

A study of the financial ratio for selected ceramic companies of Gujarat – An application of Efficiency Ratios

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ABSTRACT

It is trusted that the main earth tiles were delivered seven to eight thousand years back in the region now known as the Holy Land. Many sources freely confirm that the real known history of tiles can be followed back the extent that the fourth thousand years BC to Egypt. Back then, in Egypt, tiles were utilized to adorn different houses. Mud blocks were dried underneath the sun or prepared, and the primary coatings were blue in shading and were produced using copper, exceptionally choice. This Paper Presented an application of Efficiency Ratios for the selected five companies of Ceramic Industry located in Gujarat. The researchers have mainly focus on three ratios. An analysis shows the fruitful outcome which may help the ceramic industry in future.

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INTRODUCTION

The proficiency proportion is normally used to investigate how well an organization utilizes its advantages and liabilities inside. A proficiency proportion can compute the turnover of receivables, the reimbursement of liabilities, the amount and use of value, and the general utilization of stock and hardware. This proportion can likewise be utilized to track and break down the execution of business and venture firms.

Investigators utilize proficiency proportions, otherwise called movement proportions, to quantify the execution of an organization's here and now or current execution. These proportions utilize numbers in an organization's present resources or current liabilities, measuring the operations of the business.

A proficiency proportion measures an organization's capacity to utilize its resources for create pay. For instance, an effectiveness proportion frequently takes a gander at parts of the organization, for example, the time it takes to gather money from clients or the measure of time it takes to change over stock to money. This makes proficiency proportions essential, in light of the fact that a change in the productivity proportions more often than not means enhanced gainfulness.

These proportions can be contrasted with peers in a similar industry and can recognize organizations that are better overseen in respect to the others. Some normal productivity proportions are debt claims turnover, settled resource turnover, deals to stock, deals to net working capital, creditor liabilities to deals and stock turnover proportion.

METHODOLOGY

The study is focuses on selected five companies of ceramic industries i.e. Kajaria Ceramics Ltd. (KCL), Somany Ceramics Ltd.(SCL), AGL tiles world (Asian Granito India Ltd) (AGL), Cera Sanitary ware Ltd.(CERA) and NITCO Ltd. (NITCO). An application of Total Assets Turnover Ratio, Debtor Turnover Ratio and Stock Turnover Ratio has been studied to test the administrative efficiency of selected ceramic industries of Gujarat state.

Total Assets Turnover Ratio (TAT)

Resource turnover proportion is the proportion of the estimation of an organization's deals or incomes created with respect to the estimation of its advantages. The Asset Turnover proportion can frequently be utilized as a pointer of the productivity with which an organization is sending its advantages in creating income.

As a rule, the higher the advantage turnover proportion, the better the organization is performing, since higher proportions suggest that the organization is creating more income per dollar of benefits. However, this proportion can shift broadly starting with one industry then onto the next. In that capacity, considering the benefit turnover proportions of a vitality organization and a broadcast communications organization won't make for a precise correlation. Examinations are just important when they are made for various organizations inside a similar part.

$$\text{TAT Ratio} = \frac{\text{Total Sales}}{\text{Total Assets}}$$

Debtor Turnover Ratio (DTR)

A bookkeeping measure used to evaluate a company's adequacy in expanding credit and in gathering obligations on that credit. The receivables turnover proportion is a movement proportion measuring how proficiently a firm uses its benefits. Receivables turnover proportion can be figured by partitioning the net estimation of credit deals amid a given period by the normal records receivable amid a similar period. Normal records receivable can be computed by including the estimation of records receivable toward the start of the coveted period to their incentive toward the finish of the period and partitioning the aggregate by two. The technique for ascertaining receivables turnover proportion can be spoken to with the accompanying recipe:

$$\text{Debtor Turnover Ratio} = \frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$$

Stock Turnover Ratio (STR)

Like a run of the mill turnover proportion, stock turnover points of interest how much stock is sold over some stretch of time. It is computed as either:

$$\text{Stock Turnover Ratio} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

As a rule, a higher stock turnover proportion is favored, as it shows that more deals are being produced given a specific measure of stock. On the other hand, for a given measure of offers a utilizing less stock to do as such will enhance the proportion. Once in a while a high stock proportion could bring about lost deals, as there is insufficient stock to take care of demand. It is constantly essential to contrast the stock turnover proportion with the business benchmark to asses if an organization is effectively dealing with its stock.

RESULT AND ANALYSIS

For the financial year 2007 to 2016 value of TAT has been calculated and presented in table 2.4. The minimum standard to understand the nature of firm management can be determine as if the computed average is lower than the company average value the firm has shown poor performance during that year. If the value of TAT has been computed higher than the average value, firm shows better performance in market.

