ABSTRACT

This Project Report entitle to "**AN ABSTRACTION ON LOAN MANAGEMENT BY THE HOSPITALS DURING PANDEMIC WITH REFERNCE TO COVID SPECIALITY CENTRES IN TAMILNADU".** In India healthcare is one of the largest Industry. Hospitals serve an important role during pandemic period. The main objective of the project is to know how the hospitals get loan facilities and how they manage and to determine the reason on how they cannot manage this problem within the hospitals and to ascertain how they allocate the loan amount in a smart manner. The details of this study are extracted from websites. Secondary data of various hospitals of balance sheet, profit and loss and cash flow statement are used for period of five years i.e., from 2016-17 to 2020-21. The tools which are used here are profitability ratios. While comparing the Profit and Loss account of all the three hospitals except CMMH have earned profit. It is advisable that the hospitals must manage its resources wisely to strengthen the financial position.

The conclusion of this project is that it is the duty of the hospitals to maintain sufficient resources and use it efficiently for the betterment of mankind

AN ABSTRACTION ON LOAN MANAGEMENT BY THE HOSPITALS DURING PANDEMIC WITH REFERENCE TO COVID SPECIALITY CENTRES IN TAMIL NADU

CHAPTER 1

INTRODUCTION AND DESIGN OF THE STUDY

HEALTH IS WEALTH

1.1 INTRODUCTION:

In India healthcare is one of the largest industries. Hospitals serve an important role during pandemic period. So financial management is an unavoidable in hospitals.

A loan management system is a digital platform that helps automate every stage of the loan lifecycle, from application to closing. The traditional loan management process is meticulous, time-consuming, and requires collecting and verifying information about applicants, their trustworthiness, and their credibility. Further, the process involves calculating interest rates and supervising payments. A loan servicing software not only automates these procedures but also provides useful analytics and insights for lenders and borrowers. The statement of cash flows provides data on all the cash flows a business receives from ongoing operations and from outside investment.

A profit and loss are an indicator of the health of a business. It allows banks and investors to view our company's total revenue, debt and financial stability. Profit and loss statements of are important because many hospitals are required by law or union membership to complete them.

The Balance Sheet is a statement for the purpose of knowing the monetary position of the Professional Association on a given date. It is a mirror that reflects the actual situation of resources and liabilities on the point of interest. In this research, I compared the KMCH, Apollo, CMMH and Metropolis hospitals.

1.2 OBJECTIVES:

- To know how they get loan facilities and how they manage it because it influences the people also.
- To ascertain the reason for getting loan.
- To ascertain the problems impeding the smooth functioning of the hospitals in the study area.
- To know the managerial and technical tools used for managing the loans.
- To determine the reason on how they cannot manage this problem within the hospitals and to ascertain how they allocate the loan amount in a smart manner

1.3 SCOPE OF STUDY:

It is not easy to manage the financial crisis during pandemic. Service sector is mostly affected especially hospitals. Website information are used for this study. The scope of the study lies in addressing the challenges of the study objectives. It is important to identify the best resources, how to allocate on how to manage it.

1.4 PROBLEM STATEMENT:

This study deals with the increasing pressure on hospitals to sustain and improve their financial performance. Hospitals are required to get financial assistance from various resources and utilise it from the stability of financial performance.

1.5 RESEARCH METHODOLOGY:

Research Methodology is a way to systematically solve the research problem. It may be understood as a Science of studying how research is done scientifically. Here the following steps are adopted.

1.5.1 DATA SOURCE

The data for this study is extracted from websites. Secondary data of various hospitals of balance sheet, profit and loss account and cash flow statement are used.

1.5.2 PERIOD OF STUDY:

This study is conducted for period of five financial years I.e., from 2016-17, to 2020-

1.5.3 TOOLS AND TECHNIQUES:

In this project the tools which is used here are profitability ratios such as Current Ratio, Liquid Ratio, Net Profit Ratio, Debt Equity Ratio, Operating Ratio and Operating Profit Ratio and Comparative Statement

1.6 LIMITATIONS OF THE STUDY:

This study is entirely based on the financial statements of hospitals:

- It is not possible to use all types of statistical tools and techniques
- The study is based on secondary data.
- The entire study is based on four hospitals in Tamil Nadu.
- This study is related to monetary matters only.
- This study is not deal with common people's view. For E.g.: patient's perception, satisfaction, etc.

CHAPTER 2

REVIEW OF LITERATURE

Sarma, Manoj Kumar (2018) [1] - This is based on purposive sampling keeping the sample size 340. Simple status tickle methods, bar diagrams and tables are used for sample data analysis. This exploratory study has the potential to pave way for future researches to carry on analytical or statistical research on hypotheses which can be framed out of this work about Human Resource Management Practices Government Hospitals and also about other issues related to bringing in professionalism in Hospital Administration. This study and its results can help the policy makers in bringing in necessary changes in policies pertaining to health administration and can throw light on areas like need of restructuring the organizational structure of Government Hospitals and tightening of Government control over Private Hospitals to ensure absence of any sort of exploitation over its employees.

