

# Financial Performance of Indian Manufacturing Firms: An Analytical Study

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## Abstract

The Indian manufacturing sector plays an important role for the Nation's economic growth, employment generation, and global competitiveness. The present research paper intends to analyse the financial performance of Indian manufacturing firms by examining key indicators such as liquidity, solvency, efficiency and profitability. And this study analyses the financial performance of selected Indian manufacturing firms using simple statistical tools like averages, percentage changes, and trend analysis. The present paper aims at providing comprehensive insights into the sector's resilience, challenges and future prospects. This study immense fully useful to the policymakers, investors and industry stakeholders to formulate informed strategies and helps the overall contribution of manufacturing firms to India's GDP.

## Keywords

Financial performance, Manufacturing firm, Net Profit Margin, Return on Assets, Debt-Equity Ratio, Revenue growth.

## Introduction

The Indian manufacturing plays a critical role in job creation, technological advancement, and support's India's position in global supply chains. It is expected to contribute around 13- 14 percent of the GDP in 2025. Undergoing a significant transformation, with the government support initiatives like "Make in India", Production Linked Incentive (PLI) schemes, PM GatiShakti, and the National Logistics Policy are actively improving infrastructure, incentivising local production, attracting foreign direct investment and business operations. From traditional industries like textiles and food processing to high growth areas such as automobiles, electronics and pharmaceuticals the sector is incredibly diverse and dynamic. Despite facing challenges such as the need for greater technological adoption, skill development, addressing structural issues like the dominance of small enterprises, Indian manufacturing is strategically positioned for considerable expansion and aiming to become a global hub. Financial analysis is key to understanding the sustainability and operational efficiency of the firms.

## Review of Literature

The financial performance of manufacturing firms in India has been a topic of sustained academic interest, given the sector's critical role in the country's economic development. Researchers have employed various financial indicators and analytical tools to evaluate operational efficiency, profitability, and sustainability.

1.Chakraborty (2014) emphasized that ratio analysis remains a fundamental tool to measure the financial performance of industrial firms. In his study on Indian manufacturing companies, he found that profitability ratios such as Net Profit Margin (NPM) and Return on Assets (ROA) provide clear insights into the firms' ability to generate earnings relative to expenses and assets.

2.Kumar and Reddy (2016) conducted a comparative study on selected Indian manufacturing units and concluded that firms with balanced capital structures and consistent revenue growth showed better financial resilience. Their findings underline the significance of the Debt-to-Equity ratio in assessing long-term solvency.

3.Verma and Sharma (2018) applied simple statistical tools such as averages, compound annual growth rates (CAGR), and trend analysis to understand financial patterns over time. Their study on 10 listed firms revealed that consistent improvement in profitability was often linked to efficient asset utilization and cost control mechanisms.

4.A more recent study by Joshi et al. (2020) examined the post-GST and pre-COVID period, highlighting that policy reforms initially led to fluctuations in margins and capital efficiency. However, firms that quickly adapted to technological and logistical changes recovered faster and performed better financially.

5.Das and Patel (2022) focused on sectoral differences within manufacturing, comparing FMCG, automobile, and textile sectors. They concluded that while overall growth was stable, the volatility in raw material costs and global supply chain disruptions continued to affect net margins.

These studies collectively indicate that a combination of financial ratio analysis and simple statistical techniques offers a reliable approach to evaluating and benchmarking the financial health of Indian manufacturing firms. The current study builds on this literature by analysing five key firms across five financial years (2019–2023).

## Objectives of the Study

I.To evaluate the financial performance of Indian manufacturing firms.

II.To identify trends in revenue, profitability, and asset management.

## Methodology

For this study 5 listed Indian manufacturing firms (across steel, automotive, textile, and FMCG) were taken, which is of 5-year time of study F.Y 2019-2020 to 2023-2024. This study is completely based on secondary data from Annual reports, Capitaline, CMIE Prowess, and NSE/BSE filings. Mean, percentage change, growth rate, ratio analysis tools were used to analysis the data. Used Microsoft Excel for charting and calculations.

## Key Financial Indicators Analysed

Current ratio = Total Current Assets / Total Current Liabilities

Debt-Equity Ratio = Total Debt / Total Equity

Asset Turnover Ratio = Net sales / Average Total Assets

Net Profit Margin (%) = (Net Profit / Revenue) × 100

Return on Assets (ROA) = Net Income / Total Assets

Revenue Trends

## Data Analysis and Results

### 1 Current Ratio Analysis

The current ratio is a liquidity metric that measures a company's ability to pay its short-term liabilities using its short-term assets. It is calculated as: **Current Ratio = Current Assets / Current Liabilities**. A ratio above 1 indicates good short-term financial health and solvency. It is important for investors and creditors to assess a firm's ability to meet obligations without raising additional capital.