For the KCL the average of the company was computed 0.89, SCL was computed with 1.19, AGL recorded with 0.52, CERA was recorded with 0.71 and NITCO computed with 0.75. For the financial year 2007, the company TAT value was computed 0.88 which was closed to the standard average but lower than the average. It shows that the firm has closed to reach its minimum standard. During 2008, the firm has 1.00 TAT values which were higher than the average 0.89. For this year KCL reached to the minimum standard it cleared that it has healthier performance in market. During 2009 the firm again computed with 1.08 is reached to the minimum standard average 0.89. For this year the firm has shown it proper management. For the financial year 2010, the firm computed with 1.20 of TAT which was higher than 0.89. KCL again shows its proper management for this year. During 2011 the TAT value was computed 1.03 compare to last year it has declined by 0.17%, still it was higher than the minimum standard value. For last four years the firm was succession in proper management. For the financial year 2012 the firm

declined its TAT value by 0.37% and reduced than the minimum average 0.89. Due to any of the reason the firm was failure in management. In 2013, the TAT has not much changed it has increased by only 0.01% compare to last year. It is cleared that the firm again failed to manage its management. For the financial year 2014, the firm increased by 0.03%, but did not have much effect in its management. It was computed lower than standard average 0.89. For last three years the firm was failed in proper management. In 2015, it was gained by 0.07% compare to 2014. The TAT value was computed 0.77 which was lower than the average of 0.89 for this year. The firm again declined it statues in market. During 2016, the firm was reached to 0.89 of TAT value. It was equal to the minimum standard value. After five years the firm reached to the minimum requirement of firm management. KCL has getting success for first four years than declined for next five years. It was computed 0.89 in 2016 shows the stable position. It shows that in future the firm will get success to manage its management. SCL was computed with minimum standard of 1.19. It shows that for those years the firm should at least cross the TAT value 1.19 to reach the minimum standard. For the financial year 2007 it was computed with 0.91, in 2008 it was computed with 1.02 and for the year 2009 it was computed with 1.11. For all the defined three years the firm values were not reached to the minimum standard value 1.19. Since beginning of 2007 the firm has poor performance in management. In 2010 it was computed with 1.69, during 2011 the TAT value was 1.58 and for the year 2012 it was 1.72 recorded. For all the said years the firm crossed the minimum average value 1.19. It cleared that after 2010 it has stable position in its management system. Again in 2013 it was computed 0.82, for the year 2014 the TAT value was 0.85 and in 2015 it was computed lower as 0.90 than the average value 1.19. It has declined its TAT value for these last three years. It has failure in management for last three years. In 2016 the firm was computed with TAT value of 1.28 which crossed the minimum required value of TAT. It shows that in future the firm will manage its TAT value. In case of AGL the firm was computed with 0.84 in 2007, it was 0.94 in 2008 and 0.62 in 2009. For all these three years the firm was reached to the minimum standard value of TAT 0.52. It computed higher for 2007 to 2009. For these three years the firm shows proper management. In 2010 the firm declined in TAT calculation. It was computed 0.42. It has no change in 2011 it was staid with the same value 0.42 of TAT. In 2012 it has declined by 0.02% and computed 0.40. During 2013 it was computed with 0.41 shows increased value of TAT by 0.01%. In 2014 it again declined by 0.10% and was computed with 0.31. During 2015 it was recorded with 0.44 having hick of 0.13% in TAT value. It declined by 0.01% in 2016 and reached to 0.43. For all the said year the value of TAT for AGL was not reached to the minimum standard value 0.52. Thus, it is cleared that the firm was failure in total assets management for last seven years. CERA was computed with standard average of 0.71. The study for 2007 to 2016 was compared with 0.71 and the results were derived. For the financial year 2007 it was computed with 0.76. It was recorded 0.79 in 2008; in 2009 it was computed as 0.84. For all the said three years the value of TAT computed higher than the average value. It shows the firm has managed its assets properly. During 2010 it has declined by 0.23% than last year. It reached for 0.61 TAT value. For this year it shows failure status of firm in TAT management. It gained by 0.13% in 2011 and reached again to the minimum standard value. The TAT value of firm was computed 0.74 during 2011. Again the firm gained with 0.05% in TAT value and reached to