Yadhuvashi, Deepak (2018) [2] **-** Lean is an integrated system of principles, practices, tools and techniques focused on reducing waste, synchronizing work flows and managing variability in production flows or operations. An essential distinction in lean is between value and non-value-added activities. Value added activities contribute to what the customer wants from a product or service everything else is a non-value-added activity. The lean principles have been now successfully applied to the delivery of health care over the last few years. Lean management primary begins with underlying principle of eliminating waste. In order for lean methodology to be successful and able to enhance the operations the hospital must first work to create an organizational culture that is receptive to lean thinking. The commitment to start lean must start from the top management and the junior staff must be involved. Whether manufacturing a car or delivering health care to a patient, the industry worker or health personal rely on multiple, disorganized, chaotic and complex in-built system and processes to accomplish the goal to deliver value to the customer or patient. It is a widely held dictum that once the lean principles are applied rigorously and throughout an entire organization, can have a positive impact on productivity, cost, quality, and timely delivery in a resource limited setting of Indian Sub-continent. In hospital industry the operational efficiency means rapid access to care, minimum waiting time while at the same time delivering defect free quality care at the minimum cost. I am of the opinion that the Lean thinking in hospitals is a panacea management philosophy to overcome the burgeoning health and hospital industry challenges.

Armenia Androniceanu, Gurgen Ohanyan (2019) [3] - Global financial crisis influenced almost all sectors of countries, affecting significantly the social sectors such as education and healthcare. Many countries could not solely withstand adverse effects of recent crisis and resorted to the International Monetary Fund (IMF) for financial assistance. Given the large criticism of the IMF for neglecting social effects of its bailout conditionality, this paper contains an analysis of its impact on Romanian education and healthcare during the 6 years. Moreover, Romania has been largely criticized for inefficient use of available resources, poor working conditions, low salaries which contribute to mass migration of health and education employees. The research methodology is based on propensity scores in order to identify a counterfactual with similar pre-crisis economic characteristics and by comparative approach reveal whether the IMF programs have been effective in terms of education and healthcare. By selecting Bulgaria as a counterfactual for with-without approach based on proximity of propensity scores, it is revealed that IMF participation has had negative effects on Romanian education and healthcare by decreasing them more than in Bulgaria with self-conditioning. Our findings argue that Romanian authorities should be aware of negative effects of IMF predominantly neo-liberal measures to recover economy, since they are likely to hurt social sector in short and midi-term periods.

Dean. D. Akinleye (2019) [4]**-** Background Hospitals under financial pressure may struggle to maintain quality and patient safety and have worse patient outcomes relative to well-resourced hospitals. Poor predictive validity may explain why previous studies on the association between finances and quality/safety have been equivocal. This manuscript employs principal component analysis to produce robust measures of both financial status and quality/safety of care, to assess our a priori hypothesis: hospital financial performance is associated with the provision of quality care, as measured by quality and safety processes, patient outcomes, and patient centred care. Methods This 2014 cross-sectional study investigated hospital financial condition and hospital quality and safety at acute care hospitals. The hospital financial data from the Centres for Medicare and Medicaid Services (CMS) cost report were used to develop a composite financial performance score using principal component analysis. Hospital quality and patient safety were measured with a composite quality/safety performance score derived from principal component analysis, utilizing a range of established quality and safety indicators including: risk-standardized inpatient mortality, 30-day mortality, 30-day readmissions for select conditions, patient safety indicators from inpatient admissions, process of care chart reviews, CMS value-based purchasing total performance score and patient experience of care surveys. The correlation between the composite financial performance score and the composite quality/safety performance score was calculated using linear regression adjusting for hospital characteristics. Results Among the 108 New York State acute care facilities for which data were available, there is a clear relationship between hospital financial performance and hospital quality/safety performance score (standardized correlation coefficient 0.34, p<0.001). The composite financial performance score is also positively associated with the CMS Value Based Purchasing Total Performance Score (standardized correlation coefficient 0.277, p = 0.002); while it is negatively associated with 30 day readmission for all outcomes (standardized correlation coefficient -0.236, p = 0.013), 30-day readmission for congestive heart failure (standardized correlation coefficient -0.23, p = 0.018), 30 day readmission for pneumonia (standardized correlation coefficient -0.209, p = 0.033), and a decrease in 30-day mortality for acute myocardial infarction (standardized correlation coefficient -0.211, p=0.027). Used alone, operating margin and total margin are poor predictors of quality and safety outcomes.

Ronald Trigueros (2019)[5] - The researcher used the subway an interview method to gather data from his respondents. With the use of the survey form he was able to gather the data faster and the interview helped me verify all the information in the survey form. His respondents work teaching and non-teaching personnel from the biggest secondary schools in DepEd Calambus city. loans are good if people have enough salary to its payment as it becomes the only solution to solve financial problems some of the employees have experienced this situation and they have no choice but to file a loan. Some teachers use their loans to pursue further education for promotion while others use their loan to buy gadgets such as laptops for school use in computing rates, preparing lesson plans and teaching materials.

