Corporate Social Responsibility and Financial Performance: A Comparative Analysis of Ultratech Cement and Ambuja Cement

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Abstract:
This study explores the impact of Corporate Social Responsibility (CSR) on the financial performance of two major players in the Indian cement industry, Ultratech Cement and Ambuja Cement. With businesses increasingly adopting CSR as a strategy to enhance their reputation and secure a sustainable future, this paper examines whether these initiatives translate into improved financial metrics. Through a comparative analysis, the research evaluates several years of financial data and CSR reports from both companies to assess the correlation between CSR activities and financial outcomes such as revenue, profitability, and market share. The findings aim to provide empirical evidence on the effectiveness of CSR in enhancing financial performance, offering valuable insights for industry stakeholders and policymakers. This study contributes to the broader discourse on the strategic value of CSR in business, especially within environmentally significant industries like cement manufacturing.

Introduction:
Corporate Social Responsibility (CSR) has become an integral component of business strategy for companies worldwide, reflecting a shift towards more ethical and sustainable business practices. In industries such as cement manufacturing, which are traditionally associated with high environmental impacts, CSR initiatives are particularly significant. These initiatives not only address the environmental concerns but also encompass social welfare programs and economic development, which are crucial for maintaining a positive corporate image and fostering long-term stakeholder relationships.

Ultratech Cement and Ambuja Cement, two frontrunners in the Indian cement industry, have been at the forefront of integrating CSR into their operational and strategic frameworks. These companies have implemented a variety of CSR programs aimed at environmental sustainability, community engagement, and economic development around their manufacturing sites. Such efforts include significant investments in eco-friendly technologies, community health and education programs, and employment generation activities, which are designed to improve the living standards of the surrounding communities and enhance environmental conservation.

This research paper seeks to analyze the impact of these CSR activities on the financial performance of Ultratech Cement and Ambuja Cement. By comparing financial outcomes such as profitability, revenue growth, and market share with their CSR expenditures and initiatives, this study aims to discern whether there is a direct correlation between sustained CSR engagement and improved financial metrics. The hypothesis is that effective CSR practices not only contribute to societal and environmental well-being but also enhance corporate profitability and shareholder value in the long run. This comparative analysis will provide insights into the efficacy of CSR as a business strategy in the cement industry and its potential as a model for other sectors seeking to align profitability with sustainability.

REVIEW OF LITERATURE

Sathishkumar, R., Madhumitha, T., & Keerthana, S. (2022). Examines the corporate social responsibility (CSR) expenditures and financial performance of selected Indian cement companies, including UltraTech Cement Limited, Ramco Cement Limited, and JK Cement Limited. The research analyzes secondary data from 2014-15 to 2020-21, using financial ratios to evaluate the relationship between CSR spending, profitability, liquidity, and solvency. The findings indicate that UltraTech Cement had the highest CSR spending, followed by Ramco Cement and JK Cement, with CSR investments showing a fluctuating trend. The study concludes that CSR positively impacts financial stability but varies across companies based on their individual financial strategies and market performance.

Vandana, S., & Subbulakshmi, S. (2022). Examines the significant role of Micro, Small, and Medium Enterprises (MSMEs) in the economic development of Chennai, Tamil Nadu. The authors explore how MSMEs contribute to employment, GDP, and export earnings, and identify challenges such as financing, technology, and market access. The study utilizes quantitative data from government reports and qualitative interviews with MSME owners. The findings suggest that MSMEs are crucial for economic diversification and resilience, although they face substantial obstacles that could hinder their potential.

Prabhakar, B. A., & Japee, G. P. (2023). Assesses the corporate social responsibility (CSR) commitments of five leading cement companies in India from 2014 to 2021, focusing on the financial contributions across various social sectors such as education, healthcare, and rural development. The research, drawing from data on the national CSR portal, concludes that UltraTech Cement Ltd. and Ambuja Cements Ltd. are the leaders in CSR spending, demonstrating significant investment particularly in education and healthcare. The study highlights varying levels of commitment across different sectors, with environmental sustainability and women empowerment receiving moderate to low funding.

Dhuri, M. P., Joshi, M., & Sinha, R. (2024). Study focuses on the financial health of cement companies in India, assessing the impact of corporate social responsibility (CSR) and sustainable growth rate (SGR) on the probability of bankruptcy using the Altman Z-score. Analyzing data from several major Indian cement producers, the research identifies no significant effect of CSR and SGR on reducing financial distress. This finding challenges the efficacy of these metrics in enhancing financial stability within the sector. The study is vital for stakeholders looking to understand the financial dynamics of the cement industry in light of sustainability practices.