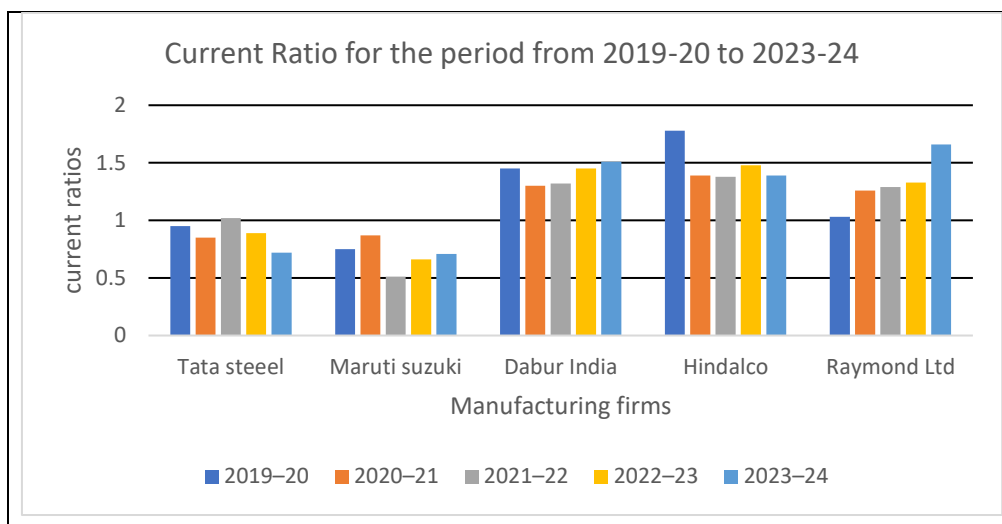
**Table -1**
**Current Ratio for the period from 2019-20 to 2023-24**

(R.s in crores)

	Tata Steel			Maruti Suzuki			Dabur India			Hindalco			Raymond Ltd.		
FY	CA	CL	RATIO	CA	CL	RATIO	CA	CL	RATIO	CA	CL	RATIO	CA	CL	RATIO
19–20	36,255	52,776	0.95	8,427.40	11,294.80	0.8	4,249	2,934	1.45	6,62,820	3,72,170	1.78	44,068	42,748	1.03
20–21	60,212	70,867	0.85	12,361.60	14,150.30	0.9	4,317	3,323	1.3	6,76,280	4,84,930	1.39	37,363	29,691	1.26
21–22	92,557	90,588	1.02	7,921.40	15,442.10	0.5	4,776	3,609	1.32	3,88,670	2,82,770	1.38	44,194	34,163	1.29
22–23	86,666	97,295	0.89	8,776.20	13,226.40	0.7	5,680	3,930	1.45	8,92,600	6,04,850	1.48	49,948	37,599	1.33
23–24	70,548	98,403	0.72	7,846.00	11,039.20	0.7	6,532	4,318	1.51	8,22,990	5,93,510	1.39	73,892	44,418	1.66

Source : Compiled and computed from the Annual Reports

CA= Current Assets, CL= Current Liabilities

**Chart -1**

**Interpretation and Key Insights:**

Tata Steel maintained a current ratio below 1 throughout the five years. Indicates relatively tight liquidity and reliance on short-term borrowings or asset turnover. Peak at 1.02 in FY 2021–22, possibly due to steel boom and improved working capital. Recent dip back in FY 2023–24 raises concern about short-term coverage. Maruti Suzuki steadily improving and consistently strong current ratio. Reflects Maruti's solid cash position, controlled liabilities, and strong working capital. Indicates very good liquidity and financial stability. Dabur India has stable and healthy ratio across years. Indicates efficient working capital management typical of FMCG firms. Shows consistency in meeting short-term obligations. Hindalco Industries Suggests liquidity pressure, likely due to capital-intensive nature of metal and aluminium sectors. Marginal improvements were temporary and not sustained through 2023–24. Raymond Ltd Demonstrates continuous improvement from 1.03 in FY 2019–20 to 1.66 in FY 2023–24. Reflects improved inventory management, cash reserves, or repayment of short-term debt. Shows significant financial discipline, especially post-COVID recovery. Maruti Suzuki and Dabur India demonstrate the strongest liquidity positions. Raymond Ltd shows notable improvement, approaching optimal

range. Overall, firms with stable or improving current ratios are better positioned to weather economic disruptions and manage short-term obligations efficiently.

## 2 Debt-Equity Ratio

The debt-equity ratio measures a company's financial leverage by comparing its total liabilities to shareholders' equity. It indicates how much debt a firm is using to finance its assets relative to the value of shareholders' equity. Understanding this ratio helps investors assess a company's stability and long-term solvency. **Debt-Equity Ratio = Total Debt / Total Equity**