Asha.R(2019) [6] - It is an integral part of a social and medical organisation, the function of which is to provide for the population complete health care, both curative and preventive, and whose out-patient services reach out to the family and its home environment. The hospital is also a centre for the training of health workers and for bio-social research. The statistical tools used here are sample size, percentage distribution, breakup, average patience birthday, mean and standard deviation, map, sample layout.

Teltumbeede, Ganesh Ramesh (2019) [7] - The important keywords are social science, Economics and Business, management financial, management medical tourism, BSE listed hospitals in India. The statistical tools used are chart, table, survey, bar diagram and data collection. Healthcare industry offers various services like medical treatments, paramedical services, holistic medical services, medical transcription services, wellness therapies, Medical Tourism etc, in which Medical Tourism is an emerging market in the world, which covers the private medical care in alliance with the tourism industry.

Patel, Prathiba.M(2020) [8] - The keywords used your heart the Indian hospitals come off financial performance, indicators command dimensions, efficiency, moderator role, panel data analysis. It explores the studies relating to financial performance of hospitals and the use of ratios for such an evaluation.

Tiwari. M (2020) [9]- The main keywords are Economics and Business hospitals-administration management, patient satisfaction, social science and the statistical tools used in this are data collection, source of sample survey, questionnaire.

Charlotta Levay, Johan Jönsson, Tony Huzzard (2020) [10] - This paper outlines promising avenues for empirical research on quantified control in healthcare work. A review of key insights from accounting, organization studies, and the emergent sociology of quantification indicates that numbers are productive as well as deceptive and seductive, that they enable control but can be evaded, and that they typically have unintended effects. It remains to be further explored how multiple forms of measurement and quantified control play out in everyday healthcare work. Other questions worth probing concern the limits and capabilities of numbers as a shared language, the differential and disciplinary effects of numbers on social groups, the use of numbers for impression management, and how people manage to resist or mobilize numbers for different purposes. Calling for additional qualitative, close-up studies, the paper proposes a research focus on everyday practices and the interactions of diverse control measures. It sets out several fruitful methodological pathways, both the well-established approaches of ethnography and ActorNetwork Theory and the more novel approaches of investigating numbers as communicative acts or as dramaturgical performances.

Soroush Saghafian(2021) [11] - A substantial of United States (US) hospitals have closed in recent years. The trend of closures has accelerated during the COVID 19 pandemic as hospitals have experienced financial hardship from reduced patient volume and elective surgery cases well as this financial margin for treating patients with COVID-19. This trend of hospital closures is concerning for patient, healthcare providers and policymakers. in this current piece, we first describe the challenges caused by hospitals closures and discuss what policymakers should know based on the existing research. We then discuss unique opportunities for researchers to inform policymakers by conducting careful studies that can shed light on different implications, trade-offs, and consequences of various strategies that can be followed.

Gayathri Kuppuswamy (2021) [12] - The healthcare workforce is an integral part of every country particularly so for a populous country such as Data collection was done by the use of a Likert scale -based questionnaire. The questionnaire collected information on both demographic aspects and the objectives planned off the research. Statistical tools such as correlation, reliability test, ANOVA and regression was done for analysis of data collected.

Priya Harikumar (2021) [13] - The important keywords are Engineering Mechanical; Healthcare; Indian Hospital Systems; pharmaceutical industry; risk management; Lean techniques; lean manufacturing; patient satisfaction; quality of treatment; Healthcare systems. With their increasing importance in the global economy, Services are becoming critical in a countries economic progress. Growth in service sector is being taken as the indicator of country s economy progress. A radical shift is witnessed at present, with the share of world’s GDP accounted for by service sector experiencing a sharp increase in almost all countries. Hospitals must focus on faster adoption of latest technology and cost-efficient operations to make healthcare delivery better and also cost-effective. Today with many professionally managed hospitals, even private equity players and financial institutions, have a say in the running of a hospital apart from the regular stakeholders.

Sanghvi, Nivali.D (2021) [14]**-** They say about Economics and Business, healthcare services, management scum up private hospitals, quality of care, social science, dressed hospitals. In this they used like art scale questionnaire is being used to collect data. Also, they used factor analysis, parametric test, regression analysis, has been selected for this research.

Steven A Finkler, Thad D Calabrese, Daniel L Smith (2022) [15] **-** Reflecting recent changes in accounting standards, this Seventh Edition of Financial Management for Public, Health, and Not-for-Profit Organizations provides a comprehensive yet practical introduction to the financial decision-making and management skills required of students and practitioners in the public, health, and not-for-profit sectors. Assuming that readers have no prior training in financial management, the authors artfully combine the principles, theory, and analytics of accounting and finance. In every chapter, a wide range of exercises, case studies, and problems help students develop strong financial assessment and judgment proficiencies while reinforcing the essential mechanics of accounting.

