



A STUDY ON FINANCIAL PERFORMANCE AND CHALLENGES OF ELECTRONIC MANUFACTURING INDUSTRY

Yuvaprakash , 2nd MBA,

Department of Management Studies, Periyar University, Salem-636011, Tamilnadu, India, Email:yuvaprakash2002@gmail.com

ABSTRACT

The present study aims to identify the financial strengths and weaknesses of the Indian electronics manufacturing sector by properly establishing relationships between the items of the balance sheet and profit and loss account. The study is of crucial importance to measure the firm's liquidity, solvency, profitability, stability and other indicators that the business is conducted in a rational and normal way; ensuring enough returns to the shareholders to maintain at least its market value. Financial analysis is the process of determining the significant operating and financial characteristics of a firm from accounting data and financial performance. The goal of such analysis is to determine the efficiency and performance of the company as reflected in the financial reports and records. If it is undertaken for a period of two months with the objective of analyzing the profitability solvency and liquidity position of the electronic manufacturing company. In their study, have listed out possible key performance dimensions as -raw material, production capacity, product demand and supply, job creation, GDP contribution, import-export, technological capability.

INTRODUCTION

FINANCIAL PERFORMANCE ANALYSIS:

Financial performance analysis is the process of identifying the financial strengths and weaknesses of the firm and establishing relationship between the items of the balance sheet and profit & loss account. Financial ratio analysis is the calculation and comparison of ratios, which are derived from the information in a company's financial statements. The level and historical trends of these ratios can be used to make inferences about a company's financial condition, its operations and attractiveness as an investment. The information in the statements is used by-

Trade creditors, to identify the firm's ability to meet their claims i.e. liquidity position of the industry.
Investors, to know about the present and future profitability of the company and its financial structure.
Management, in every aspect of the financial analysis. It is the responsibility of the management to maintain sound financial condition in the company.

REVIEW OF LITERATURE

1. Mr. P. Kanagaraj , Ms. S.S. Priyadharshini, in their work titled "A Study On Financial Performance Of Tata Motors"(2021),vol.8,issue.7,pp.74-76 . Through financial analysis companies can review their performance in the past years which identifying their performance and weakness and improving them. This study was carried under the period of six years 2015-2020 of balance sheet and profit and loss account. This research is done with the help of secondary data gathered from the annual report of TATA MOTORS Company. The total asset turnover ratio of the company was highest in the year 2014-2015 and the lowest in the year 2019-2020.Tata motors can retain their profitability position by making efficient employment of their available resources.

2. Aritra ranjan das in her work "Financial Performance Of Steel Industry In India" (2018), vol.3, issue.2, pp.18-24. Analyzed the research paper aims to study the financial performance of selected units in the steel industry in India in terms of financial ratios such as Liquidity, Solvency, Profitability and Efficiency position. The basic rationale of doing the study is that in the recent economic scenario of the country, iron and steel industry is going through severe downturn and Government is trying to keep no stones unturned for putting the industry back on growth track to achieve the second largest producer of steel in the world. For the study following companies listed in the stock exchanges in India viz. Tata Steel Ltd., Jindal Steel & Power Ltd., J S W Steel Ltd. and Steel Authority of India Ltd. are selected. ANOVA-Test analysis is employed to evaluate the impact of selected variables on the financial performance of identified units in the steel industry.

3. Anupa jayawardhana in her work "Financial Performance Analysis Of ADIDAS AG" (2016), vol.8, pp-74-82. Analyzed the financial statement of Adidas has been selected and analyzed. The financial statement indicates the balance sheet, income statement and the cash flow statement. Financial performance has been studied using horizontal analysis, vertical analysis, trend analysis and mainly ratio analysis to suggest improvements to increase finance flow, improve dividend and reduce liabilities. Main analysis is based on 2014 and 2013 financial years which are ending on 31st of December in

every year. Finally, recommendations and suggestions have been made to ensure the revenue of the company and reduce the liabilities while improving the stability of the company.

OBJECTIVE OF STUDY

To Know About The Financial Performance Of Manufacturing Companies.
 To Examine The Consistency And Growth Rate Of Selected Financial Parameters
 To Analyze The Profitability Position Of the industry .

METHODOLOGY OF THE STUDY

Research methodology is a systematic procedure of collecting the information in order to analyze and verify phenomenon with the help of the data. The research process includes various steps such as formulating problem extensive survey, preparing the research design, collection of data and preparation of the report.

ELECTRONICS INDUSTRY

The Indian Electronics industry is being driven by macro factors such as growing middle-class population and rising disposable income. In addition, declining electronics prices and adoption of high-end technology devices is leading to an uptick in consumption of electronics devices.