Kumari, S., Sehrawat, A., & Sharma, T. (2017). Eexplores the impact of corporate social responsibility (CSR) initiatives undertaken by Ambuja Cement Ltd. on its local community. It focuses on the community's perceptions and expectations, assessing the effects through qualitative and quantitative methods, including focus group discussions and structured questionnaires. Key findings indicate a significant positive impact on community development, though awareness of CSR policies among the community members remains low. The paper emphasizes the need for increased CSR transparency and community involvement in CSR activities.

Patil, M. R., & Sawant, P. (2014). Explores the Corporate Social Responsibility (CSR) practices of Shree Cement in India, emphasizing their role in enhancing corporate performance and sustainability reporting. It assesses the effectiveness of these practices in fostering community trust and contributing to environmental and social welfare. The study provides a historical context of the cement industry in India, details the CSR activities of Shree Cement, and examines the company’s sustainability efforts through various metrics such as energy efficiency and social initiatives.

Kudtarkar, S. (2018). Examines the sustainability initiatives of the Indian cement industry, which is the world’s second-largest producer of cement. The study highlights the industry's environmental impact, particularly its significant CO_2 emissions (approximately 5% of global emissions) and high energy consumption. The research discusses innovative strategies for resource optimization, such as green power generation, alternative fuels, water conservation, and waste management. The paper also emphasizes the role of corporate social responsibility (CSR) reporting and the Cement Sustainability Initiative (CSI) in promoting transparency and accountability among cement manufacturers. Findings indicate that Indian cement companies are implementing sustainability strategies effectively, but policy reforms and fiscal incentives are required to further facilitate environmentally friendly practices.

Tailor, R. K., & Modi, R. K. (2017). Explores the growing importance of CSR in corporate governance and business ethics, emphasizing the role of external stakeholders, regulatory frameworks, and sustainability efforts. The study investigates CSR initiatives undertaken by Ambuja Cement Limited, J. K. Lakshmi Cement Limited, Shree Cement Limited, Ultratech Cement Limited, and The India Cement Limited, analyzing their impact on rural development, employee welfare, environmental conservation, and community engagement. Using survey-based primary data and secondary sources, the study employs Chi-square tests and statistical methods to determine variations in CSR adoption across companies. The findings indicate that Shree Cement Limited ranks highest in CSR effectiveness, while J. K. Lakshmi Cement Limited shows limited engagement in CSR activities. The study concludes that corporate social reporting is essential for transparency, stakeholder trust, and long-term business sustainability.

Chouhan, V., Sharma, R. B., & Goswami, S. (2021). Examines the sustainability reporting practices of five major cement companies in India—JK Cement Ltd., Shree Cement Ltd., ACC Cement Ltd., Binani Cement Ltd., and Ambuja Cement Ltd. The research highlights the importance of corporate sustainability reporting in the cement industry, focusing on financial and non-financial disclosures related to environmental, social, and governance (ESG) factors. Using the GRI framework and multivariate analysis (MANOVA), the study identifies significant differences in sustainability disclosure practices across companies. The findings reveal that Ambuja Cement and Shree Cement follow structured sustainability reporting frameworks, whereas ACC, Binani, and JK Cement lack formal sustainability disclosures. The study concludes that standardized sustainability frameworks and enhanced reporting transparency are essential for strengthening the industry's commitment to sustainable growth.

Kaushal, V., Attri, K. K., & Devi, S. (2018). Analyzes the corporate social responsibility (CSR) initiatives undertaken by Ambuja Cement Limited, Darlaghat, and ACC-Gagal Cement Works Limited, Barmana, focusing on their impact on local communities. The research evaluates awareness and satisfaction levels among 204 respondents from each company's surrounding areas, using survey-based primary data and SPSS statistical analysis. The findings indicate that Ambuja Cement Limited, Darlaghat, has a higher CSR awareness and satisfaction level than ACC-Gagal Cement Works Limited, Barmana. The study emphasizes that effective CSR implementation strengthens community trust and provides long-term social benefits. Recommendations include enhancing awareness campaigns, transparent CSR communication, and improving underfunded CSR areas such as disaster management and waste reduction.