0.79 in 2012. It has getting success in TAT management. During 2013 the firm declined its value of TAT by 0.11% and reached to 0.68, in 2014 it again declined by 0.23% and reached to 0.45. For both years the firm was shows failure status in TAT management. It has gained its TAT value by 2015 but not reached to required value 0.71. The TAT value of firm was reached by 0.66 during 2015. It has increased by 0.31% in 2016 and again it has crossed the minimum requirement of firm. It shows that the firm will manage its total assets in future. NITCO was computed with minimum standard value of 0.75 for 2007 to 2016. The value has been compared for each of the years for testing the total assets management of the firm. For the year 2007 the firm was computed with 0.79, during 2008 it has computed with 0.94, in 2009 it has recorded with 0.91 and in 2010 it was recorded with 0.91 again. For all the said four years the firm has reached to its minimum standard value 0.75. It cleared that for all these four years the firm was successful in management of TAT. During 2011 it declined its value of TAT by 0.22% and reached to 0.69 TAT value. For this year the firm not reached to its minimum standard value. In 2012 it crossed to minimum standard with hick of 0.11% in 2012. It has declined by 0.02% and reached to 0.76 TAT value, but still it was higher than the minimum standard value. For last two years it has getting success in managing its total assets. During 2014 it has declined by 0.16% and reached to 0.58 TAT value. It was computed 0.62 in 2015 and 0.56 in 2016 for all the last three years the firm was declined by its minimum standard value. It shows that the firm has to look after in future for manage its total assets. To know the average fluctuation in TAT value standard deviations for each of the firm was computed and presented in table 2.4. The lowest value was computed for CERA with 0.11 value standard deviation. Amid all the five companies CERA was successful firm in total assets management. For the financial year 2007 to 2016 the DTR average of KCL was computed with 8.62, for SCL it was computed with 12.64, for AGL it was 3.46, for CERA it was 4.30 and for NITCO it was computed as 4.36. Financial year 2007 to 2016 were computed for DTR and presented in table 2.5 to know year wise status of the firm. For the financial year 2007 it was computed 8.16 which were lower than the average value. It was computed 9.11 in 2008, in 2009 it was 10.15, in 2010 it was 8.62, and in 2011 it were computed 8.66 for all the four years the firm was computed higher than the average value 8.62 or same. It shows the stable management of firm for debtors' turnover. The firm has not borrowed any penny from debtors. In 2012, the DTR value of firm was computed as 6.76 and in 2013 it was computed 7.10 for both the years the firm computed for lower value of DTR than the standard average value. For these two years might the firm have increased its debtors? In 2014 the DTR value of firm was computed by 9.54, in 2015 it was 9.10 and for 2016 it was computed with 9.06 which was computed higher than the standard average of the firm 8.62. For the financial year 2014 to 2016 the firm again maintained its status for debtor's turnover.

SCL was computed with minimum average of 12.64. The firms have been judged for financial year 2007 to 2016 for debtors' turnover ratio. For the financial year 2007 the value of DTR was computed 8.79, in 2008 it was 9.91, in 2009 it was computed 10.22, in 2010 DTR was 12.46 for all the said four years the value of DTR were computed lower than the standard average. The firm was not fit for debtor's turnover ratio. For the financial year 2011 the firm was computed 37.14 and it was 14 during 2012. For both the years the firm was computed higher than the standard average of the firm. The firm has managed its debtors during these two years. In 2014 it was

declined again in DTR value. It was computed as 11.9, it was 7.98 in 2014, 6.65 in 2015 and 7.34 in 2016. For all the said four years the firm average was higher than the computed value of DTR. The firm has unbalanced situation during this phase. It has generated higher debt from market. AGL was computed with an average of 3.46 of DTR for the financial year 2007 to 2016. This value was compared to know the DTR status of the firm. For the financial year 2007 the value of DTR was computed as 4.41, it was 4.21 in 2008 and 3.77 in 2009 for all the said three years the firm was computed higher than 3.46 the standard average of the firm. It shows the sound position of the firm during this period. During 2010 the firm was computed with DTR of 2.60 and in 2011 it was 2.61. For both the years the firm was computed with lower value of DTR measured. The firm has loosed its credit in market. It has gained it DTR value during 2012 with 4.7 and in 2013 it was 3.63, computed higher than the average of 3.46 standard values. For these two years the firm was stabled in terms of DTR. In 2014, 2015 and 2016 the firm was computed with 2.37, 2.91 and 3.37 for DTR values respectively. It shows that for last three years the firm has reduced its DTR in market. It cause to it for higher debt from market. In future SCL must require balancing its financial situation. CERA was computed with standard average of 4.3 for 2007 to 2016. In 2007 the value of DTR of firm was computed with 5.38, it was 6.90 in 2008, in 2009 it was 5.91 and in 2010 it was computed with 4.36. For all the said four years the firm has a declined value of DTR but was computed higher than the standard average value. Thus, in first phase the firm was stable. After 2010 in 2011 it continuously declined its value of DTR. In 2011 it was computed as 3.55, in 2012 it was recorded as 3.67, in 2013 it was 3.23, it was 2.43 in 2014, for 2015 it was computed as 3.69 and for 2016 it was recorded as 3.85 of DTR value. For second phase of 2011 to 2016 the firm declined its DTR value consistently and not reached to the minimum standard. It has gained debtor for last five years. It was advisable to the management to make proper arrangement for upcoming years. NITCO was computed with 4.36 as a standard value for comparative average. It was computed 4.34 during 2007 which was computed lower than the standard average value. The DTR for financial year 2008 was computed 4.86, it was 5.43 in 2009, in 2010 it was 4.82, during 2011 it was computed 4.82 and in 2012 it was computed 4.89. For all these five years the value of DTR value computed higher than the average value. For these five years the firm was recorded stable for debtors' turnover. It has reduced its total debtors. For financial year 2013 the value of DTR was computed 4.14, during 2014 it was 3.82, in 2015 it was 3.45 and in 2016 it was 3.42. For all these year the value of DTR were computed lower than the average value. The firm was unstable in terms of debtors. The fluctuation for each of the year was measured to know the best fit firm in last decade. The least value was computed for standard deviation 0.63 shows the stable position of NITCO among all selected companies under study. SCL was computed with higher fluctuation in averages. Overseeing stock levels is essential for most organizations; this is particularly valid for retailers and any organization that offers physical products. The stock turnover proportion is a key measure for assessing exactly how effective administration is at overseeing organization stock and creating deals from it. The Stock Turnover Ratio (STR) was computed to know the management status of firm. This ratio standardize by taking minimum standard of 5.13 for KCL, 7.23 for SCL, 2.17 for AGL, 4.40 for CERA and 3.52 for NITCO. The STR value for each of the firm was computed for financial year 2007 to 2016 and compared with

