

## ANALYSIS OF THE FINANCIAL CONDITION OF ENTERPRISES IN THE ENERGY SYSTEM

**Matnazar Yusupovich Rakhimov**Professor of the Department of Financial Analysis,  
Tashkent State University of Economics

**Annotation:** The article, based on financial reporting data, evaluates periodic changes in important performance indicators of the organization "UzTransgaz", which is an important link in the energy system enterprises.

**Key words:** analysis, financial position, assets, capital, liabilities, financial result, profit (loss), liquidity, solvency

**Introduction.** Stability in the economy of Uzbekistan and positive trends in the standard of living of the population are further increasing the demand for energy resources. Unfortunately, it is impossible to provide these demands with today's existing capacities. Therefore, serious attention is being paid to the sector and its development today. The fact that the main part of the external debt is also directed to this sector and improving the infrastructure is a vivid example of this. However, despite this, not everyone is able to notice positive changes in the energy system at the same time. As a result, important questions about the system and its efficiency remain open.

We must admit that if drastic actions are not taken to solve the problems that have accumulated over the years in the energy sector, it will be difficult to solve the existing problems in the short and near term. After all, in developed countries that have solved this problem to some extent, unfortunately, due to geopolitical situations, permanent solutions are becoming increasingly complicated. We should not forget that not only we, but also the world energy sector is heading towards a crisis. Unless alternative solutions are found in the near future, it will not be possible to satisfy the growing demand of consumers with existing oil and gas reserves.

In the following article, we set the goal of analyzing the financial situation of Uztransgaz JSC, an important link in the energy system, in recent years, its significant changes, trends, and analytical conclusions. Of course, these analytical conclusions were drawn directly, based on the information on the organization's website and databases on information platforms.

**Literature review.** Oil and gas supply is the most important component of the energy system. Enterprises in this system, as strategically important objects, require unconventional approaches to research. Also, the requirements for standardization of their activities are fundamentally different from those of other industries [1].

The network enterprises have a complex, interconnected organizational structure, namely: geological exploration; exploration; mine commissioning; production; supply and distribution [2].

"Uztransgaz" JSC, as an important link in the entire energy system, has set itself the complex task of providing the domestic market with natural gas, as well as increasing the export and transit potential of the Republic of Uzbekistan [3].

Analysis of the financial condition of enterprises included in the oil and gas system has its own characteristics compared to other sectors of the economy. The processes of gas production and sales are carried out with greater state participation and through stock exchange trading [4].

The most important feature in assessing the financial condition of gas producers and suppliers is also determined by the long-term duration of processes related to the efficiency and payback of investment capital [5].

**RESEARCH METHODOLOGY.** This study used classical methods of analyzing the financial and economic activities of enterprises in the energy sector, their efficiency and effectiveness, as well as special methods of economic analysis: horizontal; vertical; trend; coefficient; comparative analysis.

**ANALYSIS AND RESULTS.** The gas production indicators of the Republic of Uzbekistan can be observed based on the data in the following table. This data is compiled for 2017-2023.

**Table 1**

**Analysis of dynamic indicators of gas production and consumption**

	Years						
	2017	2018	2019	2020	2021	2022	2023
Production volume, million cubic meters	56642,2	61585,5	60711,9	49768,2	53802	51678,4	46710,4
Consumption volume, million cubic meters	46065,3	48343,1	49711	46057,5	51883,9	48563,7	47559,9
Consumption volume per capita, thousand cubic meters	1,42	1,52	1,47	1,18	1,25	1,18	1,17

From the above data, it can be seen that in recent years, gas production indicators, especially per capita natural gas consumption, have been sharply declining. At all levels of consumption, the volume of demand is increasing by 3-5 percent per year.

Uzbekistan has achieved gas production of 44.6 billion cubic meters by the end of 2024. Also, Uzbekneftegaz forecasts a decrease in gas production to 26.5 billion cubic meters in 2025. This is 2.8 billion less than the forecast for 2024 and 5.7 billion cubic meters less than in 2022. These indicators, of course, also seriously affect the financial condition of system organizations. Trends in the system, in turn, affect the economy and the quality of life of the population.

Below, we will analyze the financial condition, operational efficiency, and results of Uztransgaz JSC, one of the largest entities in the energy system.

Table 1

**Analysis of the volume of assets of Uztransgaz JSC and its changes**

Assets	Beginning of the period	End of the period	Difference+,-
Non-current assets	7656	7669	-13
Current assets	26737	24503	-2234
Including			
Trade receivables	8099	7507	-592
Cash	18049	16735	-1314
Total assets	589	261	-328
Non-current assets	34393	32172	-2221

During the current period, the volume of assets of Uztransgaz JSC decreased by 2221 trillion soums. A decrease was observed in all types of assets.