STATEMENT OF THE PROBLEM

The cement industry is a significant contributor to economic growth but also poses environmental and social challenges due to its high carbon emissions, resource consumption, and industrial waste. With the Companies Act, 2013 mandating corporate social responsibility (CSR) spending, cement companies in India are required to invest in social and environmental initiatives. However, the effectiveness and financial impact of these CSR activities remain unclear. This study aims to investigate the relationship between CSR spending and financial performance in select Indian cement manufacturing companies.

OBJECTIVES

- To analyze the amount spent on CSR activities by leading cement companies in India, including UltraTech Cement, and Ambuja Cement
- To assess the financial performance of selected companies in terms of profitability, liquidity, solvency, and efficiency using financial ratios.
- To determine the correlation between CSR spending and financial performance, evaluating whether CSR investments positively impact financial stability and growth.

RESEARCH METHODOLOGY

- This study is based on secondary data collected from the published annual reports of selected Indian cement companies, including UltraTech Cement Limited, Ramco Cement Limited, and JK Cement Limited. The research covers a 10-year period from 2014-15 to 2023-24 to analyze the trends in Corporate Social Responsibility (CSR) expenditures and financial performance. Various financial ratios related to profitability, liquidity, solvency, and efficiency are used to assess the relationship between CSR spending and corporate financial health. The data is analyzed using statistical tools and trend analysis techniques to determine the impact of CSR investments on financial stability and growth within the cement industry.

DATE ANALYSIS AND INTERPRETATION

Table 1: Amount Spent for Corporate Social Responsibilities Expenses

Years	Ultratech Cement Limited	Ambuja Cement Limited
2014-15	44.46	40.98
2015-16	50.88	59.37
2016-17	54.15	58.79
2017-18	60.71	53.46
2018-19	74.96	62.57
2019-20	124.51	53.97
2020-21	120.68	64.41
2021-22	102.99	62.54
2022-23	96.4	73.28
2023-24	115.99	51.26

Source: Computed from Annual Reports of the companies.

Ultratech Cement Limited shows a generally increasing trend in CSR expenditure over the years. Starting at 44.46 in 2014-15, the spending increased significantly, peaking at 124.51 in 2019-20. Although there was a slight reduction in the subsequent years, the expenses remained relatively high, with a noticeable rebound to 115.99 in 2023-24. Ambuja Cement Limited had more fluctuating spending patterns on CSR activities. The expenditure started at 40.98 in 2014-15 and peaked at 59.37 in 2015-16. Although there were fluctuations over the years, a significant spike to 73.28 occurred in 2022-23. However, the latest figure in 2023-24 shows a decrease to 51.26.

Overall, both companies have shown a strong commitment to CSR, albeit with different spending patterns. Ultratech's more consistent increase might suggest a more systematic approach to CSR, while Ambuja's variability could reflect a more flexible or reactive strategy. This data is crucial for understanding how each company integrates social responsibility into its broader business practices and can be indicative of their corporate values and stakeholder engagement strategies.

Table 2: Current Ratio of Selected cement Companies

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	0.84	2.32
2022-23	0.98	1.75
2021-22	0.99	2
2020-21	1.17	1.26
2019-20	1.03	0.98
2018-19	0.87	1.54
2017-18	0.96	1.54
2016-17	1.55	1.34
2015-16	0.86	1.23
2014-15	0.9	2.03

Source: Computed from Annual Reports of the companies.

The current ratios for Ultratech Cement Limited have generally fluctuated below the benchmark of 1.0 for many years, indicating a tighter liquidity position. The highest current ratio recorded was 1.55 in 2016-17, suggesting better short-term financial stability in that year. The lowest was 0.84 in the most recent year, 2023-24, indicating potential liquidity pressures. Cement Limited's current ratios have generally been above 1.0, suggesting that the company has maintained a better position in covering its short-term liabilities with short-term assets. The ratios peaked at 2.32 in 2023-24, showing a strong liquidity position. The lowest point was 0.98 in 2019-20, which is close to 1.0, indicating adequate liquidity even in its weakest year.

Ambuja Cement Limited consistently shows a stronger liquidity position compared to Ultratech Cement Limited, as evidenced by higher current ratios almost every year. This might suggest that Ambuja manages its working capital more conservatively or has more liquid assets relative to its short-term liabilities. Ultratech, with several years recording current ratios below 1.0, may be utilizing its assets more aggressively or could be more leveraged, which could involve higher financial risk.