The electronics manufacturing industry can be divided into four primary segments:

- Government products
- Industrial products
- Consumer products
- Electronic components

Furthermore, technology transitions such as the rollout of 4G/ LTE networks and IoT are driving accelerated adoption of electronics products. Initiatives such as 'Digital India' and 'Smart City' projects have raised the demand for IoT in the market. Similarly, the digital banking sector like wallet players and payment banks will raise demand for POS and VSAT-enabled mobile ATMs, which will further give a fillip to the growing industry. The Consumer Electronics and Appliances Industry in India is expected to become the fifth largest in the world by 2025. In case of electronics items for defense, FDI up to 49% is allowed under automatic route and beyond 49% through the government approval.

CHALLENGES IN ELECTRONICS INDUSTRY IN INDIA

The current Indian electronics manufacturing sector does not have major chip fabrication centers (Fab centers), forcing the market to rely on imports. Despite generating immense demand and providing a pool of cheap labor supply, India's electronic manufacturing sector has been unable to serve the needs of the electronics market. There are several challenges that the electronic manufacturing industry faces. The first is lack of capital. Fab centers specifically are highly capital intensive. They require heavy capital to carry out the manufacturing of ICs. The manufacturer needs to ensure that their unit produces a competitive volume of finished goods, and not prioritize quality alone. This raises capital requirements.

The second is a lack of availability of raw materials. The manufacturing industry, especially the fab centers, require the supply of semiconductor grade materials and gases (nitrogen, argon, etc.). There is no supply of these materials in India because there are no major Fab centers that generate demand – the classic chicken and egg situation. In contrast, in the city of Hschinchu in Taiwan, pipelines of semiconductor gases have been set up, which allows any manufacturer to tap into the supply.

The third major challenge is irregular power supply. In most parts of the country, power outages are a daily or hourly occurrence – steady power supply is hard to come by, causing expensive delays in the manufacturing process.

The fourth obstacle is the inefficient transport system and unavailability of a steady supply of water act as major hurdles. Deionized water is required by manufacturing units in large volumes. Poor water supply and inefficient transport force the manufacturing unit to incur unnecessary time costs.

The fifth issue is the absence of major Indian electronics players, which has prevented the industry from taking off in a big way. Important electronics companies of the country, like Reliance and TATA, have not set up manufacturing units because of the rapidly changing face of the industry. The products that are manufactured do not have a long shelf life in the constantly evolving market, introducing the element of high risks into the industry.

CONCLUSION

The study concludes that electronic manufacturing sector is the life blood of the Indian economy. The study and analysis of the market size and the major segments of the sector drew conclusion that electronic industries sector is growing with a good pace in the Indian economy and is expected to grow further.

