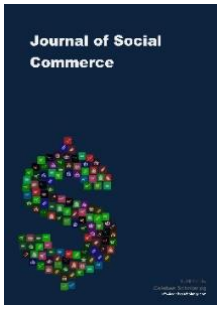


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# Diverging Paths to Profitability in the Indian Cement Sector through Asset Efficiency and Capital Discipline

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**Article History**


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L61, G32, M41, L25

**Abstract**

Lagos, a Nigerian state, is one of the world's most populous cities, and its transit infrastructure is under immense pressure. The state's public transportation infrastructure is grossly inadequate in suburban areas, causing traffic congestion since many residents lack access to affordable and reliable transportation. Another factor contributing to Lagos' transportation challenges is the city's socioeconomic disparities. In light of this, this study examines the transportation mobility and social equity policies in metropolitan Lagos. The study employed the interpretivist philosophy also known as qualitative or phenomenological research approach in data collection. Primary data were generated mainly through key informant interviews, while secondary data were gathered from the internet, journals, newspaper editorials, transportation policy documents, and other government publications. Key informant interviews were conducted with officers from the Lagos State Ministry of Transportation. The acquired data was analysed using a content analytic approach. Findings of the study revealed that population growth in the state's sub-urban and rural areas has put pressure on the city's infrastructure, especially its transportation system, necessitating a rethinking of transportation mobility. The study concluded that the government must invest heavily in public transport services in suburban and rural areas through public-private partnerships (PPPs) in order to improve the quality and expand the state's public transport network. The study further asserted that the state government's system of discounted fares will make transportation more affordable and accessible to low-income residents.

## Introduction

Business survival and sustainability depend largely on profitability which indicates how well the company is being run from a financial and operational standpoint. Achieving the highest shareholder wealth is the main aim for any business and making profits helps them reach that objective. Organizations that make regular profits can improve their businesses, pay out rewards to shareholders and deal with ups and downs in the economy. On the other hand, when a company does not make a profit over an extended time, it might become stuck in a stagnant

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strategy, fail to attract investors and eventually close down. That's why evaluating profitability plays a key role both inside the organization for planning and outside for individuals or groups assessing the company's situation (Davila et al., 2012; Sharma, 2023; Anh & Tien, 2021).

Because cement manufacturing needs a lot of capital, profitability analysis is crucial. The features of this sector include high fixed expenses, costs for following regulations and strong relationships with infrastructure and the real estate industry (Van Nieuwerburgh, 2023; Falchetta et al., 2022; Gholipour et al., 2022). Consequently, knowing how a firm's earnings have changed helps reveal how well the company is managing its expenses, establishing prices and standing against other companies. This study aims to evaluate the financial profitability of Ultratech Cement Ltd and Ambuja Cement Ltd, two dominant cement firms in India, by comparing five-year (2017–2022) core profitability ratios between the two firms. This method gives us an excellent way to assess different operations, chances for investment and overall industry activity during a volatile period like the COVID-19 pandemic (Clampit et al., 2021; Halteh et al., 2024; Sarkar et al., 2025; Oliveira et al., 2025).

Normally, profitability analysis is done with financial measurements, using figures like PBIT, net profit margin, EPS, RoE, RoCE, RoA and theAsset Turnover Ratio. With these metrics, one can see how profitable a company is in terms of operations, equities and asset returns. According to Haar (1989) and Pariente (1994), these indicators show how profitable a company is in various geographical and industry areas. Ernst Haar's (1989) research compared multinational enterprises in the USA, Europe and Japan, finding that American companies generally earned more profit, thanks to their economic settings and firm sizes. Likewise, Pariente (1994) studied the profits of large retailers from France and the UK, showing that they were both more effective and had better profits than many European companies. This research prepared the first step for analyzing how profitability differs among companies. Looking at India, Popat (2012) discovered in his study that Tata Iron and Steel Company (TISCO) and Steel Authority of India Ltd (SAIL) had significant profit margins because their facilities were well-developed and they were established earlier. It means maturity, size and old systems can help a company succeed in capital-heavy industries.

Using both traditional trading accounts and profit and loss results, along with profitability ratios, Manjulakshami (2013) made a comparative study of the profitability of two huge firms. According to the data, firms showed much the same profitability, hinting that factors at the industry level tend to outweigh differences between companies. Alnaa et al. (2016) also analyzed how the profitability of Ghanaian and foreign banks compared during 2008-2014 by studying RoA, RoE and RoCE. Researchers concluded that foreign banks showed higher profits mainly because of their better capital structure, technology and systems for governance.