The same situation can be seen in the sources of financing of Uztransgaz JSC, that is, in its financial capacity.

That is, we found it necessary to focus on one important aspect, the value of the main fixed assets, an important structural unit in the company's assets, and its current state.

Table 2

**Analysis of the main assets of Uztransgaz JSC and their condition**

Indicators	Beginning of the period	End of the period	Difference+,-
Initial cost of fixed assets, million soums	12314	12509	+195
Depreciation cost of fixed assets, million soums	10524	11028	+504
Residual value of fixed assets, million soums	1789	1481	-308
Depreciation coefficient of fixed assets	0.85	0.88	+0.03
Salary coefficient of fixed assets	0.15	0.12	-0.03

The changes in the joint-stock company during the current period amounted to only 139 billion soums. In total, the depreciation rate of fixed assets increased from 0.85 to 0.88 points, and the serviceability rate decreased from 0.15 to 0.12 points, respectively. That is, based on the current technical condition of fixed assets, it is impossible to establish continuous and effective activities in the supply chain. It is necessary to urgently take measures to prevent a possible technical crisis. Such a system, with an annual growth rate of 3-5 percent, does not allow to meet the projected requirements, let alone maintain the current situation.

Table 3

#### Analysis of sources of financing of assets of Uztransgaz JSC

Passives	Beginning of the period	End of the period	Difference+,-
Source of equity	-7856	72	+7928
Liabilities	42249	32100	-10149
Long-term loans and borrowings	10393	9845	-548
Short-term loans and borrowings	249	298	+39
Accounts payable	31607	21957	-9650
Total assets	34393	32172	-2221

According to the data of Uztransgaz JSC for 2023, the company's capital in the current period decreased by 2221 trillion soums. The most unfortunate thing is that the source of the company's own funds, i.e., private capital, came out with a negative sign. The main reason for this is that the company has been operating at a loss in recent years.

The assets of the joint-stock company amounted to 34393 trillion soums, while its liabilities amounted to 42249 trillion soums. By the end of the period, these indicators amounted to 32172 trillion soums in assets and 32100 trillion soums in liabilities, respectively. We calculate the value of net assets according to these lines.

Table 4

#### Analysis of net assets of Uztransgaz JSC

Indicators	Beginning of the period	End of the period	Difference+,-
Assets	34393	32172	-2221
Liabilities	42249	32100	-10.149
Net assets Equity	-7856	+72	+7928

An interesting trend in the change in net assets was observed. The amount of liabilities exceeded the amount of assets. The deficit at the beginning of the period amounted to -7856 trillion soums, while by the end of the period the excess of assets over liabilities amounted to 72 billion soums. The assessment of the ratio of equity and debt in financing assets has become an inappropriate line. After all, in financing assets, long-term liabilities

were involved in excess of the amount related to long-term assets. The company should additionally explain that the difference is directed to financing current assets. The contribution of private capital in financing assets has a negative sign.

The balance sheet of Uztransgaz JSC can be expressed as follows.

Per period  $34393 < 42249 = -7856$

By the end of the period  $32172 > 32100 = +72$

Interesting trends can also be observed in the efficiency and effectiveness of the Uztransgaz JSC joint-stock company.

**Table 5**

**Analysis of financial results and their changes at Uztransgaz JSC  
(2022-2023)**

Indicators	Last year	Reporting year	Difference+,-
Net sales revenue	16588	13500	-3088
Cost of goods sold	17223	7811	-9412
Gross profit on sales	-635	+5689	+6324
Period expenses	-717	-1684	+967
Other operating income	+919	+7300	+6381
Operating result	-433	+11305	+10872
Financial result	-1735	-3515	+1780
Net profit	-2168	+7790	+9958

The performance of the joint-stock company in the current period can be assessed somewhat positively. The company, which has been operating at a loss for several years, ended the current year with a profit. Explaining changes in figures is a rather complicated process. Because it is impossible to explain without explanations, notes and notes that must be given to the financial statements regarding the reasons for the change.

In Uztransgaz JSC, the amount of net sales revenue in the current period decreased compared to the previous year and amounted to 9412 trillion soms at the cost of goods sold. This change certainly requires additional explanations.

If this result (+5689) was achieved by reducing the cost of goods sold, then it must be admitted that this is impossible. The responsibility for the accuracy of the information on the open database, open.info.uz, and the website belongs solely to the company itself.

State-owned enterprises ended 2021 with a loss of 2.51 trillion soums, and 2022 with a loss of 2.17 trillion soums. However, the fact that Uztransgaz JSC ended 2023 with a net profit of 7.7 trillion soums requires a thorough investigation and a systematic study of the reasons.

