



**“A STUDY OF PROFITABILITY AND LIQUIDITY OF SELECTED BSE LISTED  
HOSPITALS IN INDIA ”**

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**ABSTRACT:**

Profitability and liquidity position is more important of every companies. Here researcher analysed to component profitability and liquidity from the financial statement. Research focused on selected 5 hospitals for the year of 2018-2019 to 2022-2023. The data has been collected from various secondary sources of selected hospitals and analysed by ratio analysis and single factor ANOVA test, based on analysis then Researchers concluded that there is no significant difference between the ratios of selected sample.

**KEY WORDS:** *Profitability, Liquidity*

**INTRODUCTION:**

Analysis of financial statement is the methodical numerical calculation of the relationship between one fact with the other fact to measure the profitability operational competency and the growth operational of the business. Monetary steadiness of the firm is associated with its ability to procure the benefit and improve the estimation of contributed capital and simultaneously reimbursed it's short and long haul liabilities. Thus, the analysis of financial statement is basically a study of the relationship among various financial facts and fingers as given a set of these statements.

**Meaning of Financial Analysis:**

Financial analysis is the process of identifying monetary strengths and monetary weakness of the firm by properly established the relationships between the items included in balance sheet and profit and loss account of Companies. It additionally helps in present and long time anticipating and development can be related to the assistant of monitory execution examination.

Financial analysis powerful tool is a ratio analysis. A proportion is indicated quotient of two mathematical expression and as the relationship between two or more things. In monetary examination a ratio is used as



benchmark for assessment the monetary position and performance of firm. Ratio analysis is a exceeding powerful methodical tool useful for measuring performance of an operation.

The World health organization has estimated that India will need an extra 80,000 Hospital beds each year of the next 5 years to meet the required of population of India. Healthcare has become one of largest sector of India, both in terms of revenue and employment. Healthcare involves several types of medical devices, hospitals, telemedicine, clinical trials, outsourcing, health insurance, medical tourism and medical equipment. In Indian healthcare sector is growing at a quick pace due to its more powerful coverage increasing expenditure and services by public as well as private players.

In this Research researcher has an analysis of Profitability and Liquidity of selected companies to understand how management of finance plays a determinant role in the growth.

### **REVIEW OF LITERATURE:**

**(N.Sivakumar & Raja, 2015)** have conducted study on financial performance of selected BSC/NSC listed Industries in India. They have Analysed that the main objective of this study is to ascertain the relationship between return on total assets and selected variables. Researchers undertaken ten hotels are listed in BSE/NSE. This study covered 10 years. The major finding of the study is profit margin ratio was positive in the case of EIH, HOTL, COCB, SPER and EIHA and Return on Capital Employed was only positive in the case of MAHH, HOTL and EIHA and Return on Total Assets Ratio positive in the case of MAHH, INTD, SPER and EIHA. Hotel Industry is also the great source of revenue in foreign exchange. Therefore, Researchers concluded that this will be improve financial aspect of the industry and strengthen our nation's GDP.

**(Ramasamy & Joshi, 2016)** have Studied on a study on liquidity and solvency analysis of Indian hotel industry. Their main objective of this study to analyse the liquidity position of the selected hotels. Researchers undertaken based on a four Indian hotel companies. The major finding of this Research was the null hypothesis is accepted in most of cases.

**(Panigrahi, vachhani, & Sisodia, 2022)** have studied on impact of liquidity and profitability on share price: An analysis of Indian cement companies. The main purpose of this study is to understand the impact of liquidity and profitability on the share price of Indian cement companies. Researchers are investigated and then found that the profitability in selected companies is not as high as the companies ability to pay its debts. Liquidity of cement companies are high and profitability is less.

**(Sreegeetha & Revathi, 2022)** have investigated on liquidity and profitability Analysis of Select Electrical Machinery Companies in India. They have analysed that the main aim of their study is to analyse and understand the liquidity and profitability position of selected companies in India. Researchers used Z-score model to predicting company insolvency as well as maintaining monitoring risk- management. In this study



many companies placed in to healthy zone and few selected Companies are in Distress Zone. Conclusion given by researchers the selected companies should improve their liquidity position.

(Ramanuj & Memon, 2023) have investigated on liquidity and profitability analysis of the selected automobile companies of India. The main objective of the study is to the measure liquidity as well as profitability of selected companies and relationship between the liquidity and profitability of selected company. Conclusion given by researchers that there is no impact of liquidity ratio on profitability ratio. So, there is no significant relationship between the liquidity ratio on profitability ratio.

## **RESEARCH METHODOLOGY:**

### **Objective of the Study:**

To know about the various profitability position of the selected hospitals

To know about the various Liquidity position of the selected hospitals

### **Research Design:**

This Research totally based on secondary data. Secondary data sources like journals, articles, periodicals annual reports of sample companies and official website of the sample companies. Researchers collected data from the various websites of the selected hospitals.

The data was collected for five year period from 2019-2020 to 2023-2024. The selected hospitals are as under: Apollo hospitals Enterprises Ltd, Narayana hrudayalaya Ltd, Max healthcare institute Limited, Aster DM Health Ltd, Indraprastha medical corporation Ltd.