REFERENCE

Journals [47] , Scopus – 9, UGC Care – 8, SSCI-I

1. Dr.M.Suryakumar (2016), Impact of Burnout Syndrome In Emotional Intelligence Among College Teachers, International Journal of Management (IJM), 7(3), 306-312.
2. Dr.M.Suryakumar (2015), Impact of Burnout on usage of technology, International Journal of Management (IJM), 6(12), 89-96.
3. Dr.M.Suryakumar (2016), Exploring Stress Levels of Students Via Burnout, Global Journal of Research Analysis, 5(6), 239-240.
4. Dr.M.Suryakumar (2016), EI Level Among College Students, Paripex- Indian Journal of Research, 5(6), 282-283.
5. Dr.M.Suryakumar (2016), Factors responsible for burnout among college students, International Journal of Management (IJM), 7(1), 164-169.
6. Dr.M.Suryakumar and Tamilselvan K. (2016), Stress Management among college teachers, Paripex- Indian Journal of Research, 5(6), 352-354.
7. Dr.M.Suryakumar and C.Sudha (2016), A Study on Stress Management Among Arts and Science College Students in Salem Town, Global Journal of Research Analysis, 5(6), 377-378.
8. Dr.M.Suryakumar and S.Sasikala (2016), Factors Influencing Quality Management Practices in Perception of Engineering Students, Global Journal of Research Analysis, 5(6), 379-380.
9. Dr.M.Suryakumar and S.Manivannan (2017), [Burnout in Relation with Stress among Engineering Students in Salem City](#), Global Journal of Research Analysis, 6(6), 454-456.
10. Dr.M.Suryakumar and R.Venkatesh. (2017), Rural Marketing Strategies, Issues and Challenges, Paripex- Indian Journal of Research, 6(6), 104-106.
11. Dr.M.Suryakumar and T.Thirunavukkarasu. (2017), A Study On Micro Small Medium Entrepreneurs Preference And Problems Towards Banking Services, International Research Journal of Research and Commerce, 4(9), 63-73.
12. Dr.M.Suryakumar and J.Mohammad Nabi. (2017), Problems Of Women Entrepreneurship On Rural Areas In Dharmapuri District, Tamilnadu, Paripex- Indian Journal of Research, 6(7), 62-63.
13. Dr.M.Suryakumar and A.Dhanalakshmi (2017), A Study on Make in India Through Retaining through in Agriculture, Global Journal of Research Analysis, 6(8), 639-640.
14. Dr.M.Suryakumar and S.Manivannan (2018), A Study on Work life balance among college teacher in Salem District TamilNadu, International Journal of Scientific Research in Computer Science Applications and Management Studies, 7(4).
15. Dr.M.Suryakumar and J.Mohammad Nabi (2018), A Study on Challenges of Young Entrepreneur with Special Reference to Dharmapuri District., International Journal of Research and Analytical Reviews, 5(4), 1060-1066
16. Dr.M.Suryakumar and J.Mohammad Nabi (2018), A Study on problems faced by entrepreneurs in India., International Journal of Scientific Research in Computer Science Applications and Management Studies, 7(4).
17. Dr.M.Suryakumar and T.Thirunavukkarasu. (2018), Perception of micro small and medium enterprise entrepreneurs on banking services, Journal of Management Research and Analysis, 5(3), 348-353.
18. Dr.M.Suryakumar and S.Manivannan (2018), [Emotional Intelligent and relationship among college teacher in Tamil Nadu](#), International Journal of Research, 7(12), 898-903.
19. Dr.M.Suryakumar and T.Ramesh (2018), Marketing Strategies and Customer Satisfaction of Cement Product in Theni District, International Journal of Scientific Research in Computer Science Applications and Management Studies, 7(5).
20. Dr.M.Suryakumar and T.Ramesh (2019), Buyers' approach towards different brands of cement in Salem District - An Analytical study, International Journal of Scientific Research in Computer Science Applications and Management Studies, 8(1), 453-459.
21. Dr.M.Suryakumar and R.Venkatesh. (2018), Innovations in Small and Medium Enterprises in India, International Journal of Creative Research Thoughts (IJCRT), 6(1), 327-332.
22. Dr.M.Suryakumar and R.Venkatesh. (2018), [Rural Employment Development in Small Scale Industries among Salem District](#), International Journal of Research, 7(12), 431-438.
23. Dr.M.Suryakumar and R.Venkatesh. (2018), Profits And Risks On Small Scale Industries In Salem District, International Journal Of Research And Analytical Reviews (Ijrar), 5(3), 541-547.
24. Dr.M.Suryakumar and R.Venkatesh. (2018), [Essential Elements of Rural Economy and Rural Society in India](#), International Journal of Scientific Research in Computer Science Applications and Management Studies, 7(3).
25. R.Venkatesh and Dr.M.Suryakumar. (2018), [Impact of New Development Options for small and Medium Enterprises in India](#), International Journal of Innovative Research and Studies, 8(4), 108-117.
26. Dr.M.Suryakumar and R.Venkatesh. (2018), [Role of Small Scale Industry – A Study with Special Reference to Backward Region in Tamil Nadu](#), International Research Journal of Business and Management, 9(1), 53-57.
27. Dr.M.Suryakumar and R.Venkatesh. (2018), [A Study On Consequence Of Human Factor In Small Scale Industry In India](#), Journal of Emerging Technologies and Innovative Research (JETIR), 5(5), 551-555.
28. Dr.M.Suryakumar And R.Venkatesh. (2017), Problems And Prospects Of Small Scale Industries In Rural Area Of Salem District, North Asian International Research Journal Of Social Science & Humanities, 3(12), 336-343.
29. Dr.M.Suryakumar And R.Venkatesh. (2018), [Small Scale And Cottage Industries – A Study On Problems And Employment Prospects In Rural Area, Tamil Nadu](#), ZENITH International Journal of Business Economics & Management Research, 8(2), 275-280.
30. Dr.M. Suryakumar, T. Thirunavukkarasu, and Mohammad Nabi(2019), Factors Contributing to MSME Entrepreneurs Level of Satisfaction on Banking Services, International Journal of Management Business and Research, 9(1), 115-119. - SCOPUS
31. Dr.M.Suryakumar And R.Venkatesh. (2019), Growth of Small Scale Industry and its Impact on Rural Economy in Salem District, Journal of Advanced Research in Dynamical and Control Systems, 11(4), 648-653. - SCOPUS

