(Loss) for the period from continuing operations (X-XI)**		**(5,462.03)**	**(2,587.81)**
			in ₹	in ₹
XIII	**Earnings Per equity share:**			
	(See note to accounts B.34)			
	No. of Shares issued		**85 Lakhs**	**85 Lakhs**
	Face value of shares		**100 each**	**100 each**
	(a)Basic		**(64.26)**	**(30.44)**
	(b)Diluted		**(64.26)**	**(30.44)**
	Significant Accounting Policies (30.A) & other Significant notes (30.B)	30		

The accompanying notes 1 to 30 are an integral part of the financial statements

For and on behalf of the Board of Directors

P.K.SASI
Chairman

SHIKHA SURENDRAN IAS
Managing Director

V.A.SASIDHARAN NAIR
Secretary& Finance Controller

As our report of even date
For Kumar & Biju Associates LLP
Chartered Accountants
(F.R.No. 006113S/S200094)

ASHA SREE M NAIR
Partner,(M.NO.231248)
UDIN: 23231248BGVWRB7587

KUMAR & BIJU ASSOCIATES LLP
Reg: No. 006113S/S200094
TRIVANDRUM
CHARTERED ACCOUNTANTS

KERALA TOURISM DEVELOPMENT CORPORATION LTD.
MASCOT SQUARE
THIRUVANANTHAPURAM
PIN - 695033

Thiruvananthapuram
Date: 29/07/2023

KERALA TOURISM DEVELOPMENT CORPORATION LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31,2022

(All amounts are in ₹. lakhs unless otherwise stated)

PARTICULARS	NOTE No.	As at March 31,2022	As at March 31,2021
		₹	₹
ASSETS			
(I) Non Current Assets			
Property, Plant and Equipment & Intangible Assets			
a) Property, Plant and Equipment	1.A	7,515.47	7,416.02
b) Intangible Assets	1.B	74.39	64.70
c) Capital Work -in-Progress	1.C	370.80	347.24
d) Financial assets:			
(i) Investments	2	406.29	406.29
(ii) Trade Receivavbles	3	195.43	210.50
(iv) Other financial assets	4	569.16	553.22
e) Other non-current assets	5	18.25	22.92
f) Deferred tax assets (Net)	6	-	-
Total non-current assets		**9,149.78**	**9,020.89**
(II) Current Assets			
a) Inventories	7	331.14	320.65
b) Financial assets:			
(i)Trade Receivables	8	220.75	114.20
(ii)Cash and cash equivalents	9	201.65	2,347.80
(iii)Bank balances other than (ii) above	10	-	-
(iv) Loans	11	205.83	171.44
(v) Other financial assets	12	-	-
c) Current tax assets (net)	13	42.24	56.20
d) Other current assets	14	498.08	1,283.65
Total current assets		**1,499.70**	**4,293.94**
TOTAL ASSETS(I+II)		**10,649.48**	**13,314.83**
EQUITY & LIABILITIES			
I EQUITY			
(a) Equity share capital	15	8,500.00	8,500.00
(b) Other equity	16		
i) Retained Earnings		(24,334.91)	(19,192.35)
ii) Other Reserves		259.86	259.86
Total equity		**(15,575.05)**	**(10,432.49)**
II LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities:			
(i) Borrowings	17	5,124.31	3,664.65
(ii) Other financial liabilities	18.A	420.51	370.18
(b) Provisions	19.A	1,945.71	1,518.57
(c) Other Non current liabilities	20.A	2,201.33	2,201.33
Total non-current liabilities		**9,691.85**	**7,754.72**

