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MANAGEMENT OF RECEIVABLES AND PAYABLES IN INDIAN PAPER INDUSTRY

- A Comparative Analysis of SPML and International Paper APPML

Dr.Yellaswamy Ambati¹

¹Lecturer, Department of Commerce, Lal Bahadur College, S.V.P. Road, Warangal – 506007, Telangana State, India

ABSTRACT

Management of receivables are customers who have not yet made payment for goods and services which the firm has provided. The objective of the debtor management is to minimise the time –lapse between completion of sales and receipts of payment. The management of accounts receivables is largely influenced by the credit policy and collection procedure of a firm. A credit policy specifies requirements to value the worth of customers and a collection procedure which provides guidelines to collect unpaid invoice that will reduce delays for customer who have not yet made payment for goods and services and outstanding receivables. In Indian paper industry the management of receivables and payables are playing an important role for effective profitability. This paper presents the receivables and payables of SPML and International Paper APPML, to analyse the debtor's turnover ratio, average collection period and its impact on profitability.

KEY WORDS: Receivables, Payables and Profitability.