LESSON 4

ANALYSIS AND INTERPRETATION

4.1 CURRENT ASSET:

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average may indicate a higher risk of distress or default. Similarly, if a company has a very high current ratio compared with its peer group, it indicates that management may not be using its assets efficiently.

FORMULA OF CALCULATING CURRENT RATIO:

To calculate the ratio, analysts compare a company's current assets to its current liabilities. Current assets listed on a company's balance sheet include cash, accounts receivable, inventory, and other current assets (OCA) that are expected to be liquidated or turned into cash in less than one year. Current liabilities include accounts payable, wages, taxes payable, short-term debts, and the current portion of long-term debts.

$$\boxed{\text{CURRENT RATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}}$$

4.2 LIQUID RATIO:

Liquidity ratios are an important class of financial metrics used to determine a debtor's ability to pay off current debt obligations without raising external capital. Liquidity ratios measure a company's ability to pay debt obligations and its margin of safety through the calculation of metrics including the current ratio, quick ratio, and operating cash flow ratio.

UNDERSTANDING LIQUID RATIO:

Liquidity is the ability to convert assets into cash quickly and cheaply. Liquidity ratios are most useful when they are used in comparative form. This analysis may be internal or external. Alternatively, external analysis involves comparing the liquidity ratios of one company to another or an entire industry. This information is useful to compare the company's strategic positioning to its competitors when establishing benchmark goals. Liquidity ratio analysis may not be as effective when looking across industries as various businesses require different financing structures. Liquidity ratio analysis is less effective for comparing businesses of different sizes in different geographical locations.

THE QUICK RATIO:

The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets and therefore excludes inventories from its current assets. It is also known as the acid test ratio:

$$\text{LIQUID RATIO} = \frac{\text{CURRENT ASSETS- STOCK (INVENTORIES)}}{\text{CURRENT LIABILITIES}}$$

4.3 NET PROFIT RATIO:

The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. As such, it is one of the best measures of the overall results of a firm, especially when combined with an evaluation of how well it is using its working capital. The measure is commonly reported on a trend line, to judge performance over time. It is also used to compare the results of a business with its competitors. Net profit is not an indicator of cash flows, since net profit incorporates a number of non-cash expenses, such as accrued expenses, amortization, and depreciation.Net profit ratio shows the relationship between net profit and revenue from operations i.e., net sales. Net profit ratio is an indicator of overall operational efficiency of the business

$$\text{NET PROFIT RATIO} = \frac{\text{NET PROFIT}}{\text{REVENUE FROM OPERATIONS}} \times 100$$

HOW TO IMPROVE NET PROFIT:

It can be difficult to improve a firm's net profit ratio, since a business tends to pursue the highest profit opportunities first, leaving lower-margin sales for later. A good way to avoid this trap is to pursue economies of scale, so that it becomes less expensive to generate each additional sale. This can be accomplished by engaging in bulk purchases in order to drive down the cost of materials per unit. Another option is to invest in product redesigns and automation in order to reduce the labor involved in product assembly. These actions will eventually reduce product costs, which improves the net profit ratio.

4.4 DEBT EQUITY RATIO:

Solvency Ratios Solvency ratios judge the long-term financial position of an enterprise i.e., whether business is able to pay its long-term liabilities or not. Debt to Equity ratio It establishes the relationship between long-term debt (external equities) and the equity (internal equities) i.e., shareholders' funds. It is computed to ascertain soundness of the long-term financial position of the firm. Generally, the ratio of 2:1 is considered as an ideal. Debt to Equity Ratio = Debt (Long-term external equities) Equity (Shareholders' funds) Items Included in Long-term Debts It includes long term borrowings and long-term provisions. Items Included in Equity or Shareholders' Funds Equity or Shareholders' fund

$$\text{DEBT EQUITY RATIO} = \frac{\text{TOTAL LONG-TERM DEBTS}}{\text{SHAREHOLDER'S FUND}}$$

4.5 OPERATING RATIO:

Operating ratio establishes the relationship between operating cost and revenue from operations i.e., net sales.

$$\text{OPERATING RATIO} = \frac{\text{OPERATING COST}}{\text{REVENUE FROM OPERATIONS}} \boxed{100}$$

4.6 OPERATING PROFIT RATIO:

Operating profit ratio establishes the relationship between the operating profit and i.e. (revenue from operations) net sales. Operating profit ratio is an indicator of operational efficiency of the business.

OPERATING PROFIT RATIO= 100- OPERATING RATIO

4.1 ANALYSIS AND INTERPRETATION:

Analysis and Interpretation refers to a systematic and critical examination of the financial statements. It not only establishes cause and effect relationship among the various items of the financial statements but also presents the financial data in a proper manner.

The main purpose of Analysis and Interpretation is to present the financial data in such a manner that is easily understandable and self-explanatory. This not only helps the accounting users to assess the financial performance of the business over a period of time but also enables them in decision making and policy and financial designing process.