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2 Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	21	450.57	798.54
(ii) Trade payables	22		
(a) Dues of micro and small enterprises		60.60	34.22
(b) Dues of other than micro and small enterprises		565.42	488.99
(iii) Other financial liabilities	18.B	1,225.92	1,424.65
(b) Other current liabilities	20.B	14,028.56	13,092.92
(c) Provisions	19.B	201.61	153.27
Total current liabilities		**16,532.69**	**15,992.59**
TOTAL LIABILITIES (1 + 2)		**26,224.54**	**23,747.32**
TOTAL EQUITY AND LIABILITIES (I + II)		**10,649.48**	**13,314.83**
The accompanying notes 1 to 32 are an integral part of the standalone financial statements			

As our report of even date
For Ananthan & Sundaram
Chartered Accountants
(F.R.No. 000148S)

For and on behalf of the Board of Directors

30/01/24

P.K.SASI — Chairman
SHIKHA SURENDRAN IAS — Managing Director
V.A.SASIDHARAN NAIR — Secretary& Finance Controller
CA.HARIKRISHNAN.R.S. FCA,DISA — Partner,(M.NO.0230338)
UDIN: 24230338BKABFA9501

Thiruvananthapuram
Date: 30-01-2024

ANANTHAN & SUNDARAM THIRUVANANTHAPURAM FR No 000148S CHARTERED ACCOUNTANTS

KERALA TOURISM DEVELOPMENT CORPORATION LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in ₹. lakhs unless otherwise stated)

	Particulars	Note No.	Year Ended March 31,2022	Year Ended March 31,2021
			₹	₹
I	**INCOME**			
	Revenue from operations	23	9,834.80	8,240.49
	Other income	24	39.46	31.22
	Total Income		**9,874.27**	**8,271.71**
II	**EXPENSES**			
	Cost of raw material Consumed	25	4,584.19	4,825.92
	Employee benefits expense	26	6,012.68	5,189.82
	Finance costs	27	369.87	358.75
	Depreciation and amortization expense	28	730.54	561.69
	Other expenses	29	3,294.66	2,788.13
V	**Total Expenses**		**14,991.94**	**13,724.31**
VI	**Profit/(Loss) Before Exceptional & extra ordinary items and tax(III-V)**		**(5,117.67)**	**(5,452.60)**
VII	Prior Period expenses (net)	30	24.89	2.59
VIII	Exceptional Items	31	0.00	6.84
IX	**Extra Ordinary Items**		-	-
X	**Profit/(Loss) before Tax(VI-VII-VIII-IX)**		**(5,142.57)**	**(5,462.03)**
XI	**Tax expenses/(Benefit)**			
	(1) Current tax expenses		-	-
	(2) Tax expense relating to prior years		-	-
	(3) Deferred tax	6	-	-
	Total tax expense/(Benefit)		-	-
XII	**Profit/ (Loss) for the year(X-XI)**		**(5,142.57)**	**(5,462.03)**
XIII	**Other Comprehensive income(loss)**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(ii) income tax relating to items that will not be reclassified to profit or loss			
	Total other comprehensive loss for the year		-	-
XIV	**Total comprehensive loss for the year (XII + XIII)**		**(5,142.57)**	**(5,462.03)**
	Earnings Per equity share :			
	(See note to accounts B.34)			
	No of Shares issued		**85 Lakhs**	**85 Lakhs**
	Face value of shares		**100 each**	**100 each**
	(a)Basic (in ₹)		**(60.50)**	**(64.26)**
	(b)Diluted (in ₹)		**(60.50)**	**(64.26)**
	Significant Accounting Policies (32 A) & other Significant notes (32 B)	32		

The accompanying notes 1 to 32 are an integral part of the standalone financial statements

As our report of even date
For Ananthan & Sundaram
Chartered Accountants
(F R No 000148S)

For and on behalf of the Board of Directors

30/01/24

P.K.SASI
Chairman

SHIKHA SURENDRAN IAS
Managing Director

V.A.SASIDHARAN NAIR
Secretary& Finance Controller

CA.HARIKRISHNAN.R.S. FCA,DISA
Partner,(M NO 0230338)
UDIN 24230338BKABFA9501

Thiruvananthapuram
Date 30-01-2024