There is now a lot of literature on how companies in various sectors and countries make profits, yet few studies have explored the cement industry in India and especially how major players like Ultratech and Ambuja Cement are faring these days. Research doesn't provide many side-by-side comparisons between well-known firms in the same business and under similar regulations. As if the pandemic didn't present enough challenges, it proved important to understand if companies were flexible enough and how their profitability strategies held up (Zhu et al., 2020; Siagian et al., 2021; Chanyasak et al., 2022). As companies recover, new research shows that digital growth, smart use of funds and being flexible in supply chains are much needed for strong business results (AlMulhim, 2021; Ye et al., 2022; Trabucco & De Giovanni, 2021; Siagian et al., 2021; Ivanov, 2022). Apart from other factors, increased input costs, infrastructure support changes and regulatory updates have extra effects on cement company profitability (Wang et al., 2021; Garg & Saxena, 2023; Lazzarini, 2015). For this reason, it becomes necessary to assess financial outcomes in both a comprehensive and

comparison manner. To address this gap, this research analyzes the profit margins of Ultratech Cement Ltd and Ambuja Cement Ltd using seven key financial ratios over five years. As a result, it offers new knowledge for research and applies it to industry by giving solid information on industrial firms' competitiveness, stable finances and future success.

## Methods

This study examines the profitability performance of two big Indian cement companies using a quantitative, comparative method for the time period 2017–18 to 2021–22. To achieve this, we need to compare the profitability of these companies by studying their main ratios. Because this study is not experimental, it uses only existing information by analyzing it for interpretation. The researcher is able to judge how the companies perform against each other, all considered under the same industry environment and following similar rules and forces.

Ultratech and Ambuja were selected amongst the whole set due to their judgement-based selection. Relevant size, industry impact and a long amount of available data determined that the purposeful selection of firms was best. Since both companies are main players in their markets and go public with stock offerings, their financial information is made available with great transparency. Because they control the cement sector and run smoothly, they are perfect to compare in terms of profitability.

By choosing the years 2017–18 to 2021–22, the analysis covered a period that included four ordinary operating years and the disruptions from COVID-19. Analyzing this range of years allows us to see how firms manage their profits in a variety of conditions, increasing the strength of the results found between different companies. All data used in the analysis were obtained from secondary materials, mostly made up of annual reports, profit and loss statements, balance sheets and official publications from the businesses. Moneycontrol's financial data was used, making sure the information was accurate and complete. Focus was given to ensuring data was consistent, ensuring any comparisons between the businesses were done equally for every year studied.

Using seven broadly accepted financial ratios, the level of profitability was examined: Profit Before Interest and Tax (PBIT) ratio, Net Profit Margin ratio, Earnings Per Share (EPS), Return on Equity (RoE), Return on Capital Employed (RoCE), Return on Assets (RoA) and Asset Turnover ratio. The reasons these ratios were chosen include their coverage of multiple factors related to profitability. By looking at both measures, you can judge how efficiently a company operates and how much profit it really earns. EPS lets you know how much money is available per equity share which matters to shareholders. RoE estimators returns generated from shareholder equity and RoCE estimates the returns from all the capital employed by the company. RoA measures how much income the firm earns using its assets and the Asset Turnover ratio shows the way in which assets are turned into revenue. This set of ratios allows the study to cover both the financial condition of the company and its appeal to outside investors.

Using the Student's t-test on results at a 5% level of significance allowed the study to decide if these differences were significant. In our case, the comparison of two small independent samples works well using this statistical approach, looking at the annual profitability ratio for each company across five years. Large, stable financial data from companies ensures the assumptions of t-test are all met. A t-value was generated for each of the seven profitability ratios and tested against the t-value needed when there are four degrees of freedom and a 5% level of significance. The objective was to check whether the variations in performance metrics were random or actually caused by structural differences in the two companies. To determine

whether there is a statistically significant difference in profitability between Ultratech Cement Ltd and Ambuja Cement Ltd, the study tests the following overarching null hypothesis:

*$H_0$: There is no significant difference in the overall profitability performance between Ultratech Cement Ltd and Ambuja Cement Ltd during the period 2017–18 to 2021–22*