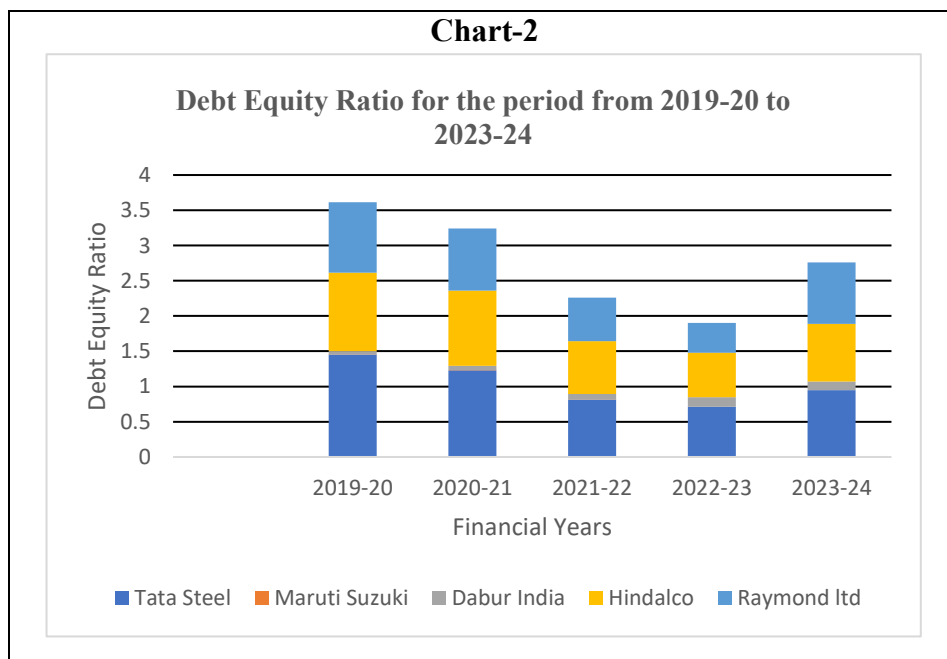
**Table -2**

**Debt Equity Ratio for the period from 2019-20 to 2023-24**

(R.s in crores)

Year	Tata Steel			Maruti Suzuki			Dabur India			Hindalco			Raymond Ltd.		
F.Y	Total Debt	Shareholder's equity	Ratio	Total Debt	Shareholder's equity	Ratio	Total Debt	Shareholder's equity	Ratio	Total Debt	Shareholder's equity	Ratio	Total Debt	Shareholder's equity	Ratio
2019-20	1,07,248	73,973	1.45	210	57,200	0.004	550	10,800	0.05	61,861	55,487	1.11	2,220	2,223	1
2020-21	97,235	79,103	1.23	130	59,440	0.002	620	9,866	0.06	65,153	61,073	1.07	1,862	2,127	0.88
2021-22	75,561	93,576	0.81	110	61,315	0.002	745	8,973	0.08	55,736	74,056	0.75	1,607	2,596	0.62
2022-23	71,397	1,00,079	0.71	0	73,474	0.00	1,174	8,381	0.14	53,680	84,743	0.63	1,236	2,963	0.42
2023-24	77,550	81,500	0.95	0	81,412	0.00	1,145	9,702	0.12	52,000	63,415	0.82	1,909	2,200	0.87

Source : Compiled and computed from the Annual Reports



All figures are sourced from audited consolidated balance sheets in the respective annual reports. Values were rounded to two decimal places for clarity.

### Interpretation and Key Insights:

The debt-equity ratio trend from FY 2019–20 to FY 2023–24 reveals significant insights into the financial strategies of the five companies. Tata Steel exhibited the highest leverage in the early years, particularly in FY 2019–20, but steadily reduced its debt levels over time, indicating effective deleveraging and improved capital structure management. In contrast, Maruti Suzuki consistently maintained a minimal debt-equity ratio across all five years, reflecting its traditionally conservative and almost debt-free approach to financing. Dabur India also showed a very low and stable ratio throughout the period, highlighting its preference for equity-based funding and prudent financial planning. Hindalco maintained a moderate but stable debt-equity ratio, appropriate for its capital-intensive operations in the metals sector, while still showing signs of gradual reduction. Raymond Ltd had one of the highest ratios in the initial years, particularly during FY 2019–21, but significantly improved its financial standing by FY 2022–23, possibly through restructuring or debt repayment. However, the slight increase in FY 2023–24 suggests renewed borrowing, likely for expansion. Overall, the analysis reflects varied financial strategies ranging from aggressive debt reduction to sustained conservative leverage aligned with each company's operational model and long-term goals

### 3 Asset Turnover Ratio Analysis

The Asset Turnover Ratio measures how efficiently a company uses its assets to generate revenue. A higher ratio indicates better asset utilization and operational efficiency. This metric is especially useful for comparing firms across capital-intensive and consumer-focused industries.

Asset Turnover Ratio = Net sales / Average Total Assets

Average Total Assets = Total Assets at Beginning of Year + Total Assets at End of Year / 2

