



Management Of Metallurgical Enterprises Based On The Introduction Of Financial Analysis

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Abstract. This article discusses the role of financial analysis in the management of metallurgical enterprises. In the light of modern challenges and market requirements, the introduction of financial analysis is an important tool for making strategic decisions and ensuring the sustainable development of enterprises. The article examines key aspects of financial analysis, including analysis of financial statements, performance indicators, comparative analysis and modeling. Special attention is paid to the application of financial analysis to optimize management decisions, improve financial stability and increase the competitiveness of metallurgical enterprises. In conclusion, the article emphasizes the importance of integrating financial analysis into management practices and strategic planning to achieve success in today's dynamic economic environment.

Keywords. Metallurgy, management, efficiency, method, financial analysis, factors.

Under the influence of negative factors caused by the crisis phenomena in the economy, manufacturing enterprises, including metallurgical ones, are faced with the task of searching for new methods and means to improve the efficiency of management. The metallurgical industry, being a basic industry, makes a significant contribution to the economy of Uzbekistan. However, despite the adaptation of the metallurgical industry to market conditions, its technical and technological level and the competitiveness of some types of metal products cannot be considered satisfactory.

The analysis of possible ways to solve the existing problems necessitated the development of a unified state strategy for the development of the metallurgical industry, aimed at implementing priority tasks within each of the strategic areas and providing for the development of cooperation between government agencies at all levels.

In recent years, the Government of the Republic of Uzbekistan has paid increased attention to the extraction and processing of non-ferrous metals and the production of high value-added products from them. The non-ferrous metallurgy industry is considered as a potential driver of the economy.

An important element is the development of sectoral measures that ensure the reliable operation of enterprises in crisis conditions of financial and economic instability. In order to implement the development at ferrous metallurgy enterprises, it is necessary to develop measures aimed at improving the efficiency of production management. One of these areas is the development and implementation of financial analysis methods, taking into account the peculiarities of the development of the metallurgical industry in modern conditions. The application of this



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methodology will provide a mechanism for information and analytical support of management decision-making processes.

The works of scientists such as: Shvager D., Osmonalieva S.T., Ignatenko M.S., Zhilkina A.N., Ilysheva N.N., Kovalev V.V., Kovaleva A.M., Krylov S.I., Lyubushin N.P., Negashev E.V., Savitskaya G.V., Sheremet A.D., Bernstein L.A., Richard J., and others are devoted to the issues of financial analysis and management of the financial condition of enterprises.

However, existing developments in this area do not sufficiently take into account the impact of industry specifics. When developing a financial analysis methodology, it is necessary to take into account the influence of industry factors. It should be noted that these factors determine the number and sequence of stages of the methodology, the set of coefficients, the level of financial indicators, the degree of automation of the financial analysis process, etc.

1. A significant factor for the economic stability of metallurgical enterprises is industrial inflation indices, which reflect the dynamics of producer prices in the domestic market.

- Industrial inflation indices are a significant factor for the economic stability of metallurgical enterprises. The metallurgical industry is directly dependent on the prices of raw materials, energy and other resources, as well as on changes in the prices of products. Industrial inflation indices reflect the dynamics of producer prices in the domestic market, including prices for raw materials, energy, transport and other key components of production.

High inflation can increase production costs for metallurgical enterprises, affecting their profitability and competitiveness in the market. This can lead to instability and difficulties in planning and managing the enterprise. On the other hand, low inflation can reduce pressure on production costs and contribute to a more stable business environment.

Therefore, steel mills typically closely monitor industrial inflation data and factor it into strategic decisions such as pricing, capacity investment, and inventory management.

2. Technological, technical and economic aspects play an important role in the development of metallurgical enterprises. Here are a few key points:

-Technological innovation: The introduction of new technologies allows you to improve production processes, increase the efficiency and quality of products, and reduce costs. For example, the development of new methods of metal processing, the improvement of furnaces and rolling mills, as well as the introduction of automation and digitalization of production.