This main hypothesis is tested through seven ratio-based comparisons, which serve as sub-tests of the central hypothesis. Each sub-test evaluates one dimension of profitability using a specific financial ratio. These sub-tests are outlined in the table below:

Table 1. Comparison of Profitability Ratios between Two Companies

| Profitability Ratio | Sub-Test Purpose |
|---|---|
| Profit Before Interest and Tax (PBIT) | To test for a difference in core operating profitability between the two firms |
| Net Profit Margin | To assess the variation in overall profit efficiency |
| Earnings Per Share (EPS) | To compare shareholder profitability per equity share |
| Return on Equity (RoE) | To test for a difference in return generated on shareholders' equity |
| Return on Capital Employed (RoCE) | To analyze the difference in returns on total capital employed |
| Return on Assets (RoA) | To evaluate the efficiency of asset utilization in profit generation |
| Asset Turnover Ratio | To compare the effectiveness of asset use in generating revenue |

Each of these sub-tests is evaluated using the Student's t-test at a 5% significance level, with the decision to reject or accept the overall hypothesis informed by the results of the individual tests. This structure aligns with academic standards in financial research, where a central hypothesis may encompass multiple operational dimensions.

## Results and Discussion

The analysis of profitability in this study is grounded in both descriptive and inferential statistical techniques, aimed at understanding the relative financial performance of Ultratech Cement Ltd and Ambuja Cement Ltd over the five-year period from 2017–18 to 2021–22. The results are presented using seven key profitability ratios: Profit Before Interest and Tax (PBIT), Net Profit Margin, Earnings Per Share (EPS), Return on Equity (RoE), Return on Capital Employed (RoCE), Return on Assets (RoA), and Asset Turnover Ratio. These ratios provide a comprehensive overview of the firms' operational efficiency, asset utilization, and return-generating capacity. Descriptive statistics are used to observe the yearly trends and patterns, while Student's t-tests are applied to assess the statistical significance of differences between the two companies for each profitability indicator. The findings from these analyses form the empirical foundation upon which the subsequent discussion and interpretation are based.

Table 2. Profit Before Interest and Tax (PBIT) Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 15.77 | 12.54 |
| 2018-19 | 12.88 | 12.39 |
| 2019-20 | 16.91 | 14.85 |
| 2020-21 | 21.46 | 17.51 |
| 2021-22 | 17.69 | 18.76 |

Source: www.moneycontrol.com

Profit Before Interest and Tax ratio shows the amount of profitability or earning capacity of a company in comparison of its sales. So, higher the ratio is better for the company. During the study period, Ultratech cement was showing the mixed trend during the study period. It started

from 15.77 % in 2017-18 which was reduced to 12.88 % in very next years (2018-19). Then after, it recovered a bit and increased to 16.91 % in 2019-20. This increment also followed in 2020-21, when it was 21.46 %. It was ended at 17.69 % in 2021-22.

