

Research Article

“A Study On Financial Performance Of Mahindara Holidays & Resorts India Limited”

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ABSTRACT

According to The World Travel and Tourism Council (WTTC), in the year 2019 the Indian travel and tourism industry contributed 6.8 per cent to GDP. The contribution to employment in India was 8 per cent or approximately 40 million jobs. The travel and tourism industry has to work tirelessly with our partners and the Tourist Department, Government of India to increase tourism so that we can increase our foreign exchange earnings and create more jobs. In 2019 the number of foreign visitors to India totalled 11 million. Over 2.5 million foreign visitors arrived in India on the tourist e-visa scheme, a growth of 24 per cent over the previous year. Foreign visitors from The United States of America contributed 9 per cent, the United Kingdom contributed 6 per cent and Canada and Australia contributed 2 per cent each. However, this share of foreign travellers visiting India relative to other Asian countries continues to disappoint. The Indian travel and tourism industry has to work much harder to attract more foreign visitors to our country.

Key words: Financial Performance

INTRODUCTION

Travel is an antiquated wonder. From the most punctual verifiable periods, travel had an interest for men. Man has gone from the soonest times. A significant part of the movement in the past was a straightforward affair.²

The travel industry is a type of portability basically for recreation. It is a comfortable pursuit which is additionally the world's quickest developing industry in which both the created and the creating social orders, and the rich and the poor in every one of these social orders take part. The created social orders for the most part assume the part of visitor to the last mentioned. Overall, the creating social orders assume the part of hosts and their support isn't just moved by implication yet in addition summoned expressly on the grounds of colossal financial capability of the travel industry. The travel industry gives unfamiliar trade, assists change with adjusting of installment, increases national pay and sets out new business open doors and substitute's capital which is scant in agricultural nations with work in plenitude. It requires minimal specialized expertise and has short growth period also.³

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²Bhatia A. K. (1995): “Tourism Development : Principles and Practice”, Sterling Publishers Pvt.Ltd., p.1.

³Chopra, Sunita (1991): “Tourism and Development in India”, Asish Publishing House, p.2.

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The travel industry is one of the important ascribes of the financial development of the vast majority of the agricultural nations. It can go about as a turn of vehicle for financial turn of events. Today, the travel industry has been recognized as the greatest part of the tertiary sector.⁴

TOURISM IN INDIA

In India, we have leftovers of antiquated human advancements, landmarks, various societies, various areas, exceptional celebrations, mountains, sea shores, or more all, well-disposed individuals who give the situation with God to the visitor. Previously, numerous individuals have ventured out to India looking for instruction, exchange, strict reason, and so forth Indeed, even new nations were found during the time spent finding India.⁵

India has a huge the travel industry potential with an assortment of social perspectives and creation frameworks. This assortment is adequate to draw in vacationer in its unique structure. Yet, the serious issue lies in the framework area, including transportation, correspondence, convenience or more all, linkages among better places of interest.⁶

TOURISM RELATED (ACCOMMODATION) HOTEL INDUSTRY

Convenience improvement as lodgings, lofts, hovels, visitor houses, estates, and traveler towns are vital to offer help to the travel industry advancement. Hence, convenience is a crucial need in any vacationer destination.⁷

Convenience offices establish the main thing in the bundle of offices offered to the traveler. The achievement or in any case of the travel industry relies generally upon the accessibility and nature of convenience offices. Present day vacationer is getting continuously aware of his requirement for more noteworthy solaces and comforts and as such agreeable convenience is a central consideration for the development of tourism.⁸

LITERATURE REVIEW

Anand M. M. (1976), in his examination, makes an endeavor to break down the idea of this multidimensional traveler plan whose exercises range from the arrangement of open to housing to encouraging a visit to a public landmark. He has analyzed the design and working of the arrangement. He says that the inns and other valuable convenience are the center of the arrangement. As indicated by him, the principal essential for the advancement of inn industry is the conjecture of things to come interest, which would mean data about the number and type people who might be utilizing the offices. It is as far as request that the correct stockpile, at ideal spot, opportune time and at right value is to be developed. Inability to consider future interest implies either convenience bottlenecks, which may hit the vacationer business antagonistically, or abundance convenience, which would bring about misfortune to inn industry.

⁴ Bishnoy, Deepak (2007): “Tourism and Economic Development”, Discovery Publishing House.

⁵Sukthankar S.V. (1998): “Cultural Tourism in Goa”, a Paper presented at a National Seminar hosted by Commerce Association of Kerala at Thiruvananthapuram, 22-24th January, 1998.