A STEP-BY-STEP APPROACH:

When you're dealing with data, it can help to work through it in three steps:

1. **ANALYSE:**

Examine each component of the data in order to draw conclusions. We need to notice any patterns or trends which has changed in any of the hospitals. If we found any errors or inconvenience, we need to analyse on what kind of error is happened and how to rectify it in future we should analyse.

2. **INTERPRET:**

Explain what these findings mean in the given context. What does this mean for your reader? What story is the data telling?

3.PRESENT:

Select, organise and group ideas and evidence in a logical way. By presenting we come to know why findings are most relevant or important to know. By showing in the form of text or graphics it helps the readers to understand what the report is saying about it.

HOW ANALYSIS WORKS?

1. CHOOSE A TOPIC:

Begin by choosing the elements or areas of your topic that you will analyse. You'll need to break down the topic, theory, issue, or story that you are analysing into its various pieces or parts.

2. TAKE NOTES

Make some notes for each element you are examining by asking some WHY and HOW questions, and do some outside research that may help you to answer these questions.

3. DRAW CONCLUSION:

Make some overall conclusions based on your questions and answers for each of the elements you have analysed. Your conclusions will be your analysis that you write in your paper.

4.1.1 CHENNAI MEENAKSHI MEDICAL HOSPITALS:

ANALYSIS:

PARTICULARS	2021	2020	2019	2018	2017
CURRENT RATIO	0.50	0.47	0.41	0.39	0.35
LIQUID RATIO	0.45	0.41	0.36	0.32	0.29
NET PROFIT RATIO	(6.20)%	2.21%	0.21%	6.66%	4.83%
DEBT EQUITY RATIO	2.54	3.38	2.90	2.08	2.17
OPERATING RATIO	96.72%	90.49%	89.67%	84.60%	92.12%

OPERATING PROFIT RATIO	3.28%	9.51%	10.33%	15.4%	7.88%

TABLE 4.1.1

SOURCE: Collected from Annual Report

INTERPETATION:

- Comparing on current ratio of CMMH Hospital in all the 5 years it doesn't cross the ideal ratio of 2:1, due to less number of inventories, Trade receivables, current assets and more number of Trade Payables, and Other current liabilities. So, it is negative.
- The report of liquid ratio shows that it doesn't reach the ideal ratio of 1:1 because of less number of inventories made in all 5 years. So, it is negative
- This hospital has reached the highest profit earning per year in the year 2017-18 with the percentage of 6.66% whereas in the year 2020-21 faced a huge loss with the percentage of 6,20% because of huge expenses spent in the year 2020-21 especially in other expenses.
- In the year 2019-20, it has got the highest debt with the value of 3.38 due to the highest amount which is borrowed for Rs. 114,763 826 also in other equity it faces a loss on Rs. 110,295,362. Whereas in the year 2016-17, it comes within the ideal ratio of 2 or 2.5:1 by which we can understand that the status is good in 2016-2017
- This hospital has the highest Operating ratio in the year 2020-21 with the percentage of 96.72%, whereas the least operating ratio is in the year

2017-18, were 84.60% due to decrease in inventories of finished goods in 2017-18.

- In Operating profit ratio, it has the highest percentage in the year 2018-19 as 15.4% whereas in the year 2020-21 it has the least percentage of 3.28% due to decrease in inventories, trade and other receivables and trade payables.

4.1.2 KMCH [KOVAI MEDICAL CARE HOSPITALS]:

PARTICULARS	2021	2020	2019	2018	2017
CURRENT RATIO	1.36	1.35	1.06	1.14	0.97
LIQUID RATIO	1.28	1.23	0.98	1.04	0.88
NET PROFIT RATIO	11.25%	13.28%	9.58%	9.78%	11.37%
DEBT EQUITY RATIO	1.09	1.19	1.00	0.59	0.39
OPERATING RATIO	71.98%	76.38%	78.91%	70.75%	57.65%
OPERATING PROFIT RATIO	26.99%	23.34%	19.06%	29.25%	42.35%

TABLE 4.1.2

SOURCE: Collected from Annual Report

INTERPRETATION:

- Comparing on current ratio of KMCH Hospital in all the 5 years it doesn't cross the ideal ratio of 2:1, due to less number of inventories, Trade receivables, current assets and more number of Trade Payables, and Other current liabilities. So, it is negative.

- The report of liquid ratio shows that it doesn't reach the ideal ratio of 1:1 because of less number of inventories made in the year 2016-17, 2018-19 So it is negative. Whereas remaining 3 years it has the ideal ratio of 1:1, so it is positive.
- This hospital has reached the highest profit earning per year in the year 2019-20 with the percentage of 13.28% whereas in the year 2018-19it earns a less profit with the percentage of 9.58%
- This hospital has only a smaller number of debts in all the 5 years. This indicates that they are gaining more profit they borrowed only little bit of money only for exceptional cases. Also, they are settling the debt amount whenever they borrowed.
- This hospital has the highest Operating ratio in the year 2018-19 with the percentage of 78.91%, whereas the least operating ratio is in the year 2016-17 with the percentage of 57.65% due to decrease in inventories of finished goods in 2016-17.
- In Operating profit ratio, it has the highest percentage in the year 2016-17 as 42.35% whereas in the year 2018-19 it has the least percentage of 19.06% due to decrease in inventories, trade and other receivables and trade payables.