32. Dr.J.Senthil Velmurugan, Dr.M.Suryakumar And S.V.Rajkamal. (2019), Opportunities and Challenges of Rooftop Gardening Among House Hold Women in Salem District, *Journal of Advanced Research in Dynamical and Control Systems*, 11(4), 1416-1420.- SCOPUS
33. Dr.M.Suryakumar, Dr.R.Velmurugan And Dr.J.Sudarvel (2019), Hrm Practices And Its Influence On Employee Performance Towards Job Satisfaction In Selected It Companies, *International Journal Of Scientific & Technology Research*, 8(12), 3052-3054.- SCOPUS
34. Dr.M.Suryakumar And T.Ramesh (2020), Brand Perception Among Cement Brands – An Insight among Consumers, *International Journal Of Scientific & Technology Research*, 9(1), 1782-1784.- SCOPUS
35. Dr.M.Suryakumar And S.Manivannan (2020), [Emotionally Being Stable Helps Avoiding Burnout An Insight Among College Teachers](#), *International Journal Of Scientific & Technology Research*, 9(1), 2660-2662.- SCOPUS
36. Dr.M.Suryakumar And Uthiyakar M (2020), [Problems](#) of Entrepreneurs in Granite Industry, *International Journal Of Scientific & Technology Research*, 9(4), 2137-2139.- SCOPUS
37. V.Vasanth Kumar and Dr.M.Suryakumar (2020), A Study on occupational stress among college teachers, *Studies in Indian Place Names*, 40(60), 35-39– UGC CARE
38. V.Vasanth Kumar and Dr.M.Suryakumar (2020), Job Burnout and Struggles among college teachers, *Studies in Indian Place Names*, 40(60), 30-34– UGC CARE
39. Dr.M. Suryakumar, T. Thirunavukkarasu, (2021), Effect of Stress and Burnout on Job Satisfaction among College Faculty Members, *Turkish online journal of qualitative Inquiry*, 12(3), 1033-1049.- SCOPUS
40. T.Ramesh, Dr.M.Suryakumar, (2021), E-Commerce and Cement Brands, *Turkish online journal of qualitative Inquiry*, 12(3), 4054-4062- SCOPUS
41. Dr.M.Suryakumar, Dr.J.Mohammad Nabi (2021), Entrepreneurs and Performance – A Study among small scale entrepreneurs in dharmapuri district, *Research and Reflections on Education*, 19(01A), 7-9. – UGC CARE
42. T.Ramesh and Dr.M.Suryakumar (2021), Customer Happiness among cement brands in Theni District, *Research and Reflections on Education*, 19(01A), 49-50, 58. – UGC CARE
43. T.Ramesh and Dr.M.Suryakumar (2021), Preference among cement brands – An Insight among consumers, *Research and Reflections on Education*, 19(01A), 29-30,40. – UGC CARE
44. Dr.M.Suryakumar(2022), Child Marriage and Its Bane: Influence of Society and Family, *Asian Journal of Organic and Medicinal Chemistry*, 7(1)-January to March Special Issue 2022, 52-58. – UGC CARE
45. V. Kalyani, Thangaraja Arumugam and M. Surya Kumar(2022). Women in Oppressive Societies as Portrayed in Kollywood Movies, *The American Journal of Economics and Sociology*, 81(1), 187-205. – SSCI (WOS) Published :10.03.2022.
46. Dr.M.Suryakumar(2022),Celebrity Endorsement and its Effect on Women among Beauty Care Products, *Asian Journal of Organic and Medicinal Chemistry*, 7(1)-January to March Special Issue – II, 2022, 729-735. – UGC CARE
47. Dr.M.Suryakumar(2022),Impact of Technology Development on Consumer Buying Behaviour on FMCG Products through E-Commerce, *Asian Journal of Organic and Medicinal Chemistry*, 7(1)-January to March Special Issue – II, 2022, 736-740. – UGC CARE
48. S.Elango and Dr.M.Suryakumar (2022), Entrepreneurial Celebrity Endorsement And Its Influences On Purchase Behaviour, *International Journal of System Assurance Engineering and Management*.SCOPUS–Springer–Published (25.07.2022), <https://link.springer.com/article/10.1007/s13198-022-01734-x>.
49. Rajkamal S.V, J. Senthil Velmurugan and M. Suryakumar (2022), Green Entrepreneurs Challenges and Innovation: The Struggles They Face, *International journal of professional and business review*, 7(2), 1-21, DOI: <https://doi.org/10.26668/businessreview/2022.v7i2.0482>.
50. Dr.V.R.Palanivel “ Financial Management” S Chand & Company Ltd, New Delhi, (2010).