### **Tools and techniques of the study:**

- Ratio Analysis
- Single factor ANOVA test

### **Limitations:**

The limitations of this study is following:

The study limited to five years data only. Therefore a detailed evaluate covering a lengthy period which may give slightly different results has not been made.

The study is totally based on secondary data sources like website [www. Moneycontrol.com](http://www.Moneycontrol.com) and the website of selected hospitals. Therefore, the quality of the study depends purely upon reliability, accuracy and quality of the secondary data source.

This study covered only 5 Hospitals.



**Hypotheses:**

$H_0$  = There is no significance difference in gross profit ratios of selected BSE listed hospitals in India During the Study period.

$H_0$  = There is no significance difference in net profit ratios of selected BSE listed hospitals in India during the study period.

$H_0$  = There is no significance difference in current ratios of selected BSE listed hospitals in India during the study period.

$H_0$  = There is no significance difference in quick ratios of selected BSE listed hospitals in India during the study period.

**DATA ANALYSIS:**

**Table no. 1 Gross profit ratio(%)**

<b>Year</b>	<b>Apollo hospitals Enterprises Ltd</b>	<b>Narayanan hrudayalaya Ltd</b>	<b>Max healthcare institute Ltd</b>	<b>Aster DM Health Ltd</b>	<b>Indraprastha medical corporation Ltd</b>
2019-2020	6.96	4.64	-5.23	8.49	5.80
2020-2021	1.92	-7.31	-14.20	-9.11	0.69
2021-2022	13.97	8.51	23.30	8.05	8.90
2022-2023	18.81	13.32	29.56	11.88	10.66
2023-2024	18.26	15.41	36.94	10.27	13.34

(Source: www. moneycontrol.com)

**INTERPRETATION:**

The above table shows that the gross profit ratio of selected hospitals. During 2019-2020 the Gross profit ratio of selected hospitals in which 8.49% of Aster DM Health Ltd is more than compare to other Selected hospitals. In 2020-2021 the highest gross profit ratio is 1.92% of Apollo hospitals Enterprises Ltd compare to other Selected hospitals. In 2021-2022 the highest gross profit ratio was 23.30% of Max healthcare institute Ltd compare to other Selected hospitals. During 2022-2023 in which highest gross profit ratio was 29.56% of Max healthcare institute Ltd compare to other Selected hospitals. During the year 2023-2024 in which highest gross profit ratio was 36.94% of Max healthcare institute Ltd compare to other Selected hospitals.



**Table no. 2 single factor ANOVA**

Source of variation	SS	df	MS	F	P- Value	F- Crit	H <sub>0</sub> Accepted/ Rejected
Between groups	245.736	4	61.43	0.41712	0.794311	F(4,20) = 2.87	Accepted
Within groups	2945.65	20	147.28				
Total	3191.3895						

The above table shows that the calculated value of F is 0.41712 which is less than the table value of F is 2.87 at 5% significance level and the above table shows that the P value is 0.794311 is more than the alpha 0.05. So, the null hypothesis is accepted. So, there is no significance difference in gross profit ratios of selected BSE listed hospitals in India During the Study period.

**Table no. 3 Net profit ratio (%)**

Year	Apollo hospitals Enterprises Ltd	Narayanan hrudayalaya Ltd	Max healthcare institute Ltd	Aster DM Health Ltd	Indraprastha medical corporation Ltd
2019-2020	4.80	3.02	-4.99	7.97	5.25
2020-2021	1.14	-4.75	-15.95	-9.21	0.37
2021-2022	10.90	5.53	19.15	8.07	6.60
2022-2023	16.62	8.97	36.45	11.29	7.84
2023-2024	13.89	12.99	29.35	7.70	9.95

(Source: [www. moneycontrol.com](http://www.moneycontrol.com))

#### **INTERPRETATION:**

The above table shows that the Net profit ratio of selected hospitals. During 2019-2020 the Net profit ratio of selected hospitals in which 7.97% of Aster DM Health Ltd is more than compare to other Selected hospitals. In 2020-2021 the highest Net profit ratio is 1.14% of Apollo hospitals Enterprises Ltd compare to other Selected hospitals. In 2021-2022 the highest Net profit ratio was 19.15% of Max healthcare institute Ltd compare to other Selected hospitals. During 2022-2023 in which highest Net profit ratio was 36.45% of Max healthcare institute Ltd compare to other Selected hospitals. During the year 2023-2024 in which highest gross profit ratio was 29.35% of Max healthcare institute Ltd compare to other Selected hospitals.



**Table no. 4 Single Factor ANOVA**

Source of variation	SS	df	MS	F	P- Value	F- Crit	H <sub>0</sub> Accepted/ Rejected
Between groups	224.84	4	56.21	0.41984	0.792403	F(4,20) = 2.87	Accepted
Within groups	2677.74	20	133.88				
Total	2902.58						

The above table shows that the calculated value of F is 0.41984 which is less than the table value of F is 2.87 at 5% significance level and the above table shows that the P value is 0.792403 is more than the alpha 0.05. So, the null hypothesis is accepted. So, there is no significance difference in Net profit ratios of selected BSE listed hospitals in India During the Study period.