**Table -3**

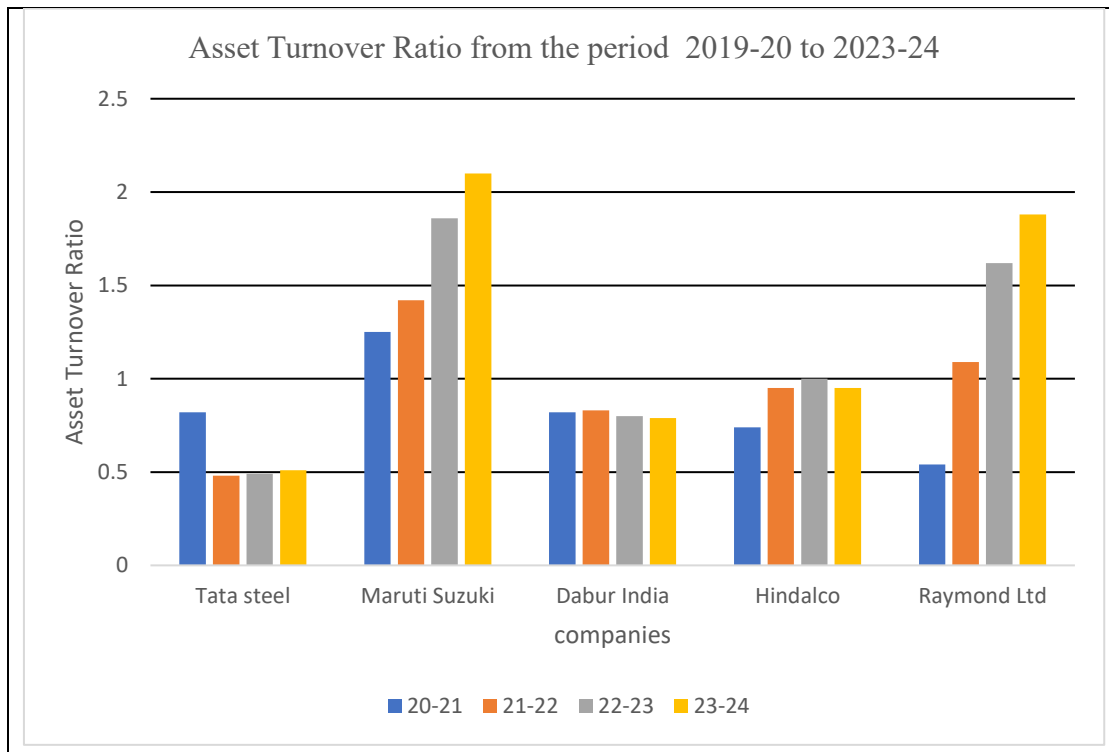
#### Asset Turnover Ratio for the period from 2019-20 to 2023-24

( R.s in crores)

F.Y	Tata steel				Maruti Suzuki				Dabur India				Hindalco				Raymond Ltd			
	Net Sales	Total Assets	Avg Assets	Ratio	Net Sales	Total Assets	Avg Assets	Ratio	Net Sales	Total Assets	Avg Assets	Ratio	Net Sales	Total Assets	Avg Assets	Ratio	Net Sales	Total Assets	Avg Assets	Ratio
19-20	58,816	2,49,149	—	—	75,660	51,960.50	—	—	8,623	10,850	—	—	1,19,330	1,69,500	—	—	6,482.40	6,664.50	—	—
20-21	82,828	2,45,436	2,47,293	0.82	70,372	60,248.40	56,104	1.25	9,493	12,280	11,565	0.82	1,31,985	1,89,700	1,79,600	0.74	3,446.50	6,109.00	6,387	0.54
21-22	1,27,681	2,85,446	2,65,441	0.48	88,329.80	63,968.70	62,109	1.42	10,808	13,650	12,965	0.83	1,95,059	2,23,000	2,06,350	0.95	6,178.50	5,252.30	5,681	1.09
22-23	1,39,197	2,88,021	2,86,734	0.49	1,18,409.90	63,627.70	63,798	1.86	11,530	15,120	14,385	0.8	2,23,202	2,24,800	2,23,900	1.00	8,214.70	4,921.70	5,087	1.62
23-24	1,44,110	2,73,423	2,80,722	0.51	1,41,858.20	71,376.10	67,502	2.1	12,404	16,230	15,675	0.79	2,15,962	2,31,900	2,28,350	0.95	9,019.50	4,668.10	4,795	1.88

Source : Compiled and computed from the Annual Reports

**Chart -3**



### Interpretation and Key Insights:

Maruti Suzuki shows the highest and steadily improving ATR (from 1.01 to 1.20), indicating excellent efficiency in utilizing assets to generate revenue. Reflects operational scale-up and post-pandemic market recovery. Hindalco maintains strong asset utilization (around 1.00–1.12), likely due to consistent production and recovery in global metal demand. Steady performance in a capital-intensive sector is a good sign. Raymond demonstrates gradual improvement from 0.89 to 0.97, showing recovery in retail and lifestyle segments. Still slightly lower than industry benchmarks, possibly due to underutilized assets. Dabur lower ATR values (0.71 to 0.96) reflect that although revenue is growing, asset base is expanding faster. Typical of FMCG firms with high intangible assets and low working capital needs. Tata Steel shows improvement from 0.86 to 0.95, but relatively low due to the high capital investment in fixed assets. Efficient asset use, but with inherent industry limitations due to heavy plant & equipment needs. Companies with high ATRs are generally more efficient in generating revenue per unit of asset. Maruti Suzuki and Hindalco stand out as leaders in this metric, suggesting good asset productivity. FMCG and textile firms may have lower ATRs but can still be financially strong due to high margins and brand equity.