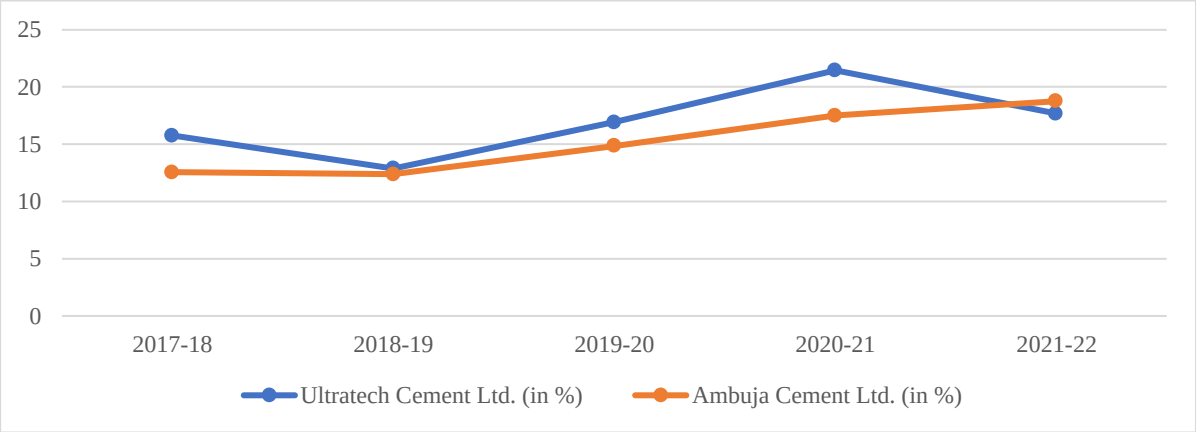


*Figure 1. Profit Before Interest and Tax (PBIT) Ratio*

Ambuja cement was showing incremental trend during study period. It was 12.54 % in 2017-18, which was reduced to 12.39 % in 2018-19. Then it gains pace and increased to 14.85 % in 2019-20. Then in 2020-21, it was about to 17.51 % and in 2021-22, it was ended at 18.76 %.

PBIT ratio of both corporations is almost same despite of the fact that capital employes and capital structure of both of companies are different than one another. On the other hand, this parity might be result of income and expense management of the companies.

Table 3. Net Profit Margin Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 7.18 | 8.18 |
| 2018-19 | 5.76 | 11.36 |
| 2019-20 | 13.55 | 10.19 |
| 2020-21 | 12.20 | 12.61 |
| 2021-22 | 13.94 | 12.74 |

Source: www.moneycontrol.com

This ratio suggests the amount of net profit made by sales. Higher the ratio, sound condition for the company. Ultratech cement showing the mixed trend during period. In 2017-18, it was 7.18 % then it was lowered even in next year of 2018-19 with 5.76 %. It reached to 13.55 %in 2019-20. Which was again delved down to 12.20 % in 2020-21. In 2021-22, it was its highest which was 13.94 %.

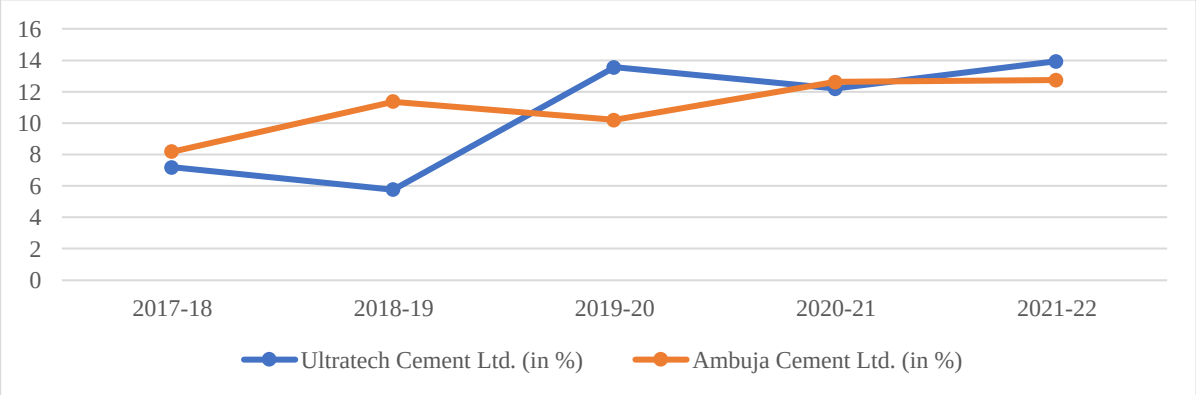


*Figure 2. Net Profit Margin Ratio*

In 2017-18, Ambuja cement was at 8.18 %. Then it was increased to 11.36 %. After which it got decreased to 10.19 %. After which it was again increased to 12.61 % and 12.74 % in the year of 2020-21 and 2021-22. Net Margin Ratio of Ultratech Cement and Ambuja Cement is almost same. This parity might be come from the very similarity of PBIT ratios of the companies. Although, there are some up and downs in particular year but by and large, it is almost similar.

Table 4. Earnings Per Share (EPS) Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 80.94 | 7.64 |
| 2018-19 | 84.02 | 10.97 |
| 2019-20 | 199.55 | 10.55 |
| 2020-21 | 189.40 | 11.91 |
| 2021-22 | 254.64 | 14.00 |

Source: www.moneycontrol.com

Earnings Per Share shows how much earning a company made per share during a specific period of time. It means higher the value is good situation. Ultratech Cement was impressive during the period. It started as 80.94 % in 2017-18, which was increased in 2018-19 to 84.02 %. It got increased even to 199.55 %in 2019-20 and faced a little drawback in 2020-21 and ended at 189.40 %. In the year of 2021-22, it reached its highest with 254.64 %.