4.1.3 APOLLO HOSPITALS:

PARTICULARS	2021	2020	2019	2018	2017
CURRENT RATIO	1.99	1.19	1.22	0.33	0.12
LIQUID RATIO	1.85	0.82	0.88	0.24	0.12
NET PROFIT RATIO	1.08%	4.80%	3.36%	2.99%	(33.8%)
DEBT EQUITY RATIO	0.37	0.62	0.66	0.68	0.06
OPERATING RATIO	87.65%	68.41%	88.78%	88.44%	77.37%
OPERATING PROFIT RATIO	12.35%	31.59%	11.22%	11.56%	(17.60%)

TABLE 4.1.3

SOURCE: Collected from Annual Report

INTERPRETATION:

- Comparing on current ratio of APOLLO Hospital in all the 5 years it doesn’t cross the ideal ratio of 2:1, due to less number of inventories, Trade receivables, current assets and more number of Trade Payables, and Other current liabilities. So, it is negative.
- The report of liquid ratio shows that it doesn't reach the ideal ratio of 1:1 because of less number of inventories made in years of 2016-17, 2017-18, 2018-19, 2019- 20. So, it is negative. Whereas in the year 2020-21 it reaches the ideal ratio of 1:1, So it is positive.

- This hospital has reached the highest profit earning per year in the year 2019-20 with the percentage of 4.80% whereas in the year 2016-17 faced a huge loss with the percentage of 33.8% because of huge expenses spent in the year 2020-21 especially in other expenses.
- This hospital has only a smaller number of debts in all the 5 years. This indicates that they are gaining more profit they borrowed only little bit of money only for exceptional cases. Also, they are settling the debt amount whenever they borrowed.
- This hospital has the highest Operating ratio in the year 2018-19 with the percentage of 88.78%, whereas the least operating ratio is in the year 2019-20 were 68.41% due to decrease in inventories of finished goods in the year 2019-20.
- In Operating profit ratio, it has the highest percentage in the year 2019-20 as 31.59% whereas in the year 2016-17 it faces the huge loss with the percentage of 17.60% due to decrease in inventories, trade and other receivables and trade payables.

4.1.4 METROPOLIS MEDICAL CARE:

PARTICULARS	2021	2020	2019	2018	2017
CURRENT RATIO	3.21	2.26	2.44	3.01	1.63
LIQUID RATIO	3.06	2.12	2.23	2.80	1.57
NET PROFIT RATIO	24.23%	16.84%	16.24%	18.51%	20.97%
DEBT EQUITY	0.19	0.53	0.005	0.76	0.95

RATIO					
OPERATING RATIO	70.66%	74.05%	75.11%	70.81%	69.67%
OPERATING PROFIT RATIO	29.34%	25.95%	24.89%	29.19%	30.33%

TABLE 4.1.4

SOURCE: Collected from Annual Report

INTERPRETATION:

- Comparing on current ratio of METROPOLIS HEALTHCARE Hospital in all the 5 years it doesn’t cross the ideal ratio of 2:1, in the year 2017 due to less number of inventories, Trade receivables, current assets and more number of Trade Payables, and Other current liabilities. So, it is negative. But in the remaining four years from 2018 to 2021 it crosses the ideal ratio of 2:1. So it is positive.
- The report of liquid ratio shows that it reaches the ideal ratio of 1:1 because of more number of inventories and others made in all 5 years. So, it is positive.
- This hospital has reached the highest profit earning per year in the year 2020-21with the percentage of 24.23% whereas in the year 2018-19earned less amount of profit with the percentage of 16.84%.
- This hospital has only a smaller number of debts in all the 5 years. This indicates that they are gaining more profit they borrowed only little bit of money only for exceptional cases. Also, they are settling the debt amount whenever they borrowed.

- This hospital has the highest Operating ratio in the year 2018-19 with the percentage of 75.11%, whereas the least operating ratio is in the year 2017-18, were 84.60% due to decrease in inventories of finished goods in 2017-18.
- In Operating profit ratio, it has the highest percentage in the year 2016-17 30.33% whereas in the year 2018-19, it earns the least percentage of 24.89% due to decrease in foreign exchange loss amount, provision for bad and doubtful debts, interest income, interest income on income tax refund and dividend from mutual funds and related parties.

4.2 COMPARITIVE STATEMENT OF HOSPITALS:

A comparative statement is a document used to compare a particular financial statement with prior period statements. Previous financials are presented alongside the latest figures in side-by side columns, enabling investors to identify trends, track a company's progress and compare it with industry rivals.