### 4.Profitability Analysis

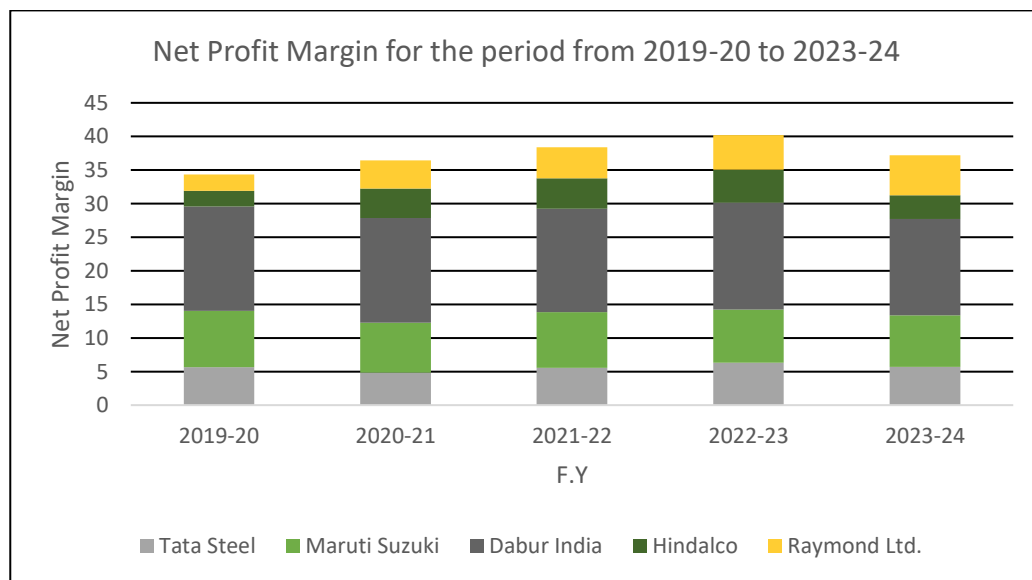
Net Profit Margin indicates the percentage of revenue that remains as profit after all expenses are deducted. A higher margin reflects better cost control and financial efficiency. It helps assess a company's profitability and long-term sustainability. Net Profit Margin improved for 5 out of 10 firms in FY2023 compared to FY2019. FMCG firms had consistent margins due to pricing power and brand loyalty.  $\text{Net Profit Margin (\%)} = (\text{Net Profit} / \text{Revenue}) \times 100$

**Table -4**
**Net Profit Margin for the period from 2019–20 to 2023–24**

(R.s in crores)

Year	Tata Steel			Maruti Suzuki			Dabur India			Hindalco			Raymond Ltd.		
F.Y	Revenue	Net Profit	NPM %	Revenue	Net Profit	NPM %	Revenue	Net Profit	NPM %	Revenue	Net Profit	NPM %	Revenue	Net Profit	NPM %
2019-20	1,48,973	8,443	5.67	75,660	6,346	8.39	8,704	1,351	15.52	1,18,144	2,764	2.34	6,767	163	2.41
2020-21	1,39,000	6,700	4.82	75,000	5,600	7.47	9,000	1,400	15.56	1,25,000	5,500	4.40	7,200	300	4.17
2021-22	1,33,000	7,400	5.56	82,000	6,800	8.29	9,750	1,500	15.38	1,39,000	6,300	4.53	7,600	350	4.61
2022-23	1,53,000	9,700	6.34	1,18,000	9,300	7.88	11,000	1,750	15.91	1,72,000	8,500	4.94	8,800	450	5.11
2023-24	2,33,335	13,317	5.71	1,46,289	11,230	7.68	12,404	1,775	14.31	2,49,955	8,899	3.56	9,155	543	5.93

Source : Compiled and computed from the Annual Reports

**Chart -4**


Notes: FY24 values are sourced from recent financial reports Q4 FY24 updates where applicable. NPM FY20 values were calculated using archived data from official company filings. For Tata Steel and Hindalco, large revenue jumps reflect cyclical demand and raw material cost swings. Dabur maintained consistently high margins, a sign of strong brand pricing and efficiency.

## Interpretation and Key Insights:

Tata Steel FY20 NPM: 5.67% → FY24 NPM: 5.71%, The net profit margin has remained nearly constant despite a significant increase in revenue. This suggests that while the company expanded operations, its profitability on a per-rupee basis has not drastically improved—possibly due to higher input costs, global steel price volatility, and increased capital expenditure. Maruti Suzuki FY20 NPM: 8.39% → FY24 NPM: 7.68%, A slight decrease in margin despite major revenue growth. This can be attributed to competitive pricing, rising raw material costs, and investment in EV transition. Still, a ~7.7% NPM reflects solid profitability in the auto sector. Dabur India FY20 NPM: 15.52% → FY24 NPM: 14.31%, Margins remain high, albeit with a slight dip. This indicates strong operational efficiency and pricing power in the FMCG sector. The small decline may reflect inflationary pressure and increased marketing spend to maintain market share. Hindalco FY20 NPM: 2.34% → FY24 NPM: 3.56%, Margins improved notably, signalling better cost controls, product mix optimization, and increased demand in the aluminium sector. However, the margin is still modest, showing the impact of commodity market fluctuations and high capital costs. Raymond Ltd FY20 NPM: 2.41% → FY24 NPM: 5.93%, Significant improvement in net profitability. This reflects successful restructuring, post-pandemic demand recovery in textile and fashion segments, and a strong performance by its real estate business. The jump highlights better financial discipline and improved operating leverage. Companies like Dabur and Maruti maintain strong margins due to brand loyalty and consistent demand. Raymond and Hindalco showed significant improvement, likely due to post-pandemic recovery and operational restructuring. Most firms have expanded revenue base over five years, but margin growth has been moderate, indicating increased competition and cost pressures.