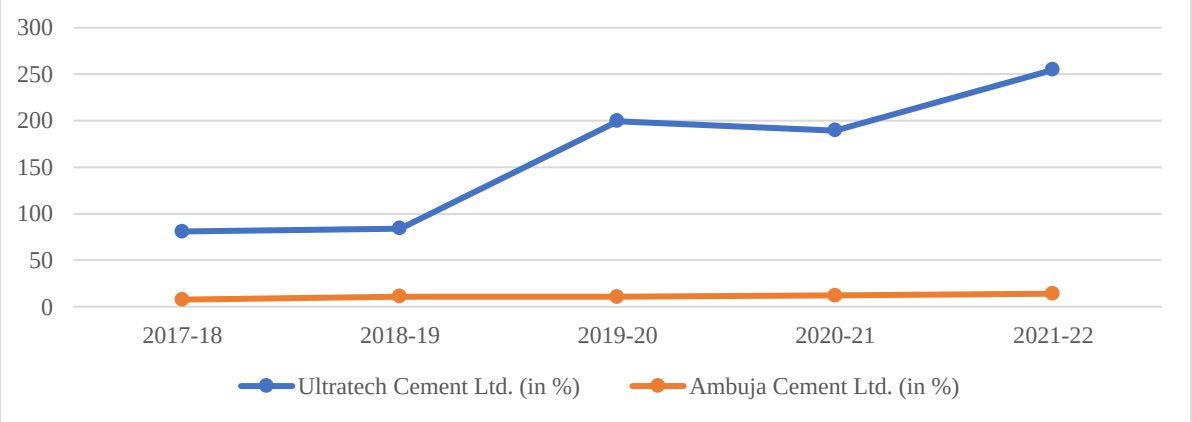


*Figure 3. Earnings Per Share (EPS) Ratio*

Ambuja cement was also showing a increased ratio during the period. It was at 7.64 % in 2017-18. It got increased to 10.97 %in 2018-19. It suffered a bit setback in 2019-20 with 10.55 %. It again raised to 11.91 % and 14 % in 2020-21 and 2021-22 respectively. EPS ratio of Ultratech Cement and Ambuja Cement is showing way more difference from one another. This might be because of the change in the capital structure of the both of the companies. Ultratech Cement is way too much ahead of Ambuja Cement Ltd.

Table 5. Return on Equity (RoE) Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 8.42 | 7.33 |
| 2018-19 | 8.47 | 9.73 |
| 2019-20 | 14.74 | 8.70 |
| 2020-21 | 12.36 | 10.39 |
| 2021-22 | 14.56 | 10.96 |

Source: www.moneycontrol.com

Return on Equity shows the amount of return per equity share. Higher the amount means better the situation. In 2017-18, Ultratech cement was at 8.42 %. Which was increased to 8.47 %in very next year of 2018-19. In 2019-20, it was increased to 14.74 % but devalued at 12.36 %in the year of 2020-21. Then gain it hits a good amount and reached to 14.56 %in 2021-22.