⁶ Bhuyan, Anjan (2004): “Rural Tourism a New Promise”, in: ‘Yojana’, September, Vol.48, p.43.

⁷ Motiram (2003): “International Tourism”, Sonali Publications, p.63.

⁸ Selvan M. (1989): “Tourism Industry in India”, Himalaya Publishing House, p.92.

Some unacceptable designation of restricted assets for this reason implies that the entire economy is influenced as these assets are denied to other formative areas.⁹

Bhatia A.K. (1978) has made certain idea with respect to the degree of interest for convenience administrations. He recommend that while computing the prerequisite of rooms, different variable are needed to be viewed as like length of stay of a traveler and inhabitation paces of vacationer convenience. Assuming the yearly inhabitation would be higher, the quantity of rooms or beds needed for the guests would be high and the other way around.¹⁰

Dharmarajan (1981), in his investigation, has featured the significance of the public area in the Hotel Industry. He specifies that hotel industry is worked to help as a framework for the travel industry, which has huge potential to acquire benefit because of potential the travel industry development. The business has contributed tremendously to the public exchequer and gave an enormous number of work openings, other than numerous other multipliers impacts in each portion of industry.¹¹

Menon K. M. (1999)¹⁸ in his exploration work, has broken down the monetary execution of Kerala Tourism Development Corporation (KTDC). To investigate monetary execution of KTDC, he has utilized monetary proportions like fixed resources proportion, working capital proportion, net capital utilized proportion, total assets proportion, direct expense proportion, net benefit proportion, premium proportion, profit from speculation proportion, working benefit proportion, net benefit proportion, compensation to deals proportion. Proportion investigation technique is turn for the examination relating to monetary administration of KTDC. For investigating the excess information, different factual devices were utilized like rate, normal, proportions. Other than tables, diagrams and outlines are likewise utilized. He has likewise considered the extent of the travel industry in Kerala and recommended steps to improve it. He reasons that the absence of monetary arranging is very obvious from the examination. The pattern shows that the partnership is resolved to put forth misfortune just since no obvious attempts are being made to fix the things.¹²

RESEARCH METHODOLOGY

Research Objective

- To examine the financial performance of Mahindra Holidays & Resorts India Limited.
- To analyze the profitability of Mahindra Holidays & Resorts India Limited.

Research Design and Data

The Study was done by applying descriptive research. We have conducting research by using data of Mahindra Holidays & Resorts India Limited. Data sources used in study are balance sheet and profit and loss account. Data are collected from website of Mahindra Holidays & Resorts India Limited.

⁹Anand M. M. (1976): "Tourism and Hotel Industry in India", Prentice-Hall of India, New Delhi, p.1.

¹⁰Bhatia A. K. (1978): "Tourism in India History and Development - Principles and Practice", Sterling Publications, New Delhi.

¹¹Dharmarajan (1981): "Hoteleering in the Public Sector", in: 'Indian and Foreign Trade Review', Vol. 19 (2), 16th November, 1981.

¹² Menon K. M. (1999): "Tourism Management in India", Prinwell Publishers and Distributors.

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Hypothesis of the study

- H_0 = *There is no significant difference in net profit ratio of Mahindra Holidays & Resorts India Limited.*
- H_1 = *There is significant difference in net profit ratio of Mahindra Holidays & Resorts India Limited.*

ABOUT MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Mahindra Holidays and Resorts India Limited are engaged in the business of resorts, hotels, vacation facilities, leisure activities and related ancillary activities. The principal activity of the Company is to carry out the business of building and operating holiday resorts in India and abroad. As of March 31, 2012, the Company had 143,258 memberships. The Company's products include Jiyo Life-Lifetime Holidays, Club Mahindra Fundays and other products, such as Club Mahindra Travel, Mahindra Homestays and Zest my kinda breaks.

During the financial year 2019-20, your Company has registered a creditable performance given the subdued macroeconomic environment and relatively poor consumer sentiment towards discretionary purchases which was evident in the first three quarters of the year. The outbreak of Corona virus (COVID-19) pandemic has caused significant slowdown of economic activity in March 2020. Traditionally, March is a peak month for your Company, but due to COVID-19, the business operations of your Company have been adversely affected specially, new Member Additions and Resort Operations. During the latter part of March 2020, the Management took the decision for phased closing of resorts considering the safety of members and employees of your Company, which affected the resort occupancies.