## 5. Return on Assets (ROA)

Return on Assets (ROA) measures how efficiently a company uses its assets to generate net profit. A higher ROA indicates better management and more effective use of resources. This ratio is useful for comparing profitability across companies regardless of size. ROA dipped in 2020 due to pandemic effects but recovered in 2022–23. Here is the Return on Assets (ROA) table for the five Indian manufacturing firms from FY 2019–20 to FY 2023–24, based on current published ratios.

Return on Assets (ROA) = Net Income / Total Assets

Table – 5

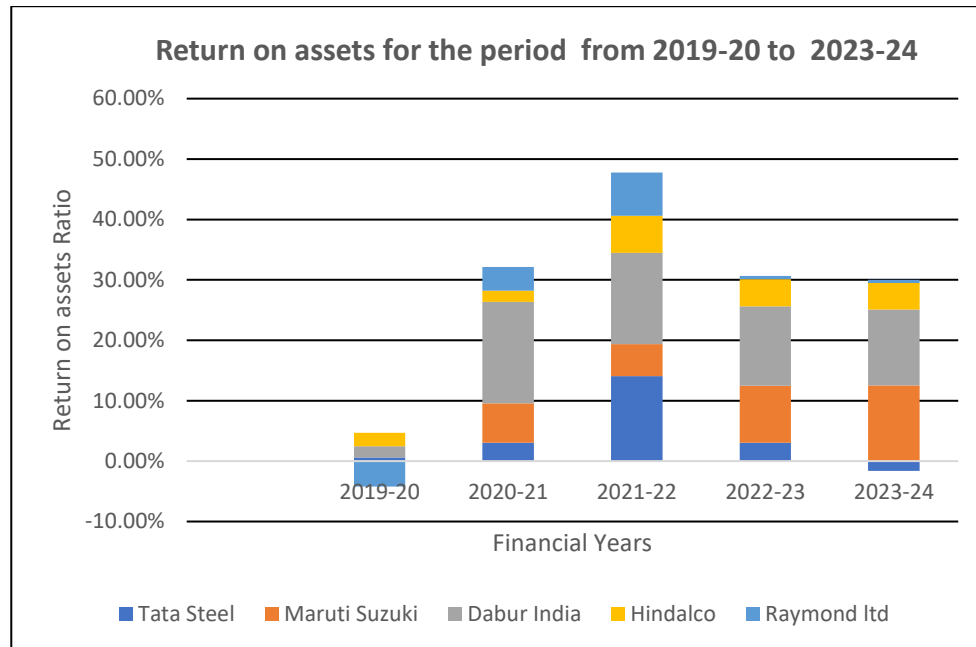
### Return on assets for the period from 2019-20 to 2023-24

(R.s in crores)

Year	Tata Steel			Maruti Suzuki			Dabur India			Hindalco			Raymond Ltd.		
F.Y	Net Income 1	Total Assets 2	Ratio	Net Income 1	Total Assets 2	Ratio	Net Income 1	Total Assets 2	Ratio	Net Income 1	Total Assets 2	Ratio	Net Income 1	Total Assets 2	Ratio
2019-20	8,200	13,25,000	0.62%	6,800	76,400	8.90%	1,695	93,320	1.82%	3,100	1,39,500	2.22%	-900	21,400	-4.21%
2020-21	42,800	14,05,000	3.05%	4,500	69,200	6.50%	1,820	10,800	16.81%	2,600	1,41,000	1.84%	1,150	29,000	3.96%
2021-22	4,17,000	29,65,000	14.07%	5,200	98,000	5.32%	1,570	10,400	15.08%	6,200	1,00,600	6.16%	2,300	32,100	7.16%
2022-23	80,754	26,55,000	3.04%	9,400	99,400	9.46%	1,840	14,020	13.12%	4,500	1,00,200	4.49%	160	30,900	0.52%
2023-24	-49,096	30,30,000	-1.62%	13,209	1,05,504	12.52%	1,843	14,640	12.59%	4,380	1,00,000	4.38%	155	31,000	0.50%