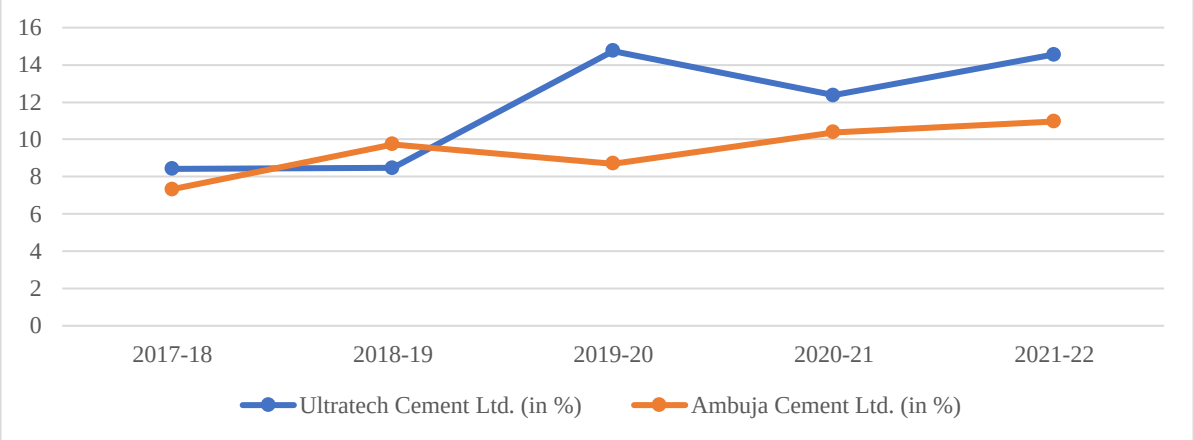


*Figure 4. Return on Equity (RoE) Ratio*

Ambuja Cement was at 7.33 % in 2017-18. In 2018-19, it was raised to 7.93 %. Then after, it got decreased to 8.70 %. In 2020-21 and 2021-22, it was raised to 10.39 % and 10.96 % respectively. RoE ratio suggested that the performance of Ultratech Cement and Ambuja cement was almost same. This is because of the fact that both of the companies are having different capital structure but they have got a lot similarity in its equity structure.

Table 6. Return on Capital Employed (RoCE) Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 10.70 | 11.11 |
| 2018-19 | 8.78 | 11.15 |
| 2019-20 | 11.45 | 12.93 |
| 2020-21 | 14.63 | 14.09 |
| 2021-22 | 14.61 | 15.92 |

Source: www.moneycontrol.com

Return on Capital Employed means how much profit is made in comparison of all capital. Generally, higher the ratio good for company. Ultratech Cement ltd was at 10.70 % in 2017-18, which was reduced to 8.78 % in the very next year of 2018-19. After which it increased to 11.45 % in the year of 2019-20. After that in the year of 2020-21, it was its highest at 14.63 %. In last year of 2021-22, it got a minor reduction and ended up with 14.61 %.

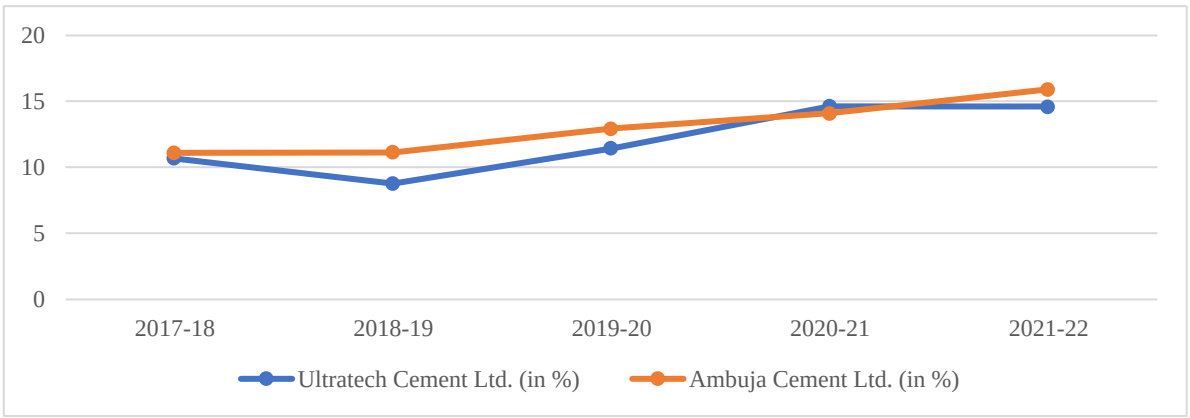


*Figure 5. Return on Capital Employed (RoCE) Ratio*

During the study period, Ambuja Ltd showing the increased trend during the study period. In the year of 2017-18, Ambuja cement was at 11.11 %. Then it increased to 11.15 % in 2018-19. This increment also reflected in the year of 2019-20, when it was 12.93 %. With 14.09 %, it again recorded upward shift in 2020-21. Then in last year of investigation, it ended up with its highest as 15.92 % in 2021-22. RoCE ratio of both of the companies is very similar to one another showing the parity in the financial performance.

Table 7. Return on Asset (RoA) Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 3.88 | 4.26 |
| 2018-19 | 3.14 | 5.83 |
| 2019-20 | 7.26 | 5.21 |
| 2020-21 | 6.33 | 5.95 |
| 2021-22 | 8.76 | 6.15 |

Source: www.moneycontrol.com

Return on Asset ratio means how much amount of profit is made in comparison of quantum of asset. High ratio is better condition. In 2017-18, Ultratech cement ltd was recorded 3.88 %, after that it was decreased to 3.14 % in the year of 2018-19. In the year of 2019-20, it got increased to 7.26 % and after that it was deduced to 6.33 % in 2020-21. In 2021-22, it was mounted at 8.76 % which was highest among all the years.