Table 3: Net Profit Ratio of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	10.05	13.02
2022-23	8.01	12.77
2021-22	13.94	13.04
2020-21	12.36	14.89
2019-20	13.42	15.74
2018-19	6.03	13.1
2017-18	7.49	13.09
2016-17	10.99	11.94
2015-16	9.99	10.13
2014-15	8.78	8.53

Source: Computed from Annual Reports of the companies.

Ultratech Cement Limited has shown variability in its net profit ratio over the years. The ratio peaked in 2021-22 at 13.94%, which suggests a highly efficient year for cost management and profit generation. The lowest ratio during this period was 6.03% in 2018-19, indicating a less favorable year in terms of profitability. In the most recent year, 2023-24, the net profit ratio stands at 10.05%, showing a healthy profit-making ability but slightly lower than its peak years. Ambuja Cement Limited generally displays higher net profit ratios compared to Ultratech, suggesting more consistent profitability. The highest ratio for Ambuja was 15.74% in 2019-20, which represents a strong year for the company in terms of earnings relative to its revenues. The lowest ratio was 8.53% in 2014-15, but even this lower point is relatively strong. In 2023-24, Ambuja's net profit ratio is 13.02%, which remains robust and indicates good profitability.

Both companies have demonstrated strong capabilities and strategic commitments in their respective domains, with Ultratech focusing more on growth and Ambuja on stability. This analysis provides valuable insights for stakeholders, including investors, analysts, and the companies themselves, to understand their positions in the industry and to make informed decisions based on these financial and operational indicators.

Table 4: Market Capitalization of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	4.1	7.51
2022-23	3.59	3.63
2021-22	3.76	6.62
2020-21	4.5	5.37
2019-20	2.31	4.35
2018-19	2.75	3.34
2017-18	3.64	3.92
2016-17	4.58	5.15
2015-16	3.74	4.45
2014-15	3.44	3.33

Source: Computed from Annual Reports of the companies.

The table provides the market capitalization (in presumably trillions of INR or another unit of measure, based on context) for Ultratech Cement Limited and Ambuja Cement Limited over a span from 2014-15 to 2023-24. Market capitalization is a critical metric, reflecting the total market value of a company's outstanding shares and is a direct indicator of market perception of its net worth.

Ultratech Cement Limited has shown fluctuations in its market capitalization over the decade. Starting at 3.44 in 2014-15, it peaked at 4.58 in 2016-17. Thereafter, it experienced some variations, reaching its highest at 4.5 in 2020-21, followed by a decline to 3.59 in 2022-23, and a slight increase to 4.1 in the most recent year 2023-24. Ambuja Cement Limited also exhibits fluctuations but with a generally upward trajectory. From 3.33 in 2014-15, it showed a steady increase and notably higher market capitalization than Ultratech in certain years, peaking dramatically at 7.51 in 2023-24 after a significant increase from 3.63 in 2022-23.

Market capitalization trends for both Ultratech and Ambuja provide important insights into how the market values these companies over time, reflecting not only their financial health but also their strategic moves, industry position, and future potential. Ambuja's significant increase in market cap particularly highlights positive market perception towards its future outlook, which might attract further investment. Ultratech's consistency, despite some fluctuations, demonstrates its resilience and enduring value in a competitive marketplace.

Table 5: Net Worth Margin of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	11.68	6.3
2022-23	9.28	8.95
2021-22	14.34	7.32
2020-21	12.32	9.36
2019-20	14.24	8.81
2018-19	8.64	6.88
2017-18	8.6	7.07
2016-17	10.97	6.25
2015-16	10.95	4.81
2014-15	10.68	7.83

Source: Computed from Annual Reports of the companies.

The table presents the net worth margins for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. Net worth margin, often derived as net worth divided by total revenue, reflects the financial stability and efficiency of a company in generating profits relative to its total equity.

Ultratech Cement Limited displays variability in its net worth margin over the decade. The margin reached its highest points in 2021-22 and 2019-20, at 14.34% and 14.24%, respectively, indicating strong profitability and asset management efficiency in those years. The lowest recorded margin was 8.6% in 2017-18, showing a significant range of fluctuation. The most recent year, 2023-24, shows a robust margin of 11.68%, suggesting good financial health. Ambuja Cement Limited also shows variability but generally lower margins compared to Ultratech. The highest margin for Ambuja was 9.36% in 2020-21, with the lowest at 4.81% in 2015-16, indicating a period of weaker financial efficiency or perhaps investment in growth that reduced relative net worth in the short term. In 2023-24, the margin stands at 6.3%, which is lower than Ultratech's, pointing to lesser efficiency or profitability in terms of net worth generation.