HOW COMPARITIVE STATEMENT WORKS:

Analysts, investors, and business managers use a company's income statement, balance sheet, and cash flow statement for comparative purposes. They want to see how much is spent chasing revenues from one period to the next and how items on the balance sheet and the movements of cash vary over time.

COMPARING THE PROFIT AND LOSS ACCOUNT AND BALANCE SHEET:

Comparative statements show the effect of business decisions on a company's bottom line. Trends are identified and the performance of managers, new lines of business and new products can be evaluated, without having to flip through individual financial statements. Comparative statements can also be used to compare different companies, assuming that they follow the same accounting principles. For example, they can show how different businesses operating in the same industry react to market conditions. Reporting just the latest dollar amounts makes it hard to compare the performances of companies of various sizes. Adding prior period figures, complete with percentage changes, helps to eliminate this problem. The Securities and Exchange Commission (SEC) requires public companies to publish comparative statements in 10-K and 10-Q reports.

CASH FLOW STATEMENT:

Every business must generate sufficient cash inflows to pay for operations. For example, managers may compare the ending balance in cash each month over the past two years to determine if the ending cash balance is increasing or declining. If company sales are growing, the manufacturer requires more cash to operate each month, which is reflected in the ending cash balance. A downward trend in the ending cash balance means that the receivable balance is growing and that the firm needs to take steps to collect cash faster.

INCOME STATEMENT:

A percentage of sales presentation is often used to generate comparative financial statements for the income statement - the area of a financial statement dedicated to a company's revenues and expenses. Presenting each revenue and expense category as a percentage of sales makes it easier to compare periods and assess company performance

4.2.1 STATEMENT OF AFFAIRS OF HOSPITALS:

PARTICULARS	APOLLO	METROPOLIS	CMMH	KMCH	TOTAL
NON-CURRENT ASSETS	669150	41707.08	1323.92092	109250.27	821431.27092
PERCENTAGE	81.46%	5.07%	0.14%	13.29%	100%
CURRENT ASSETS	303770	51636.83	596.20985	18830.29	374833.32985
PERCENTAGE	81.04%	13.77%	0.15%	5.02%	100%
EQUITY OR SHAREHOLDERS FUND	520150	70892.53	(477.02800)	50999.84	642042.37
PERCENTAGE	81.01%	11.04%	0	7.94%	100%
NON-CURRENT LIABILITIES	300640	6651.71	1215.33779	62357.54	3717764.58779
PERCENTAGE	80.86%	1.78%	0.32%	17.01%	100%
CURRENT LIABILITIES	152120	15799.67	1181.82098	13823.18	182924.67098
PERCENTAGE	83.16%	8.63%	0.64%	7.55%	100%

TABLE 4.2.1

SOURCE: Collected from Annual Report

INTERPRETATION:

- In non-current Assets the highest percentage is earned by the Apollo Hospital with the percentage of 81.46% whereas the least percentage is earned by CMMH hospital with 0.14% is because of decrease in capital work in progress.
- In Current Assets the highest percentage is earned by Apollo Hospital with the percentage of 81.04% whereas the least percentage is earned by CMMH Hospital with 0.15% due to decrease of other current assets.
- Talking about Equity share capital where Apollo Hospital has the highest percentage of 81.01% whereas the least percentage is earned by KMCH Hospital with the percentage of 7.94% due to decrease in equity share capital. CMMH Hospital faced a loss of 0.07% due to decrease of other equity of Rs. 122,392,000.
- Talking about Non- Current Liabilities Apollo Hospital has the highest percentage of 80.86% due to increase in borrowings, whereas the least percentage is earned by CMMH Hospital with the percentage of 0.03%.
- Talking about Current Liabilities Apollo Hospital has the highest percentage of 83.16% due to increase of total Outstanding due of creditors other than micro enterprise and small enterprise, whereas the least percentage is earned by CMMH Hospital with the percentage of 0.64%.

4.2.2 STATEMENT OF PROFIT AND LOSS OF HOSPITALS:

PARTICULARS	APOLLO	METROPOLIS	CMMH	KMCH	TOTAL
TOTAL INCOME	917120	86475.59	2000.09319	20221.53	1025817.21319

PERCENTAGE	89.40%	8.42%	0.19%	1.97%	100%
TOTAL EXPENSES	898540	61870.80	2125.06505	59647.91	1022183.77505
PERCENTAGE	87.90%	6.05%	0.20%	5.83%	100%
TOTAL PROFIT FOR THE YEAR	9940	19532.90	(120.96638)	7896.15	37369.05
PERCENTAGE	26.59%	52.27%	0%	21.13%	100%

TABLE 4.2.2

SOURCE: Collected from Annual Report

INTERPRETATION:

- In total income the highest percentage is earned by the Apollo Hospital with the percentage of 89.40% whereas the least percentage is earned by CMMH hospital with 0.19% is because of decrease in other incomes.
- In total expenses the highest percentage of expenses spent by Apollo Hospital with the percentage of 87.90% due to decrease in changes in inventory of stock -in- trade due to loss, whereas the least percentage is earned by CMMH Hospital with 0.20%.
- Talking about total profit of the year where Metropolis Hospital has the highest percentage of 52.27% whereas the least percentage is earned by KMCH Hospital with the percentage of 21.13% due to decrease in Taxation for earlier years and income tax relating to items that will not be reclassified to profit or loss. CMMH Hospital faced a loss of 0.32% due to increase of expenditure which is spent for Rs.212,506,505.