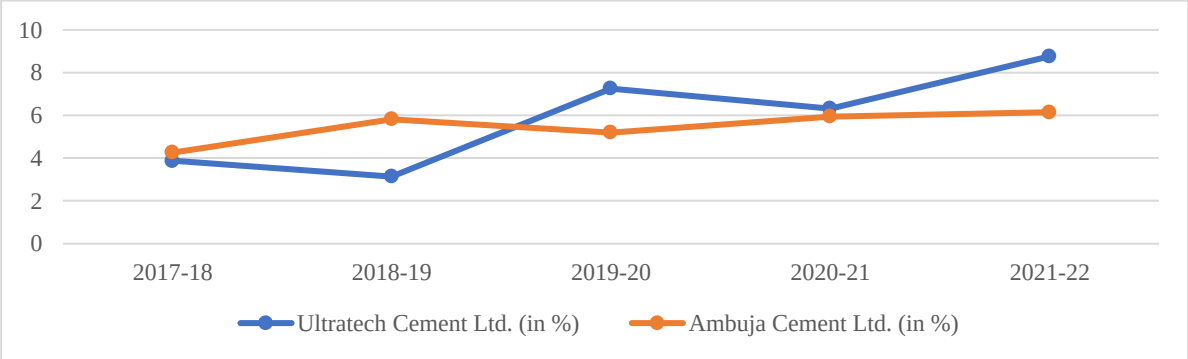


*Figure 6. Return on Asset (RoA) Ratio*

Ambuja cement ltd was at 4.26 % in the years of 2017-18. In the year of 2018-19, it was raised to 5.83 %. Then in 2019-20, it was lowered to 5.21 %. Despite being decreased in previous years, in the year of 2020-21, it increased to 5.95 % and it stood on 6.15 % in the year of 2020-2021. RoA ratio of Ultratech Cement was increasing faster than Ambuja cement. So by growth rate Ultratech Cement is in better condition.

Table 8. Asset Turnover Ratio

| Year | Ultratech Cement Ltd. (in %) | Ambuja Cement Ltd. (in %) |
|---|---|---|
| 2017-18 | 54.20 | 66.47 |
| 2018-19 | 54.36 | 69.73 |
| 2019-20 | 53.55 | 67.45 |
| 2020-21 | 51.89 | 0.35 |
| 2021-22 | 0.61 | 0.41 |

Source: www.moneycontrol.com

It compares the annual turnover of the company against the overall value of assets. High the ratio, better for the company. Ultratech Cement was at 54.20 % in the year of 2017-18 and in 2018-19, it was increased to 54.36 %, which was highest among the years. Then it reduced to

53.55 % in 2019-20. Then after this reduction happened again and it lent on 51.89 % in 2020-21. In 2021-22, there was a steep fall and it stood up only on 0.61 %.