The net worth margin trends for Ultratech and Ambuja provide critical insights into their financial management and strategic positioning. Ultratech’s consistently higher margins suggest a stronger financial base and potential for continued profitability. Ambuja, while showing lower margins, may still hold appeal for its potential growth strategies or underlying asset values that are not immediately reflected in net worth margins. This analysis is essential for stakeholders making informed decisions about investment and strategic engagements with these companies.

Table 6: Enterprise Value of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	2,90,900.97	1,25,768.57
2022-23	2,28,788.60	70,080.24
2021-22	2,00,424.86	97,275.41
2020-21	2,10,253.91	70,848.65
2019-20	1,14,868.67	46,532.16
2018-19	1,33,421.16	34,314.10
2017-18	1,26,835.77	41,267.70
2016-17	1,14,739.07	50,377.88
2015-16	93,679.43	38,381.31
2014-15	86,072.20	28,724.42

Source: Computed from Annual Reports of the companies.

The table shows the enterprise value (EV) for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. Enterprise value is a comprehensive measure used to assess a company's total value, often considered a more accurate representation than market capitalization because it includes debt and excludes cash.

Ultratech Cement Limited has demonstrated significant growth in its enterprise value over the decade. Starting at 86,072.20 (units likely in millions or another appropriate scale), it shows a steady increase each year, peaking dramatically in 2023-24 at 2,90,900.97. This continuous upward trajectory indicates expanding operations, possibly through acquisitions, increased market share, or enhanced intrinsic value. Ambuja Cement Limited also shows growth in its enterprise value, but with more variability compared to Ultratech. Starting at 28,724.42, Ambuja's EV saw substantial growth, particularly notable in jumps to 97,275.41 in 2021-22 and then to 1,25,768.57 in 2023-24. The growth, while impressive, includes periods of slower increases and a significant dip in 2022-23 to 70,080.24 before recovering.

The enterprise value trends provide insight into the financial health and strategic effectiveness of Ultratech and Ambuja. Ultratech appears as a robust, steadily growing leader with strong market confidence, while Ambuja displays a pattern of strategic adjustments leading to significant value growth, especially notable in recent years. This analysis aids stakeholders in understanding each company's market value and strategic positioning, crucial for investment decisions and market analysis.

Table 7: Profit before Interest & Tax of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	9,472.21	5,666.15
2022-23	7,412.22	4,020.51
2021-22	8,362.70	2,888.77
2020-21	8,116.20	5,264.69
2019-20	5,183.95	4,153.16
2018-19	3,581.79	3,855.34
2017-18	3,648.20	3,057.79
2016-17	3,872.04	2,754.96
2015-16	3,421.30	2,035.12
2014-15	2,985.63	1,173.25

Source: Computed from Annual Reports of the companies.

The table outlines the Profit Before Interest and Tax (PBIT) for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. PBIT is a key financial indicator that measures a company's profitability from its core operations before any costs associated with debt and taxes are considered. This metric provides insights into the operational efficiency and earning power of a company.

Ultratech Cement Limited has shown consistent growth in PBIT over the decade. Starting at 2,985.63, the figures gradually increase almost every year, peaking at 9,472.21 in 2023-24. This trend indicates strong operational performance and an increasing ability to generate profit from its core business activities. The significant jump in PBIT from 5,183.95 in 2019-20 to 9,472.21 in 2023-24 suggests effective scaling of operations and possibly successful integration of acquisitions or expansions. Ambuja Cement Limited also demonstrates growth in PBIT, though with more variability compared to Ultratech. Beginning at 1,173.25, Ambuja's PBIT experiences significant fluctuations but shows a substantial increase over the years, culminating in 5,666.15 in 2023-24. Notably, there is a sharp increase in PBIT from 2,888.77 in 2021-22 to 5,666.15 in 2023-24, which could indicate successful strategic initiatives or market conditions favoring the company's product mix or operational efficiencies.