By analyzing the solvency and balance sheet liquidity of Uztransgaz JSC, we assess the current state of its financial condition and stability and its important future expectations.

Table 6

**Solvency and liquidity analysis of Uztransgaz JSC**

Indicators	Beginning of the period	End of the period	Difference+,-
Cash and short-term financial investments	589	261	-328
Accounts receivable	18049	16735	-1314
Inventory	8099	7507	-592
Current liabilities	31856	22255	-9689
Absolute solvency	0.018	0.011	-0.007
Intermediate solvency	0.585	0.763	+0.178
Total solvency	0.893	1.101	+0.208

At the beginning of the reporting period, the joint-stock company recorded critical results for all three indicators of solvency. By the end of the reporting period, a slight positive change in the intermediate and general indicators was observed, and this is also a risky indicator in relation to the required solvency standards.

In terms of relative and absolute expressions of liquidity, extremely negative situations can be observed. That is, the enterprise is experiencing serious difficulties due to economic insufficiency and insolvency.

**CONCLUSION.** So what are the analytical conclusions? Below, we found it necessary to provide some controversial, but not yet feasible, proposals and recommendations for improving the financial condition, efficiency and effectiveness of system enterprises.

First, we need to move the system to operate on the basis of market mechanisms and rules. In this regard, first of all, it is necessary to remove system enterprises from ineffective state management, introduce the private sector into the sector, strengthen investment flows, create a competitive environment, transition to energy efficiency, form an effective control mechanism, digitalization, and liberalize prices, and establish a consistent policy.

Secondly, it is necessary to study the current situation, opportunities, and threats through a thorough analysis of system enterprises, and draw clear, well-calculated conclusions on increasing the efficiency of activities in the sector, and draw up an immediate and step-by-step work plan;

Thirdly, any correctly selected organizational mechanism, technological solution, management and control will not give the expected results if accountability, audit, strategic economic levers at the level of international requirements are not established in the sector; Fourthly, it is necessary to establish such a system of regulation, control, and stimulation of



consumption that this system encourages the establishment of a conscious, understood, and civilized form of ensuring energy efficiency.

### Foydalanilgan adabiyotlar ro'yxati

1. В.Я Афанасев и др. Нефтегазовый комплекс: производство, экономика, управление: учебник. М.: Экономика 2019, 780 стр
2. А.Ф.Андреев А.А.Синелников. Стратегический менеджмент на предприятиях нефтегазового комплекса. М.:Издание:МАКС, 2010 г., 208 стр
3. М.А. Вахрушина. Анализ финансовой отчетности: учебник. М.: ИНФРА-М, 2024. – 434 с.
4. Н. А. Казакова. Анализ финансовой отчетности:учебник. М.: Издательство Юрайт, 2024. – 233 с.
5. M.Q. Pardaev va boshqalar. Moliyaviy va boshqaruv tahlili: darslik.T.:Chulpon. 2012,, 490 b.
6. M.Q. Pardaev, B.I.Isroilov. Iqtisodiy tahlil: darslik. T.: Iqtisod va xuquq dunyosi 2011, 452 b.
7. M.Q. Pardaev, J.I Isroilov., B.I. Isroilov Iqtisodiy tahlil: o'quv qo'llanma. T.:Print Line Group, 2017.-533 b.
8. M.Yu. Raximov Iqtisodiyot sub'ektlari moliyaviy holatini tahlili: darslik. T.: Iqtisod-moliya. 2015, 356 b.
- 9.M.Yu.Raximov, N.N. Kalandarova. Moliyaviy tahlil: darslik. T.: Iqtisod-moliya. 2019, 750 b.
- 10.M.Yu.Raximov, O.T. Astanokulov, N.N. Kalandarova. Iqtisodiyot sub'ektlari moliyaviy holatining tahlili: darslik. T.: Iqtisod-moliya 2021 y. 435 b.
- 11.M.Yu. Raximov, N.N. Mavlanov, N. N. Kalandarova. Iqtisodiy tahlil: o'quv qo'llanma, T.: Iqtisod-moliya 2021 y. 346 b.
12. Н. С. Пласкова. Анализ финансовой отчетности, составленной по МСФО: учебник. М.: ИНФРА-М, 2024. – 276 с.
13. А. Д. Шеремет. Анализ и диагностика финансово-хозяйственной деятельности предприятия: учебник. М.: ИНФРА-М, 2024. – 374 с.
- 14.O'zbekiston Respublikasi Qonunchilik ma'lumotlari milliy bazasi - <https://www.lex.uz>
- 15.Milliy statistika qo'mitasi - <https://www.stat.uz>
- 16.O'zbekiston respublikasi istiybolli loyihalar milliy agaentligi korporativ axborot yagona portali-<https://www.openinfo.uz>