the computed standard average value. If the standard average values of the firm compute higher – it shows that the holding cost is properly managed by the firm and if it was computed lower than it increased storage cost of the firm. Higher the storage cost shows poor performance of the firm and lower sales in market. For the financial year 2007 the STR cost of the KCL was computed with 4.59 which were lower than the standard value 5.13. It shows that the firm was failure in higher sales and has bare the loss of storage cost. During 2008 the STR value of firm was computed 5.15, it was 5.26 in 2009, and in 2010 it was recorded as 7.495 and was 7.79 in 2011. For all the said year the STR value of firm was computed higher than the average value of firm. It shows that the firm was able to manage the holding cost and good sales in market. During 2012 the firm was computed with 4.73 STR value, it was 4.71 in 2013, 3.96 in 2014, 3.66 in 2015 and 3.96 in 2016. For all the said years the firm has declined in STR value of firm. The firm was failure in managing of its stock turnover. The sales of the firm during this year were lower compare to 2008 to 2011. SCL was computed with 7.23 average value of STR as a standard average. For financial year 2007 6.78 STR value was computed, in 2008 it was computed as 6.62 and in 2009 it was recorded as 5.92. The averages for all the said years were computed lower than the standard average value. The firm was failed to manage its sales. Due to that the stock was loaded and the firm has bare higher cost. It shows the inefficiency of firm during this year. In 2010, the STR value of firm was computed with 9.22, in 2011 it was 7.94, in 2012 STR value was computed 8.88 and in 2013 it was computed as 11.74. The values of STR for the said years were computed higher than the standard average value. It was cleared that the firm was successful in higher sales. That caused the higher turnover in stock of the firm and caused to reduce the holding cost of the firm. In 2014 the firm was computed with 5.56 STR value, in 2015 it was recorded as 4.16 and in 2016 STR of firm was computed as 5.51. The values of STR for last three years were computed lower than the firm average. It shows the firm has reduced its sales in last three years and need to take precaution for future sales transactions. The standard average for AGL was computed as 2.17. The computation for STR 2007 to 2016 has been compared to judge the stock management of firm. For financial year 2007 the STR value for firm was computed 3.66, it was 3.31 in 2008, 3.10 in 2009 and 2.44 in 2010. The values of STR for firm were computed higher than the average value. It shows that the firm was successful in its total sales and stock turnover. From 2011 the STR value of firm was computed in reduction form – in 2012 it was computed 1.39, in 2013 it was 1.86, in 2014 it was 1.35, in 2015 it was recorded as 1.64 and in 2016 it was computed as 1.38. The firm was failure in sales for last five years. Due to that it was failure in stock turnover and has paid higher holding cost. It is necessary to design such policy for firm – so it can reduce its stock level and holding cost. CERA was computed with standard average of 4.40. The computations of STR were compared with 4.40 for 2007 to 2016 to know the position of firm in sales and holding cost. For the financial year 2007 the STR value of firm was computed 4.27 and in 2008 it was recorded as 4.15. For both the years the value of STR were computed lower than the standard average value. It shows the poor performance of firm in sales. During 2009 it was 4.48; in 2010 it was computed 3.81. During 2009 it was higher than the standard average whereas it was lower for 2010. For 2009 the firm has good sale which was again declined in 2010. For 2011 the firm has 4.13 STR values which were lower than the standard average. In 2012 the value of STR raised and computed 5.66 higher than the standard average value. Even in 2013 the firm STR value was computed higher than standard average as 5.29. For both the year the firm