The PBIT trends for Ultratech and Ambuja Cement provide crucial insights into their operational efficiency and financial health. Ultratech's strong and steady growth in PBIT underscores its effectiveness in managing and expanding its operations, likely appealing to investors seeking stability and consistent performance. Ambuja’s growth and recent performance improvements highlight its potential and adaptability, which may be appealing for strategic investments or those looking for growth-oriented opportunities in the cement industry.

Table 8: Earnings Retention Ratio of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	84.15	78.74
2022-23	77.78	51.01
2021-22	84.91	0
2020-21	92.99	0
2019-20	93.03	-88.57
2018-19	85.6	80.52
2017-18	87.7	73.3
2016-17	90.08	55.51
2015-16	87.63	53.39
2014-15	87.74	46.2

Source: Computed from Annual Reports of the companies.

The table provides data on the Earnings Retention Ratio for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. The Earnings Retention Ratio (ERR) measures the percentage of net income that is retained in the company rather than distributed to shareholders as dividends. This ratio is significant as it indicates how much profit is reinvested into the company for growth initiatives like expansion, research and development, or debt reduction.

Ultratech Cement Limited shows a relatively high and stable ERR throughout the decade, indicating a consistent policy of reinvesting a significant portion of its earnings back into the company. The ERR ranged from a low of 77.78% in 2022-23 to a high of 93.03% in 2019-20. The most recent year, 2023-24, records an ERR of 84.15%, demonstrating a continued commitment to reinvesting earnings for growth and operational enhancements. Ambuja Cement Limited presents more variability in its ERR. Notably, there were years like 2021-22 and 2020-21 where the ERR was 0%, suggesting that all earnings were distributed or there were no earnings to retain. The most striking figure is -88.57% in 2019-20, indicating not just a lack of retention but potentially a loss or negative earnings in that year. However, in more stable years, such as 2018-19 and 2023-24, the ERR is 80.52% and 78.74%, respectively, showing a reasonable level of earnings retention when the company is profitable.

The ERR trends provide insights into each company's financial strategies and their approach to handling profits. Ultratech's approach suggests a robust and steady growth strategy, reinvesting most of its earnings back into the company, which might be seen as a sign of confidence in its future prospects. Ambuja's more varied approach indicates a potentially different strategic posture or response to fluctuating market conditions, which might appeal to different types of investors depending on their risk tolerance and investment goals. These trends are crucial for understanding how each company allocates its resources and plans for future growth or stability.

Table 9: Return on Net worth of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	11.68	6.3
2022-23	9.28	8.95
2021-22	14.34	7.32
2020-21	12.32	9.36
2019-20	14.24	8.81
2018-19	8.64	6.88
2017-18	8.6	7.07
2016-17	10.97	6.25
2015-16	10.95	4.81
2014-15	10.68	7.83

Source: Computed from Annual Reports of the companies.

The table provides data on the Return on Net Worth (RoNW) for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. Return on Net Worth, also known as Return on Equity (RoE), is a key financial ratio that measures the profitability of a company in generating profit from its shareholders' equity. This metric is crucial for investors as it shows how effectively a company uses the equity invested by its shareholders to generate profits.

Ultratech Cement Limited has demonstrated variable but generally positive RoNW over the decade. The RoNW peaked in 2021-22 at 14.34% and was similarly high in 2019-20 at 14.24%. The lowest was more moderate at 8.6% in 2017-18. In the most recent year, 2023-24, the RoNW stands at 11.68%, indicating a good level of profitability relative to shareholders' equity. Ambuja Cement Limited shows lower RoNW values compared to Ultratech across most years, with a high in 2020-21 at 9.36% and the lowest at 4.81% in 2015-16. In 2023-24, the RoNW is relatively lower at 6.3%, suggesting lesser profitability from shareholders' equity compared to Ultratech.

Return on Net Worth is a vital indicator of how well a company is managing the equity provided by its shareholders to create profits. Ultratech's generally higher RoNW suggests it is potentially a safer and more profitable investment from an equity return perspective. Ambuja's varied performance indicates areas for potential improvement in operational efficiency and asset utilization to enhance shareholder value. This analysis is important for investors making decisions based on financial health and operational effectiveness of these leading cement companies.

Table 10: Return on Capital Employed of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	14.3	8.72
2022-23	12.37	11.33
2021-22	14.78	9
2020-21	15.32	12.89
2019-20	12.03	11.92
2018-19	9.6	9.01
2017-18	10.88	8
2016-17	13.96	8.42
2015-16	8.78	4.67
2014-15	7.62	7.38

Source: Computed from Annual Reports of the companies.

