

A Study on the Analysis of Return of Investment of Sony Texspares Industry Coimbatore

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Abstract

Operating profit / capital employed

Return on investment (ROI) is a ratio between net profit over a period and cost of investment resulting from an investment of some resources at a profit in time. A high rate of return means the investments gains compare favourably to its cost. As a performance measure, Rate of investment is used to evaluate the efficiency of on investment or to compare the efficiencies of several different investments. In economic terms, it is one way of related to profit and capital.

INTRODUCTION

A company is a business organization that makes money by selling goods and services.

COMPANY SECTOR

The company sector is the sector which reaches their common goals to achieve in modern country, it takes important role of on economy.

SONY TEX SPARES INDUSTRIES

- Sony tex spares industries (Tamil nadu) is a proprietorship concern engaged in manufacturing of OE spares of textile machineries. The proprietor of the concern Mr. Dhandapani, is a diploma graduate in mechanical engineering and has been in this field since 1991.
- The 25 years of standing has given all the necessary technical experience to run the business effectively. The concern is so named, taking inspiration from the GAINST SONY GROUP OF INDUSTRIES.

COMPANY INTRODUCTION

- A rich experience and deep understanding of the requirements of the textile industry the concern has got the patronage of the leading textile houses in and around Coimbatore.
- The major suppliers to textile mills located in the areas of vellakovil, somanur, palladam, Mangalam, rajapalayam and Madurai and Coimbatore.
- Major customers are Saranya textile Coimbatore, thirumalai textile Pollachi, Saranya exports (p) ltd, Coimbatore, KGS mills, kuppanur, Coimbatore, etc.
- Major suppliers are Sri Madhav pipes (P) ltd Chennai, Sreeram spheroids (P) ltd Coimbatore, United steel agencies Coimbatore, AB industries Coimbatore.
- The company is specialized in part such as Rotor body, Resilient mounting, aluminium 100 mm pully, opening roller re-clothing, inserts, rotor cups, navels, clutch wheel.

OBJECTIVES

To analysis of financial performance of return on investment to measures the percentage of return on the total capital employed in the business.

SCOPE

The return on investment ratio is helpful in assessing the performance of the company. This ratio gives an idea on how much profit has been earned on a particular investment.

REVIEW OF LITERATURE

30 reviews have been collected for this to study of Sony tex spare industries.

OVERVIEW OF THE RETURN ON INVESTMEN

The return on investment calculation has net return rather than net profit or gain in the numerator. this is because return from an investment can often be negative instead of positive

RESEARCH METHODOLOGY

AREA OF STUDY

This study is restricted to Sony tex spare industries in Coimbatore Tamil nadu.

The study of two years financial statement for (2015 – 2016) and (2016 - 2017) were analysed.

RESEARCH METHODOLOGY

PEROID OF STUDY

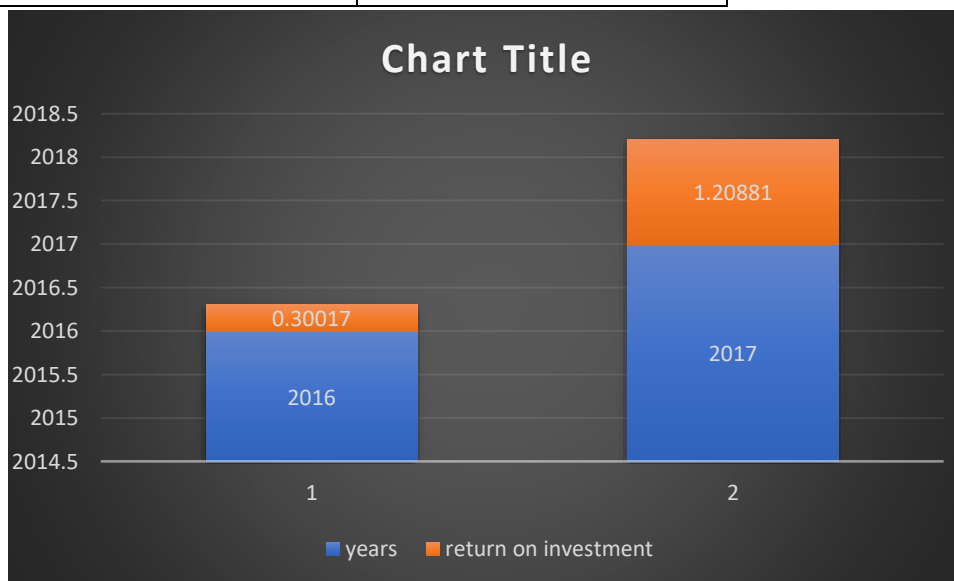
The financial statement of Sony tex spares industry, varatharajapuram branch were collected and analysed balance sheet during July to September 2019.

SOURCE OF DATA

SECONDARY SOURCE

As a secondary source, the calculation of interest and tax regarding return on investment.

Year	Return on investment
2016	0.30017
2017	1.20881



INTERPRETATION OF RETURN ON INVESTMEN

The return on investment calculation has net return rather than net profit or gain in the numerator. this is because return from an investment can often be negative instead of positive

CONCLUSION

Investment decisions are never easy. Cash flow, whether they are positive or negative, are fraught with uncertainty. It develops a portfolio of investment opportunities, firms need to keep monitoring risk, assessing market trends, and trying new things on a small basis of experimentation.

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