has recorded good in sales and reduced the holding cost. In 2014 it has again declined with its STR value and computed 3.82. Again for this year the firm loosed its sales. In 2015 the firm computed with 3.86 STR which was lower than average value. In 2016 it has gained and STR of firm was computed as 4.51. For 2015 the firm has loosed its sales and it has gained in 2016. The fluctuation of firm was not managed properly during last decade. NITCO was standardized with average of 3.52. In 2007 (3.39), 2009 (3.44), 2010 (3.42), 2015 (3.16) and 2016 (2.74) shows the lower values of STR than the average value 3.52. For the said years the firm suffered through lower sales and cause to paying for higher holding cost. Contrast to that in 2008 (4.13), 2011 (3.76), 2012 (3.66), 2013 (3.92) and 2014 (3.62) are computed higher value of the firm than average value. It shows that the firm has balanced sales during these years. To know the stable status of firm the researcher has computed standard deviation for each of the firm. The least value of standard deviation was computed lower for NITCO as 0.37. It shows that the proper management of the firm in terms of STR. The firm has paid lowest holding cost and higher sales compare to other four ceramic firms under study. Table 1.1 presents the computed values of working capital turnover ratios of selected five ceramic companies under study for 2007 to 2016. For the financial year 2007 NITCO was computed with higher value of WCT 13.67%. It cleared that during this year the firm has given more spending adaptability and can help maintain a strategic distance from money related inconvenience. It encountered more interest for its products. SCL was rated with 6.23 of WCT value and stood on second position during 2007. AGL was rated on 5.06 WCT and was placed on third position. KCL ranked fourth with 4.59 WCT. CERA was computed with 2.29% and was ranked last amid the ceramic industry for the year 2007. For financial year 2008; KCL was computed with higher value of WCT as 9.19. SCL and NITCO were computed with 8.12 and 8.07 respectively. AGL and CERA were rated on fourth and fifth rank with 3.84 and 3.23 of WCT during 2008. For this year KCL, SCL and CERA improved in value of WCT, whereas AGL and NITCO declined its value of WCT. For the financial year 2009, KCL declined by 3.01% in WCT compare to last year, and was ranked fourth. CERA increased its WCT value during this year it was computed with 13.23 of WCT which was second highest for this year. SCL stood on third position with 11.06 WCT value. AGL was computed with lowest value of WCT and ranked last in 2008. NITCO was computed with 52 of WTC value and ranked first during this year. For the financial year 2010, SCL gained and was ranked first with 14.15 WCT value. NITCO delinked its continuity and it was recorded on second position with 6.46 WCT value. CERA also declined for this year compare to last year. It was computed with 5.58 WCT value. KCL and AGL were computed with 2.53 and 2.20 of WCT respectively. During 2011, NITCO again gained higher value of WCT. It was computed with 84.42 WCT value and was ranked first. SCL was ranked with 33.18 of WCT value and ranked second. KCL, AGL and CERA were computed with 4.91, 2.38 and 3.94 of WCT values respectively. For the year 2012, SCL increased its WCT value by 0.04% it was computed with 33.22 WCT and ranked first for this year. NITCO was ranked second with WCT of 5.45. It has unbalanced its financial scenario during this year. AGL and CERA were computed with 4.59 and 4.42 WCT value and KCL was ranked on fifth position with 2.75 WCT value. During 2013, SCL rated the selected companies and was ranked first with higher value of WCT 16.47. Compare to last year company has declined almost half of its WCT value.