-Technical upgrade of equipment: Regular renewal and modernization of equipment allows metallurgical enterprises to remain competitive and efficient. This may include replacing obsolete equipment with more modern equipment, improving its performance and reliability.

-Economic analysis of production processes: Evaluation of technical and economic indicators of production helps to optimize costs and maximize profits. This includes the analysis of production costs, the identification of points of economic efficiency of various technological solutions, as well as the forecasting of the costs of introducing new technologies.

-Energy efficiency: Metallurgical processes consume large amounts of energy, so improving energy efficiency is key to reducing costs and environmental impact. This could include introducing new methods of processing raw materials, improving the efficiency of heating and cooling systems, and using renewable energy sources.

In general, technological and technical-economic aspects play a key role in the development of metallurgical enterprises, allowing them to remain competitive, efficient and



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sustainable in the face of a changing market and technological progress.

3. Information preparation unit.

- The block of information preparation in the context of metallurgical enterprises includes a number of tasks and processes aimed at collecting, analyzing and processing data for making management decisions and optimizing production processes. Here are a few key elements of this block:

-Accounting and Reporting Systems: This includes the development and implementation of cost accounting, inventory management, financial accounting, and reporting systems. These systems make it possible to track all aspects of the company's activities, as well as to compile summary reports for making management decisions.

-Market and Competitiveness Analysis: An important aspect of the information preparation block is the analysis of the metallurgical products market, including demand, supply, prices and the competitive environment. This allows the enterprise to make informed decisions regarding production, pricing, and marketing strategy.

-Monitoring of production indicators: Keeping an eye on production processes and indicators such as production volume, product quality, resource efficiency, and equipment condition is also an important aspect of the information preparation unit. This allows you to identify problems and opportunities for improving production.

- Forecasting and planning: The information preparation block also includes the processes of forecasting demand for products, planning production capacities, optimizing production processes and resources.

-Use of Information Technology: Modern information technology, such as Enterprise Resource Planning (ERP), data analytics and business intelligence (BI) software, play an important role in the information preparation unit, ensuring that data is efficiently collected, stored, analyzed, and used for decision-making.

Effective management of the information preparation unit helps metallurgical enterprises to be more flexible, competitive and adaptive to changing market conditions and technological progress.

Attraction of foreign investments is indeed of particular importance for the metallurgical complex of Uzbekistan for a number of reasons:

-Technological upgrading: Foreign investment can provide access to modern technology and advanced production methods, which will help modernize outdated production facilities and improve production efficiency.

Development of new projects: Foreign investment can stimulate the launch of new projects in the metallurgical complex, which contributes to the expansion of its activities and the variety of products.

Increase in production capacity: Foreign investment can be directed to the expansion and modernization of existing production facilities, which will increase production volumes and increase the competitiveness of the metallurgical complex.

Job creation: Expanding and modernizing the steel industry with foreign investment can help create new jobs and reduce unemployment.

-Stimulating economic growth: Attracting foreign investment in the metallurgical complex can contribute to the overall economic growth of Uzbekistan, as it is a sector with high potential for development and attracting investment can contribute to its expansion.



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To successfully attract foreign investment in the metallurgical complex of Uzbekistan, it is necessary to create a favorable investment environment, provide investors with guarantees for the protection of their rights and interests, as well as promote reforms and improve the business climate in the country.

Profit is indeed one of the most important indicators that affect the market value of a company. Here are a few reasons why profit is so important:

- Investment attractiveness: A company's high profitability is often perceived by investors as an indicator of success and potential for growth. This attracts new investors and contributes to an increase in the value of the company's shares in the market.
- Financial Sustainability: Profits ensure the financial stability of a company, allowing it to invest in business development, pay dividends to shareholders, repay debts, and create contingency reserves.
- Valuation of a company: Profit is one of the key metrics used in valuing a company. High earnings can lead to higher valuations for the company by analysts and investors.
- Borrowing and financing: Companies with high profits often have easier access to loans and financing on better terms, as they are seen as more reliable borrowers.
- Resilience to change: Profit helps a company to be resilient to possible market changes and economic fluctuations, as it can be used to adapt to new conditions and respond to the challenges of market conditions.