**Table no. 5: Current ratio (%)**

Year	Apollo hospitals Enterprises Ltd	Narayanan hrudayalaya Ltd	Max healthcare institute Ltd	Aster DM Health Ltd	Indraprastha medical corporation Ltd
2019-2020	1.19	0.72	4.15	0.66	1.01
2020-2021	2.00	0.60	3.50	0.60	1.22
2021-2022	2.91	0.78	2.36	0.58	1.68
2022-2023	2.53	0.86	3.26	0.78	1.72
2023-2024	2.68	1.17	2.01	3.82	1.86

(Source: [www.moneycontrol.com](http://www.moneycontrol.com))

#### **INTERPRETATION:**

The above table shows that the Current Ratio of selected hospitals. During 2019-2020 the Current Ratio of selected hospitals in which 4.15% of Max healthcare institute Ltd is more than compare to other Selected hospitals. In 2020-2021 the highest Current Ratio is 3.50% of Max healthcare institute Ltd of compare to other Selected hospitals. In 2021-2022 the highest Current Ratio was 2.91% of Apollo hospitals enterprises Ltd compare to other Selected hospitals. During 2022-2023 in which highest Current Ratio was 3.26% of Max healthcare institute Ltd compare to other Selected hospitals. During the year 2023-2024 in which highest Current Ratio was 3.82% of Aster DM Health Ltd compare to other Selected hospitals.



**Table no. 6: Single Factor ANOVA**

Source of variation	SS	df	MS	F	P- Value	F- Crit	H <sub>0</sub> Accepted/ Rejected
Between groups	15.46	4	3.865	5.66335	0.003242	F(4,20) = 2.87	Rejected
Within groups	13.64	20	0.6825				
Total	29.10	24					

The above table shows that the calculated value of F is 5.66335 which is more than the table value of F is 2.87 at 5% significance level and the above table shows that the P value 0.003242 is less than the alpha 0.05. So, the null hypothesis is rejected. So, there is significance difference in current ratios of selected BSE listed hospitals in India During the Study period.

**Table no. 7: Quick ratio(%)**

Year	Apollo hospitals Enterprises Ltd	Narayanan hrudayalaya Ltd	Max healthcare institute Ltd	Aster DM Health Ltd	Indraprastha medical corporation Ltd
2019-2020	0.83	0.64	4.15	0.57	0.93
2020-2021	1.86	0.56	3.42	0.55	1.14
2021-2022	2.78	0.72	2.28	0.51	1.58
2022-2023	2.46	0.80	3.19	0.69	1.66
2023-2024	2.60	1.08	1.95	3.72	1.82

(Source: [www. moneycontrol.com](http://www.moneycontrol.com))

#### **INTERPRETATION:**

The above table shows that the Quick Ratio of selected hospitals. During 2019-2020 the Quick Ratio of selected hospitals in which 4.15% of Max healthcare institute Ltd is more than compare to other Selected hospitals. In 2020-2021 the highest Quick Ratio is 3.42% of Max healthcare institute Ltd of compare to other Selected hospitals. In 2021-2022 the highest Quick Ratio was 2.78% of Apollo hospitals enterprises Ltd compare to other Selected hospitals. During 2022-2023 in which highest Quick Ratio was 3.19% of Max healthcare institute Ltd compare to other Selected hospitals. During the year 2023-2024 in which highest Quick Ratio was 3.72% of Aster DM Health Ltd compare to other Selected hospitals.





**Table no. 8: Single Factor ANOVA**

Source of variation	SS	df	MS	F	P- Value	F- Crit	H <sub>0</sub> Accepted/ Rejected
Between groups	15.25	4	3.813	5.33455	0.00433	F(4,20) = 2.87	Rejected
Within groups	14.29	20	0.7148				
Total	29.54	24					

The above table shows that the calculated value of F is 5.33455 which is more than the table value of F is 2.87 at 5% significance level and the above table shows that the P value 0.00433 is less than the alpha 0.05. So, the null hypothesis is rejected. So, there is significance difference in quick ratios of selected BSE listed hospitals in India During the Study period.

## **FINDING OF THE STUDY**

**Table no. 9 Result of Single factor ANOVA test**

PARTICULARS	CALCULATED VALUE	ACCEPT/REJECT
Gross Profit Ratio	0.41712	Accept
Net Profit Ratio	0.41984	Accept
Current Ratio	5.66335	Reject
Quick Ratio	5.33455	Reject

(Source: computed based on Single factor ANOVA test)

## **CONCLUSION**

Overall performance of Indraprastha medical corporation Ltd is more profitable and have more liquidity compare to other Selected hospitals based on ratio the researchers say that in the future other Selected hospitals may have positive growth because in the year Profitability increase to compare its last 4 years. It is good sign. So, Indraprastha Medical corporation Ltd must have to focus on managers it's Profitability and Liquidity.

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**Website:**

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