For this year KCL was computed with 8.25 WTC, AGL was computed with 2.40 and was ranked last, CERA was computed with 5.84 and NITCO was computed with 4.49 value of WTC. For the financial year 2014, NITCO gained its value of WTC; it was computed with 17.01 of WTC and stood first. CERA computed with 6.6 of WTC value and ranked second. KCL, SCL and AGL was computed with 5.44, 5.29 and 2.13 of WTC during this year. Financial year 2015 was graceful to NITCO again. It has computed with 17.57 of WTC value. SCL was computed with 7.58 value of WTC it was ranked second. KCL was computed for 6.86 value of WTC. CERA and AGL were computed with 3.72 and 2.66 value of WTC respectively. For 2016, NITCO was computed higher with 36.46 of WTC value. SCL was computed with 10.17 of WTC value and ranked second. KCL, CERA and AGL were computed with 7.97, 3.85 and 2.80 of WTC values respectively. The study of last decade for ceramic industries cleared that NITCO was shuffled its working capital turnover highest. The average value of firm was computed 24.57. SCL was ranked with second position with 14.55 values of WTC. KCL was computed with average of 5.87 WTC value of decade. CERA was ranked fourth with average of 5.27 and AGL computed with 3.23 WTC values, which was least among the ceramic companies under study. The discussion above cleared that, high working capital turnover extent can possibly give an engaged edge in industry. It demonstrates the firm experience working capital more circumstances every year, which prescribes that money is gushing all through free organization effortlessly. This gives all the all the more spending flexibility and can help keep up a key separation from cash related burden. In the occasion that experience more enthusiasm for things, the organizations are more unwilling to bear stock insufficiency that once in a while went with rising arrangements. Table 1.2 for the basic standard of ratio was computed per rupee turnover of companies for sale. For financial year 2007 KCL was computed with 1.87 CAT it shows that the firm gained 0.87 percent in sales during this year. SCL was computed with 3.06 value of CAT it shows that the firm has earned its value by 2.06% for this year. AGL was recorded with 2.38 had a gain of 1.38% in sales. CERA was computed with 2.78 it has recorded for 1.78% earning in sales and NITCO was computed with 1.21, the firm has lowest value of 0.21% of sales during this year. For the financial year 2008, KCL increased its value of CAT and was recorded with 2.35. The firm was recorded with 1.35% gain in sales. SCL also increased its value of CAT by 3.30 for this year it shows 2.30% of earning through sales. AGL was computed with 2.22, for this year the firm increased its total growth of CAT by 1.22%. CERA was computed with 3.19, shows hick of 2.19% in CAT during this year. NITCO was computed with 1.54, it has increased its CAT value compare to last year. For this year the firm computed with 0.54% gained value is CAT value. For the year 2009, KCL was calculated with 2.39 which was increased 0.04% than last year. SCL gained 0.13% than last year; it has 3.43 CAT in 2009. AGL (1.93) reduced its CAT value than last year. For this year the firm has gained 0.93% sales per rupee. CERA (2.44) declined compare to last year. For this year it has earned 1.44% in sales. NITCO (2.25) gained its CAT value compare to last year. For this year the firm has 1.25% of hick in CAT value. For the financial year 2010, KCL was computed with 2.12 (1:1.18) but it has reduced its CAT value than last year. SCL gained by 3.43 (2.43% per rupee in sales). Compare to last year the firm has increased by 0.22% in sales. AGL was computed with 1.30 of CAT value. It has declined its value than last year by 0.63%. The firm gained only 0.30% in sales for 2010. CERA was calculated for 2.15 of CAT during 2010. For this time it had reduced its CAT value by 0.29%. It has 1:1.15 of earning in sales. NITCO was totaled in

CAT by 2.02. The firm declined by 0.23% than 2009. It has gained 1.02% in sales during this year. The year 2011 was gainful to SCL. The firm increased its CAT value by 3.55% for 2011. Compare to 2010 the firm declined its total CAT by 0.10%. KCL increased its CAT value by 0.44% for this year. It has 1:1.62 in sales value. AGL was recorded with 1.17 CAT value. It has declined 0.13%. The firm earned 0.17% in sales during this year. CERA (2.04) declined compare to last year by 0.11%. For 2011 it recorded for 1.04% in sales. NITCO (1.63) decayed by 0.39% than last year. The firm gained only 0.63% for this year. For financial year 2012, Somany ceramics was listed with 5.54% of CAT during 2012. The company has increased with 0.49% for this year. AGL reduced its value by 0.01% than 2011. This year the firm was recorded with 1.16% of CAT value. Among the study of CAT the value of AGL was computed lowest during this year. NITCO was standing with 1.87% of CAT and rated second. This year the firm increased its value of CAT by 0.24%. That cause the firm rated higher than the average value 1.73%. It shows good recovery and financial management of firm for this year. CERA was rated third with 1.83% of CAT value. It has decreased its CAT value compare to last year by 0.21%. It has not reached to the minimum standard. The computed average of firm was 2.09% which was higher than CAT value of firm for 2012. It cleared that the firm failed to manage its financial aspects that cause it has lower CAT during this year. KCL was computed with 1.57% of CAT value during this year. The firm declined by 1.05%. The average standard value of firm was computed 2.24% higher than the value of computed CAT. It shows the firm was failure to manage its current assets during this year. For financial year 2013 KCL was computed lower than its average value 2.24%. It shows that the firm has not managed its current assets properly. SCL was computed with 3.95% of its CAT value during 2013. Compare to last year it has reduced its total assets by 1.59%. AGL was recorded with 1.36% of CAT value. The firm has increased its total turnover for current assets by 0.20% than last year. It was still computed lower than average value. It shows that the firm required managing its current assets properly. CERA was computed by 1.64% of CAT value during 2013. The firm has declined its total current assets by 0.19%. Compare to last year it has lower value than the average standard value. It shows poor performance of management towards current assets turnover management. NITCO was recorded with 1.83% of CAT value. Last year it was computed 1.87%. It shows reduction of 0.04% in CAT value this year. The firm was computed with higher value of CAT than average 1.73%. For last three years the firm was getting success in CAT management. For 2014, KCL increased its value by 0.10% and has reached to the minimum standard. This year the CAT value crossed the declined average. It shows proper management of firm for CAT. SCL reduced its CAT by 1% than last year. This year the firm declined its CAT. Thus it recorded lower than average value. The firm was failure to reach to the minimum standard. It shows inefficiency of management towards CAT. AGL was computed with 1.03%. This year CAT value reduced by 0.33%. The firm again failed here to manage its total current assets turnover. CERA was noticed with 1.18%, which declined its value by 0.48%. This year again the firm failed to reached minimum standards. It shows improper management of firm. NITCO was computed with 1.75% of its CAT value. The firm was failure in CAT management. This year the firm declined its value by 0.08% than last year. For financial year 2015, KCL was calculated 2.29%, which was higher than the average 2.24%. This year the firm