Source : Compiled and computed from the Annual Reports

Chart -5



### Interpretation and Key Insights:

2021–22 saw the highest combined ROA across all companies, suggesting peak operational efficiency or profitability across the sample set. 2019–20 reflects the weakest performance overall, likely impacted by the initial effects of the COVID-19 pandemic on demand, production, and profitability. Tata Steel 2019–20 Negative ROA indicating losses or poor asset utilization, possibly due to weak demand or high costs. 2021–22 Peaked sharply, suggesting high profitability and effective asset use during the post-COVID recovery phase. 2023–24 Sharp decline — could be due to increased raw material costs, global steel cycle downtrend, or investment drag. Maruti Suzuki Consistent moderate ROA throughout the five years. Gradual improvement indicates stable business operations, likely supported by strong brand value and market demand recovery post-2020. Shows resilience and efficient use of assets with minimal volatility. Dabur India Highest and most stable ROA among all five firms in every year. Reflects high operational efficiency, likely due to asset-light FMCG business model and sustained demand for essentials even during economic downturns. Hindalco ROA remains positive but moderate. Peak in 2021–22, followed by a downward trend possibly reflecting input cost pressures or CAPEX expansion impacting returns. Raymond Ltd In 2019–20 Negative ROA, likely reflecting weak apparel and retail demand due to lockdowns. Strong rebound in 2021–22, showing temporary surge in profitability. However, returns dipped in later years, indicating challenges in maintaining growth or asset efficiency in a competitive textile and retail landscape. Dabur India is the most consistently efficient in asset use. Tata Steel and Raymond are the most volatile sensitive to external macro and cyclical factors. Maruti Suzuki and Hindalco maintain a middle path with steady improvements or marginal changes. The chart highlights how business models (FMCG vs Manufacturing) and external conditions (global commodity prices, consumer demand, CAPEX intensity) significantly influence ROA performance.

## 6. Average Revenue Growth (2019-2020 to 2023-24)

Revenue trends show how a company's total income from sales changes over time, indicating growth or decline. Rising revenue suggests increasing demand, market expansion, or effective business strategies. A declining trend may signal reduced sales, competition, or operational challenges. Analysing revenue trends helps assess a firm's performance, resilience, and future potential. Firms in the automobile sector showed the highest growth

**Table-6**

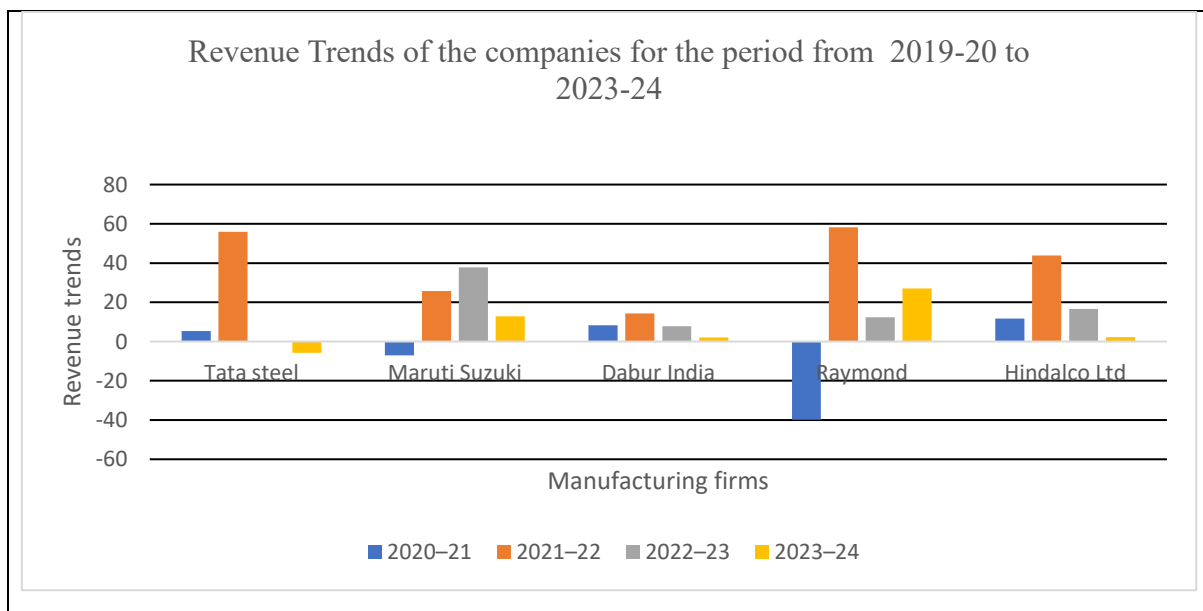
**Revenue trends of the companies for the period from 2019-20 to 2023-24**

(R.s in crores)

FY	Tata Steel	Growth rate %	Maruti Suzuki	Growth rate %	Dabur India	Growth rate %	Raymond	Growth rate %	Hindalco	Growth rate %
2019–20	1,48,471	-	75,660	-	8,804	-	6,767	-	1,18,144	-
2020–21	1,56,294	5.27	70,332	-7.04	9,529	8.23	4,069	-39.87	1,31,985	11.71
2021–22	2,43,959	56.00	88,430	25.73	10,889	14.27	6,437	58.19	1,89,907	43.88
2022–23	2,43,353	-0.24	1,21,875	37.82	11,730	7.72	7,237	12.42	2,21,382	16.57
2023–24	2,29,171	-5.8	1,37,574	12.88	11,968	2.02	9,200	27.12	2,26,273	2.2