4.2.3 STATEMENT OF CASH FLOW STATEMENT:

PARTICULARS	APOLLO	METROPOLIS	CMMH	KMCH	TOTAL
NET CASH GENERATED FROM OPERATING ACTIVITIES	91160	24941.79	346.27287	18637.76	135085.82287
PERCENTAGE	67.48%	18.46%	0.25%	13.79%	100%
NET CASH GENERATED FROM INVESTING ACTIVITIES	(76470)	7353.18	(14.03838)	(18048.25)	7353.18
PERCENTAGE	0%	100%	0%	0%	100%
NET CASH USED IN FINANCING ACTIVITIES	(17560)	(2632.75)	(113.89958)	3803.20	3803.20
PERCENTAGE	0%	0%	0%	100%	100%

TABLE 4.2.3

SOURCE: Collected from Annual Report

INTERPRETATION:

- In Net Cash Generated from Operating Activities the highest percentage is earned by the Apollo Hospital with the percentage of 67.48% whereas the least percentage is earned by CMMH hospital with 0.25% is because of decrease in capital work in progress.
- In Net Cash Generated from Investing Activities the highest percentage is earned by metropolis hospitals with the percentage of 100%. In apollo, CMMH, KMCH faced a huge loss due to decreases of purchase of property, plant and equipment, capital work-in-progress and intangible assets, purchase of investments in mutual funds and investment in bank deposits.
- In Net Cash used in Financing Activities the highest percentage is earned by KMCH hospitals with the percentage of 100%. In apollo, CMMH, Metropolis faced a huge loss due to decreases of payment towards lease liability, Repayment of borrowings, Finance costs, dividends paid (including dividend distribution tax) and loss of interest on working capital

LESSON 5

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 FINDINGS:

- In the year 2020-21, the service sector particularly hospitals have faced ups and downs situation.
- Chennai Meenakshi Medical Hospitals is the worst affected one and Apollo is in safe zone.

- While comparing the Profit and loss account all the three hospitals (Apollo, KMCH, Metropolis) except CMMH have earned profit i.e., CMMH met more expenses than its income. Metropolis has earned more profit with Rs. 19755.57 lakhs. Apollo hospital and KMCH Hospital stands in Second and third position.
- Apollo Hospital maintained equal level of assets and liabilities.
- Metropolis and KMCH will manage their assets and liabilities because of their liabilities are lesser than the assets.
- But CMMH will face the impact of liabilities are more than the assets. So, this hospital has to plan more on how to increase more assets than liabilities. This hospital has to change their strategies for the purpose of development and to increase more profits for the future. They need to bring more advanced treatments for the solution to increase more assets than liabilities.
- Comparing the cash flow statement, Hospitals investment activities are worst in Apollo, CMMH, and KMCH except Metropolis and financing activities are also worst in Apollo, Metropolis and CMMH except KMCH.
- Apollo Hospital is in the top place and KMCH is in the last position when comparing Cash flow statement.
- From the above we find that Chennai Meenakshi Medical Hospital is in the position that it has to manage its funds in an effective manner.
- There may be reasons why CMMH can't able to survive not only they have more liabilities but also improper management functioning too is the reason.

5.2 SUGGESTIONS:

According to our findings, CMMH is in the deadline. So, the hospital must overcome from it for its long life. It cannot possible to manage within the hospital.

At any risk, Chennai Meenakshi Medical Hospital must raise funds to solve its problems. It is very necessary for them to allocate the funds in effective and smart manner.

It is advisable that Metropolis and KMCH also manage its resources wisely to strengthen the financial position.

5.3 CONCLUSION:

We all know about the necessity of service sector. All over the world hospitals play an important role in Health Department.

Here, on the basis of secondary data we analyse the loan management of four hospitals of APOLLO, METROPOLIS, CMMH, KMCH. Monetary measures are only taken for this study. Using Ratio Analysis we calculate current ratio, liquid ratio, net profit ratio, debt-equity ratio, operating ratio, operating profit ratio.

With the help of financial statements, statement of affairs of the hospital, statement of profit and loss account and statement of cash flow statement financial position of the hospitals are prepared and compared with the four hospitals. After analysing the findings and suggestions are given.

Last but not least, it is the duty of the hospitals to maintain sufficient resources and use it effectively for the betterment of mankind and make the world better healthy.

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