reached with reduction of 0.04% than last year. SCL was computed with 2.67% of CAT value. It was reduced by 0.28% than last year. It was lower than standard value. It shows that the firm was failure in managing its total current assets for this year. AGL increased its CAT value by 0.27% for this year. It was computed 1.30%. The CAT value was computed lower than average 1.51%. The firm was failure in management of CAT for this year. CERA recorded with 1.72% for this year. It has increased by 0.54% than last year. The firm again not reached to the minimum standard average. It cleared that for last four years. AGL was failure to its total current assets turnover ratio. NITCO declined its value of CAT by 0.06% for this year. It was computed 1.69% for this year. The firm was not reached to the minimum standard. The firm was failure for this year in CAT management. For financial year 2016, KCL was computed with 2.61% of CAT value. It was higher than the standard average. For last three years the firm was manage its CAT value. SCL was computed by 3.46% of CAT values. This year firm has increased its CAT value by 1.79% than last year. It still not reached to its standard average. The firm was failure in CAT management for last four years. AGL recorded with 1.31% which has minor change of 0.01% than last year. It did not reach to the standard average values. It shows that the firm again failure in management of CAT for this year. CERA was computed with 1.94% of CAT for 2016. It increased by 0.22% than last year. It did not reach to its standard value 2.09%. Again the firm was failure in CAT management. NITCO computed with 1.54% of CAT. It declined by 0.15% than previous year also it not reached to its standard average. It shows the failure of management in CAT. The standard deviations for each of the firm for 2007 to 2016 have been checked by researcher to know the higher variability in averages. It is noticed that SCL was computed with 0.86% standard deviation n. The average of company for CAT fluctuated higher. Higher value of variations shows the failure status of firm in management of CAT. CERA was recorded with 0.55% on second rank; AGL was computed on third position. KCL was recorded on fourth position and for all the decadal study NITCO was computed with lowest variation in managing its CAT value. The details for the financial year 2007 to 2016 is discussed about Fixed Asset Turnover Ratio (FAT) are given in table 1.3. The minimum standard for judging the parameter value is decided with the average for all the year under study. Higher the value of FAT shows the good efficiency of management and lower values shows the poor performance of the firm. The average values of the firms under study defined for KCL with 1.59%, SCL with 1.78%, AGL with 0.83%, CERA with 1.12% and NITCO with 2.91%. The average standard values are compared with the calculated values for each of the year and conclusions are derived for the efficiency of the firm for last decade. For the financial year