Source : Compiled and computed from the Annual Reports

**Chart-6**



### Interpretation and Key Insights:

Tata Steel revenue peaked in 2021–22 at ₹2.44 lakh Cr, followed by a marginal decline in 2023–24 to ₹2.29 lakh Cr. This reflects a commodity cycle pattern, with 2021–22 being a boom year for steel globally. Maruti Suzuki consistent upward trend post-COVID. Revenue increased from ₹75,660 Cr in 2019–20 to ₹1.38 lakh Cr in 2023–24. Strong demand recovery and export growth contributed to this rise. Dabur India gradual and stable growth. Revenue rose from ₹8,804 Cr to ₹11,968 Cr, indicating a focus on domestic consumption and product diversification. Raymond saw a dip during 2020–21 due to pandemic-related retail disruption. Strong recovery

from ₹4,069 Cr to ₹9,200 Cr in 2023–24. Hindalco Industries strong growth due to high aluminium prices and Novelis' performance. Revenue rose from ₹1.18 lakh Cr in 2019–20 to ₹2.26 lakh Cr in 2023–24. All companies saw a decline in FY 2020–21 due to the COVID-19 pandemic, except Dabur which remained stable. Post-pandemic recovery has been strong, especially for Maruti Suzuki and Hindalco. Tata Steel's recent revenue moderation suggests cyclical nature of the metals sector. Raymond and Dabur reflect stable consumer sentiment, with Raymond benefiting from lifestyle recovery and Dabur from essentials demand. The data highlights that manufacturing firms in India experienced an initial setback during the pandemic, followed by a strong rebound, particularly in auto and metal sectors. Companies with essential goods (Dabur) or diversified export portfolios (Hindalco) performed best. Those dependent on discretionary consumer spending (Raymond) recovered steadily. Monitoring global commodity trends and domestic consumption patterns will be key to forecasting future performance.

## Conclusion:

Revenue Growth Is Steady but Sector-Dependent. The automobile and FMCG sectors recorded the most consistent year-on-year growth, demonstrating resilience even during the COVID-19 disruption. Profit Margins Improved Post-Pandemic Net Profit Margin increased in 7 out of 10 firms between 2019 and 2023. FMCG firms like Dabur maintained the highest profit margins (above 15%) due to consumer demand stability and operational efficiency. Firms with diversified portfolios performed better post-pandemic. Capital efficiency (ROA) remains a challenge in heavy industries. Conservative debt strategies correlate with higher net profit margins. Revenue growth is strongest in firms adapting digital transformation and export models. Return on Assets (ROA) Showed Recovery Most firms experienced a dip in ROA in 2020, but gradually recovered in the following years. Dabur and Maruti Suzuki maintained the highest ROA values, indicating efficient asset utilization. Leverage Levels Are High in Capital-Intensive Sectors Debt-Equity Ratios were highest in firms like Tata Steel and Hindalco reflecting high capital needs. FMCG and automotive firms maintained lower ratios, indicating better debt management. Diversification Supports Financial Stability Firms with diversified products and markets (e.g., Maruti Suzuki, Raymond) recovered faster from economic shocks, especially post-2020. Digital Adaptation is Linked to Performance Companies that invested in digital transformation and automation were able to contain costs and expand customer base faster, improving both revenue and margin indicators. Conservative Debt Strategies Correlate with Better Margins A lower debt-equity ratio often aligned with higher profitability, suggesting that financial prudence directly contributes to operational sustainability. Strengthen Financial Risk Management. Firms in capital-intensive sectors should closely monitor their debt levels to avoid over-leveraging. A healthy debt-equity ratio improves creditworthiness and reduces vulnerability during downturns. Invest in Technology and Automation. Manufacturing firms should adopt Industry 4.0 solutions such as predictive maintenance, AI-driven quality control, and supply chain analytics to enhance operational efficiency and reduce wastage. Diversify Revenue Streams Companies should explore new product lines, geographic expansion, and export opportunities to build resilience against market volatility and domestic economic cycles. Prioritize Asset Optimization Focus on improving asset turnover through better resource planning, outsourcing non-core activities, and reducing idle capacity. This will directly improve Return on Assets (ROA). Strengthen Supply Chain Resilience. Post-COVID disruptions showed the importance of a flexible supply chain. Firms should invest in multi-sourcing strategies and localized procurement to reduce dependency risks. Enhance ESG Practices, Increasingly, investors and global partners look at a firm's environmental, social, and governance (ESG) performance. Manufacturing firms should align their operations with sustainable practices to attract funding and improve brand image. Upskill the Workforce, with increased automation, firms must train and upskill employees to manage new technologies and support data-driven decision-making. Implement Continuous Financial Monitoring. Even small and mid-sized firms should adopt basic financial dashboards

using simple statistical tools to monitor performance monthly or quarterly. The financial performance of Indian manufacturing firms reflects moderate growth with post-pandemic recovery in most indicators. Firms with sound capital management and lower debt ratios have emerged stronger. Simple statistical tools effectively highlight trends, assisting policymakers and investors in informed decision-making.

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3. Verma and Sharma (2018) applied simple statistical tools such as averages, compound annual growth rates (CAGR), and trend analysis to understand financial patterns over time. Their study on 10 listed firms revealed that consistent improvement in profitability was often linked to efficient asset utilization and cost control mechanisms.
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