PREFACE

The Greek word 'Keramic', which is the origin of the word ceramics connotes an art of the potter. The ceramic remained as the art of traditional potters, till the middle of the nineteenth century. The second world war proved to be a boon for the ceramic industry in India. The growth of this industry has been predominant in the recent years. Use of ceramics product gives a hygienic and decent look to the place where they are fitted. The rise in the standard of living and the growing awareness of the need for cleanliness in homes and surroundings have given a boost to the industry.

The ceramic industry playing a vital role in the development programmes of our country due to the accelerated activities in the field of power generation and transmission, rural electrification, building construction and promotion of tourism etc. Quality of production has improved greatly and it is creditable that our dependence of imports for ceramic products has come down enormously and we are today exporting goods valued at several crores to not only our neighbours, but also some of the advanced countries.

India exports about ten to twelve percent of its production to overseas market, such as Middle East, South East Asia and African countries, U.K., U.S.A., Hongkong, Singapore and Zambia.

The study is, in fact, of financial statements and for this purpose this particular industry has been chosen because, it is a growing industry developed in the recent past score of years and this industry plays a key role in the socio-economic development of the country.

Analysis of financial statement plays a vital role in evaluating the financial performance of any business organization. Financial statement
provides a summarized view of the financial position and operations of a firm and therefore, much can be learnt about the firm from its careful examination. Actually, the analysis of financial statement is a process of evaluating the relationship between the component parts of the financial statement for obtaining a better understanding of the firm’s position and performance. The analysis of the financial performance is highly beneficial not only to the management, for better financial planning and control but also to the external parties like investors, creditors, etc. in their decision making process.

This study is based on a sample of thirteen ceramic companies listed in Bombay Stock Exchange. The sample contains all the basic characteristics of the entire industry and is a true representative of the industry as a whole. The period of study is ten years from 1990-91 to 1999-2000. This study is based on the information available in published financial statements i.e. Profit and Loss Account and Balance Sheet of the selected companies. The data have been collected from the annual report that were made available by the stock exchange official directory, the Bombay Stock Exchange, Vol. 6, no. XXX IV/18.

The study is organised into eight chapters. The first chapter is an introduction to the study which deals with objectives, scope, research methodology and organisation of the study as well as the economic importance of ceramic industry in India. The second chapter deals with historical development and growth of ceramic industry in India. The third chapter throws light on the liquidity position of the industry. The fourth chapter deals with analysis of capital structure of the ceramic industry. The fifth chapter is concerned with the profitability analysis of the ceramic industry. The sixth chapter explains the managerial efficiency of the
industry. In the seventh chapter uniformity and correlation between liquidity, profitability and efficiency have been examined. The final chapter makes a summary of the study and also shows the conclusions drawn from the study.

While making this attempt to carry out the study, I have got support and encouragement from various sources. I express a deep sense of gratitude to my teacher and research guide, Dr. Debasish Sur, Reader in commerce, the University of Burdwan for his wise and valuable guidance, unflinching encouragement and close supervision at every stage of the work, despite his busy time schedule. I also acknowledge my indebtedness to my teachers Prof. S.K. Biswas, Prof. J. Sarkhel, Prof. T.K. Bose, Dr. U.K. Dutta and Dr. A.K. Chattopadhyay of the department of Commerce, Burdwan university, for their valuable suggestions in connection with my study.

My heart felt and special thanks are due to my beloved sister Mrs. Jhuma Das, Ms. Kuheli Biswas and brother Mr. Saradindu Das for their cooperation and inspiration in various ways.

A special debt of gratitude is due to my teacher, Prof. Anil Krishna Mondal, who has constantly inspired me.

I am thankful to Purabi Chatterjee for excellent typing within reasonable time.

Finally, I record my regards and respect to my parents, Mr. Paresh Nath Das and Sm. Gita Rani Das whose blessings are my fountains of inspiration.

Burdwan
Date: 4.12.2006.

(SANTANU DAS)