The table outlines the Return on Capital Employed (ROCE) for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. ROCE is a crucial financial ratio that indicates how effectively a company is generating profits from its overall capital base, providing insights into operational efficiency and profitability relative to the amount of capital used in the business.

Ultratech Cement Limited exhibits an upward trend in ROCE over the decade, with notable improvements and higher returns in later years. Starting at 7.62% in 2014-15, the ROCE increases significantly, peaking at 15.32% in 2020-21. This trend suggests increasing operational efficiency and effective use of capital over time. The latest figure for 2023-24 stands at 14.3%, indicating continued strong performance. Ambuja Cement Limited shows variability in its ROCE, with a general upward trend but lower figures compared to Ultratech. The lowest ROCE was in 2015-16 at 4.67%, and the highest was 12.89% in 2020-21, showing a significant range of performance. The ROCE for 2023-24 is 8.72%, which, while improved from earlier lows, remains below the levels achieved by Ultratech.

Return on Capital Employed is a key indicator of how well a company uses its capital to generate profits. Ultratech's consistently higher and improving ROCE suggests it is potentially more efficient and profitable from a capital utilization standpoint. Ambuja, with its lower and more variable ROCE, may need to focus on strategies to enhance its capital efficiency to improve returns and competitive positioning in the market. This analysis is crucial for understanding both companies' operational efficiencies and for making informed investment decisions.

Table 11: Return on Assets of Selected Cement Companies.

Years	Ultratech Cement Limited	Ambuja Cement Limited
2023-24	7.14	5.29
2022-23	5.65	7.11
2021-22	8.76	6.01
2020-21	6.64	7.38
2019-20	7.59	7.02
2018-19	3.48	5.66
2017-18	4.1	5.9
2016-17	6.68	5.07
2015-16	6.18	3.99
2014-15	5.72	5.7

Source: Computed from Annual Reports of the companies.

The table presents the Return on Assets (ROA) for Ultratech Cement Limited and Ambuja Cement Limited from 2014-15 to 2023-24. ROA is a critical financial metric that measures how effectively a company can convert the money used to purchase assets into net income or profits. It provides insights into how efficiently a company is managing its assets to generate earnings.

Ultratech Cement Limited shows an overall upward trend in ROA over the decade, with some fluctuations. The ROA started at 5.72% in 2014-15 and peaked at 8.76% in 2021-22. The latest figure for 2023-24 stands at 7.14%, indicating good asset utilization relative to its historical performance. The peak years suggest periods of particularly effective asset management and operational efficiency. Ambuja Cement Limited also shows variability in its ROA, but with a slightly different pattern compared to Ultratech. It began at 5.7% in 2014-15 and reached a high of 7.38% in 2020-21. Unlike Ultratech, Ambuja had a year (2022-23) where its ROA surpassed Ultratech's, recording a 7.11%. The ROA for 2023-24 is 5.29%, which is lower than its peak but consistent with its earlier years' performance.

Return on Assets is a vital indicator of operational efficiency and a company's ability to generate profits from its asset base. Ultratech's generally higher and improving ROA demonstrates its effectiveness in managing assets to enhance profitability, marking it as a potentially more attractive choice for investors focusing on asset efficiency. Ambuja's variability suggests areas for improvement in maintaining stable asset efficiency, which could help it strengthen its market position and attract more focused investment.

CONCLUSION

This Study explores the relationship between CSR initiatives and financial outcomes such as revenue, profitability, and market share. The research underscores CSR as a strategic tool that not only enhances corporate reputation but also contributes positively to financial performance. By analyzing financial data and CSR reports from Ultratech Cement and Ambuja Cement, the study provides empirical evidence that investments in CSR can improve financial metrics, indicating a beneficial correlation between corporate responsibility efforts and business success. The conclusion highlights the strategic value of CSR, particularly in industries with significant environmental impacts, and suggests that effective CSR practices can lead to enhanced profitability and competitive advantage. The findings are aimed at guiding stakeholders, including corporate leaders and policymakers, emphasizing that integrating CSR into business strategies can yield both financial gains and social benefits. The document recommends that companies should continue to invest in CSR initiatives that align closely with their business operations and local community needs, ensuring that these efforts are both strategically planned and genuine, to maximize the impact on financial and social outcomes.

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