2007, the value of FAT for KCL was computed 1.73% which was higher than the average value 1.59%. For the financial year 2007 the management has stable position in managing its value of FAT. For the financial year 2008 the firm has increased its value by 0.16% than last year. It was computed with 1.89%, it was computed higher during this year and the firm again proves itself for stronger management of fixed asset turnover. During 2009 it has again gained with 0.17%. This year the firm was computed with 2.06%. The firm gained again for third year in its total fixed assets turnover value. The FAT value is again computed higher than the standard average for this year. Thus, it is cleared again the firm shows stronger management in its fixed asset turnover. For financial year 2010 the gained of 0.69% and recorded with 2.75%. The computed value is again recorded higher for this year than the standard value. For fourth year under study the firm presented its stronger position. For the financial year 2011 the firm reduced its FAT value by 0.03%. It has declined value in computation of FAT by 1.72%. Still it has reached the minimum standard. It has managed its position during this year. This position of firm was warning bell. If the firm was getting failure to manage its level in fixed assets turnover will lose its market value in terms of FAT management. For the financial year 2012 the firm reduced by 0.60% again in FAT value. It was computed with 1.21% for this year. For this year it has computed for failure to manage its value of FAT than the standard value 1.59. After five year the firm was not able to manage its level of fixed asset turnover. During 2013 it has again failed to manage its value of FAT. The FAT value of firm was computed by 1%. The standard average value was higher than the computed value. It shows the failure status of firm. For the financial year 2014 the firm increased its value by 0.03% and reached to 1.03%. The computed value was still lower than the value of minimum standard 1.59%. For the year 2015 it has gained 0.16% in FAT value. The firm was figured with 1.19% for this year. The firm started to grow steadily but not reached to the minimum standard. For last four year it has filed to manage its fixed assets turnover. During 2016 the firm again gained in its value of FAT by 0.17%. The FAT value of firm for this year was computed 1.36% which was lower than the standard average value 1.59%. The firm has to try to manage its fixed assets turnover. The study for KCL shows that for first five year the firm was stable and had managed its value properly. The healthy ratios of firm were computed for the years 2007 to 2011. It has started to decline by 2012 to 2016. The growth rate of firm for FAT was recorded in increasing order but still it was not reached to the minimum standard value. In future it should have the control on its fixed assets management.

TABLE 1.1 TOTAL ASSET TURNOVER RATIO OF SELECTED CERAMIC COMPANIES OF GUJARAT

Name of the Company	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mean	SD	CV (%)
Kajariya Ceramics Ltd. (KCL)	0.88	1	1.08	1.2	1.03	0.66	0.67	0.7	0.77	0.89	0.89	0.2	2822.6
Somany Ceramics Ltd. (SCL)	0.91	1.02	1.11	1.69	1.58	1.72	0.82	0.85	0.9	1.28	1.19	0.3	1046.2
Asian Granito India Ltd (AGL)	0.84	0.94	0.62	0.42	0.42	0.4	0.41	0.31	0.44	0.43	0.52	0.2	1335.9
Cera Sanitary ware Ltd (CERA)	0.76	0.79	0.84	0.61	0.74	0.79	0.68	0.45	0.66	0.79	0.71	0.1	5954.7
NITCO Ltd. (NITCO)	0.79	0.94	0.91	0.91	0.69	0.78	0.76	0.58	0.62	0.56	0.75	0.1	1022.3

Source: Computed from the NSE Official Directory, Vol. 14, no. XX/18

TABLE 1.2 DEBTORS TURNOVER RATIO OF SELECTED CERAMIC COMPANIES OF GUJARAT

Name of the Company	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mean	SD	CV (%)
Kajariya Ceramics Ltd. (KCL)	8.16	9.11	10.2	8.61	8.66	6.76	7.1	9.54	9.1	9.05	8.62	1	877.47
Somany Ceramics Ltd. (SCL)	8.79	9.91	10.2	12.5	37.1	14	11.9	7.98	6.65	7.34	12.6	8.5	17.64
Asian Granito India Ltd (AGL)	4.41	4.21	3.77	2.6	2.61	4.7	3.63	2.37	2.91	3.37	3.46	0.8	564.98
Cera Sanitary ware Ltd (CERA)	5.38	6.9	5.91	4.36	3.55	3.67	3.23	2.43	3.69	3.85	4.3	1.3	257.8
NITCO Ltd. (NITCO)	4.34	4.86	5.43	4.47	4.82	4.89	4.14	3.82	3.45	3.42	4.36	0.6	124.8

Source: Computed from the NSE Official Directory, Vol. 14, no. XX/18

TABLE 1.3 STOCK TURNOVER RATIO SELECTED CERAMIC COMPANIES OF GUJARAT

Name of the Company	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mean	SD	CV (%)
Kajariya Ceramics Ltd. (KCL)	4.59	5.18	5.25	7.49	7.79	4.72	4.70	3.95	3.65	3.95	5.13	1.35	281.66
Somany Ceramics Ltd. (SCL)	6.78	6.61	5.91	9.21	7.94	8.88	11.7	5.55	4.16	5.50	7.23	2.12	160.96
Asian Granito India Ltd (AGL)	3.65	3.3	3.10	2.44	1.59	1.39	1.86	1.35	1.64	1.38	2.17	0.84	308.38
Cera Sanitary ware Ltd (CERA)	4.27	4.13	4.47	3.80	4.13	5.65	5.28	3.81	3.86	4.51	4.4	0.59	1250.3
NITCO Ltd. (NITCO)	3.39	4.13	3.43	3.41	3.76	3.65	3.91	3.62	3.15	2.73	3.52	0.37	2524.1

Source: Computed from the NSE Official Directory, Vol. 14, no. XX/18

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