In general, profit is a key indicator for assessing a company's financial condition and prospects, and it has a significant impact on its market value and investment attractiveness. At the same time, in some cases, this indicator is subject to adjustment, otherwise its dynamics may mislead investors: when placing ordinary shares without paying for them by distributing them to shareholders; when placing additional ordinary shares at a price below market value.

In contrast to basic earnings per share, diluted earnings per share is forward-looking and shows the maximum possible decrease in earnings or increase in loss per ordinary share. Dilution of earnings is understood as its decrease or increase in loss per ordinary share due to the possible issuance of additional ordinary shares in the future without a corresponding increase in assets.

Indeed, it is important for existing and potential investors to have an understanding of how the issuance of common shares may affect their share of earnings. First of all, it should be understood that the issue of new ordinary shares may lead to the dilution of the share of existing shareholders. This is because when new shares are issued, the total number of shares increases, which in turn reduces the share of each existing shareholder in the total capital of the company.

The percentage change in the profit share of an existing shareholder after the issue of new shares depends on several factors:

-Size and structure of shares issued: The more new shares are issued, the greater the dilution of the profit share. It is also important to consider whether the new shares will be issued at a fixed price or at market value.

-Purpose of issuing new shares: If new shares are issued to finance new projects or acquisitions of other companies, this can lead to increased profits in the future, which in turn can mitigate the impact of dilution of profit shares.

-Market conditions: Investors' reaction to the issuance of new shares may depend on the current market situation and attitude towards the company.

In order to more accurately assess the possible consequences of the dilution of the profit share



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when issuing new ordinary shares, investors are advised to carefully study the company's announcements about the planned issue of shares, conduct a financial analysis and take into account the projected results of the company in light of the new conditions.

7. *The in-depth financial analysis block includes a detailed study of financial indicators and key aspects of the company's activities in order to better understand its financial condition, management efficiency and development prospects. Here are a few key elements of this block:*

Financial Statements: An analysis of the company's financial statements, including the balance sheet, income statement, cash flow statement, and notes to the statements. This allows you to understand the structure of assets and liabilities, the dynamics of income and expenses, as well as the sources and directions of cash flows.

Performance indicators: Analysis of various financial indicators, such as liquidity, solvency, profitability, asset and capital turnover ratios, as well as other key performance and sustainability indicators of the company.

Market Data Analysis: Study the market performance of a company's shares, its capitalization, trading volumes, and market price dynamics. This allows you to understand the assessment of the company's investors and the market's expectations regarding its prospects.

Benchmarking: Comparing a company's financial performance to that of other companies in the industry or industry averages. This helps to assess the competitiveness and differentiation of the company from its competitors.

Forecasting and modeling: The use of financial models and forecasting methods to estimate a company's future financial performance, based on current data and expected development scenarios.

Risk assessment: Identification and analysis of potential financial and operational risks that may affect the company's financial condition and results of operations.

The in-depth financial analysis unit helps investors, analysts and managers of a company to more accurately understand its financial condition, identify strengths and weaknesses, as well as make informed conclusions and make decisions based on data analysis. The existence and volume of overdue debts, the risk of late payment, as well as possible losses. The availability of such information makes it possible to analyze the reliability of receivables, develop methods for their predictive analysis, and substantiate options for decisions on the choice of a rational policy for managing settlements with customers.

In general, the proposed methodology of financial analysis, taking into account the specifics of the industry, should provide interested users with the necessary information for the preparation and adoption of informed management decisions at different levels of management. It is necessary to highlight the most important indicators that are recommended to be used when managing the financial condition of metallurgical enterprises: the integral coefficient of financial condition, the system of indicators of investment attractiveness, etc.

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