TABLE: NET PROFIT RATIO OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

(` in Lakhs)

Year	Net Profit	Sales	Net Profit Ratio (%)
2015-16	9906.38	159858.69	6.20
2016-17	14555.25	226661.16	6.42
2017-18	13277.04	231692.20	5.73
2018-19	5957.19	223899.36	2.66
2019-20	6546.69	237186.67	2.76
Average	10048.51	215859.62	4.66

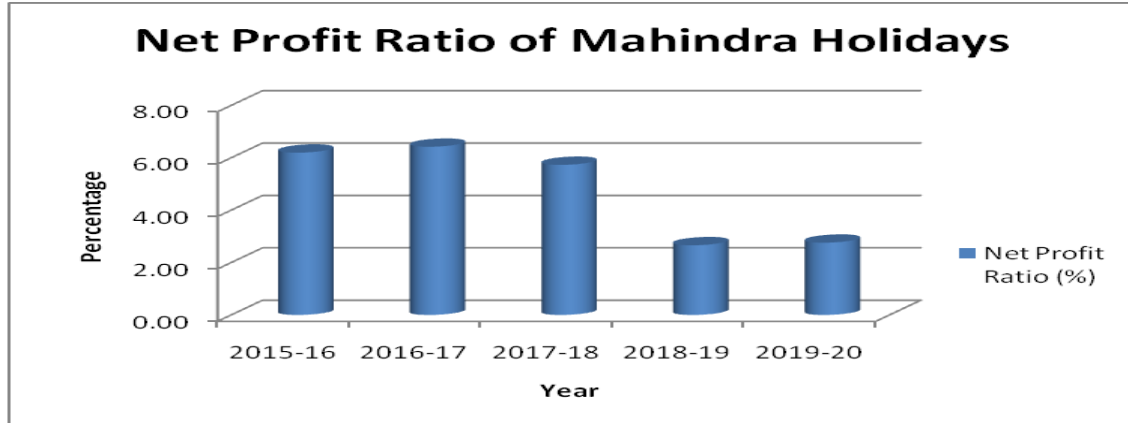
Source : Annual reports of Mahindra Holidays & Resorts India Limited

The net profit of this company shows in the above table from the year 2015-16 to 2019-20. The net profit of the company was ` 9906.38 lakhs in the year 2015-16. The net profit was decreased to ` 14555.25 lakhs in the year 2016-17, it was the highest net profit throughout the last five years. It was decreased in the next year. The net profit of the company was ` 5957.19 lakhs in the year 2018-19, it was the lowest net profit throughout the last five years. The net profit of the company was ` 6546.69 lakhs in the year 2019-20 and the average net profit of the company is ` 10048.51 lakhs.

The sales of this company show that from the above table from the year 2015-16 to 2019-20. The sales of the company was ` 159858.69 lakhs in the year 2015-16, it was the lowest sales in the last five years. The sales of the company was continuous increased in the next two years. It was decreased in the year 2018-

19. The sales of the company was ` 237186.67 lakhs in the year 2019-20, it was the highest sales throughout the last five years. The average sales of the company is ` 215859.62 lakhs.

CHART: NET PROFIT RATIO OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED



The statically hypothesis testing through appropriate test also calculated below to understand its profitability by net profit ratio.

HYPOTHESIS TESTING

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
Net Profit	5	50242.55	10048.51	14938988.75
Sales	5	1079298	215859.616	1005732124

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	105895528	1	105895528	207.5	5.27	5.31
Within Groups	4082684	8	510335			
Total	109978212	9				

INTERPRETATION

From the above calculation calculated value of $F = 207.5$ and Critical Value of $F = \pm 5.31$. Here null hypothesis false under the rejection region of the critical value = ± 5.31 , so that null hypothesis is rejected. So, there is significant difference in net profit ratio of Mahindra Holidays & Resorts India Limited.

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Result of Hypotheses Testing

H₁ = There is significant difference in net profit ratio of Mahindra Holidays & Resorts India Limited.

CONCLUSION

Traveler is a populace, which typically goes to foreordained objections for whatever reasons, burns-through the travel industry items while voyaging and gets back after a short period. The travel industry signifies the transitory and momentary development of individuals to objections outside where they regularly live and work and their exercises at those destinations. The travel industry accepts all development of individuals outside their local area for all reasons, with the exception of relocation or standard day by day work. The most regular explanation behind this development is for occasions, however it will likewise incorporate, for instance, participation in gatherings and development on irregular or rare business purposes.

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Annual Reports:

Annual reports of Mahindra Holidays & Resorts India Limited.