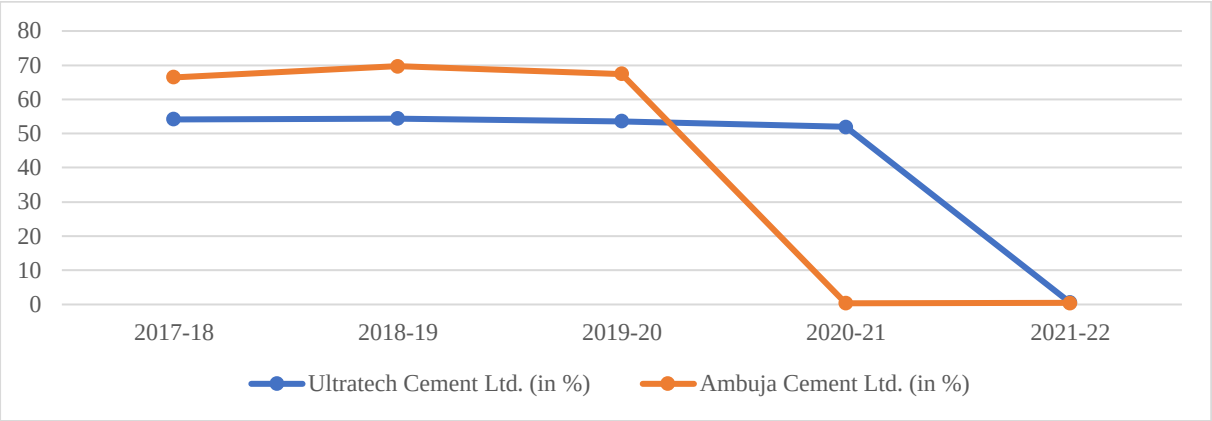


*Figure 7. Asset Turnover Ratio*

Ambuja Cement ltd was at 66.47 % in the year of 2017-18. Which was increased to 69.73 % in the year of 2018-19, which was highest during the study period. Then it was reduced by a bit and lent on 67.45 % in 2019-20. In the year of 2020-21, there was a major downfall and it stood on only 0.35 % which was the lowest. Then in the year of 2021-22, it was raised to 0.41 %. During the period of 2019-20 and 2020-21, there was a steep fall in the Asset Turnover Ratio of both of companies. This might be because of the lockdown situation due to Covid – 19 pandemics in India.

Table 9. T-TEST

| Ratio | Calculated Value | Table Value | Result |
|---|---|---|---|
| Profit Before Interest and Tax (PBIT) Ratio | 0.913 | 2.306 | $H_0$ is ACCEPTED |
| Net Profit Margin Ratio | (-0.259) | 2.306 | $H_0$ is ACCEPTED |
| Earnings Per Share (EPS) Ratio | 4.404 | 2.306 | $H_0$ is NOT ACCEPTED |
| Return on Equity (RoE) Ratio | 1.487 | 2.306 | $H_0$ is ACCEPTED |
| Return on Capital Employed (RoCE) Ratio | (-0.688) | 2.306 | $H_0$ is ACCEPTED |
| Return on Asset (RoA) Ratio | 0.358 | 2.306 | $H_0$ is ACCEPTED |
| Asset Turnover Ratio | 0.104 | 2.306 | $H_0$ is ACCEPTED |

Above table shows the calculated Value and Table value of every ratio based upon t-distribution (applying t-test) at the 5 % level of significance. For Profit Before Interest and Tax (PBIT) Ratio the calculated value is 0.913 and table value of the same is 2.306, which is higher than calculated value. Hence, null hypotheses can not be rejected and that mean There is no Significant difference in Profit Before Interest and Tax (PBIT) ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period. The calculated value for Net Profit Margin Ratio is – 0.259 and table value is 2.306. that implies that table value is higher than calculated value and null hypothesis cannot be rejected. It implies that There is no Significant difference in Net Profit Margin ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period. For Earnings Per Share (EPS) Ratio the table value is 2.306 and calculated value is 4.404. here, calculated value is more than table value and null hypothesis can not be accepted. Hence, there is Significant difference in Earning Per Share (EPS) ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period. The table value for Return on Equity (RoE) Ratio is 2.306 while, the calculated for the same is 1.487. Here, table value is more than calculated one and hence, null hypothesis cannot be rejected. This implies that There is no Significant difference in Return on Equity (RoE) ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period.

In the case of Return on Capital Employed (RoCE) Ratio, calculated value is -0.688 and table value is 2.306, which means calculated value is less than table value and null hypothesis cannot be rejected. That means, there is no Significant difference in Return on Capital Employed (RoCE) ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period. Return on Asset (RoA) Ratio's table value is 2.306 and calculated Value is 0.358. here, calculated value is less than table value. Which means null hypothesis cannot be rejected and it means there is no Significant difference in Return on Asset (RoA) ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period. In Asset Turnover Ratio Calculated Value is 0.104 and table value is 2.306. Here, table value is higher than calculated value and hence, null hypothesis cannot be rejected. This implies that there is no Significant difference in Asset Turnover ratio between Ultratech Cement ltd and Ambuja Cement ltd during the study period.

Between 2017–18 and 2021–22, it is clear that both companies' financial results have shown resemblances and discrepancies which leads to practical results. One should consider ratios, as well as the operational methods, the features of the industry, financially invested funds and factors in the economy involved. Using the PBIT ratio, both companies experienced some fluctuations but continued higher overall and Ultratech came out slightly ahead. From this measure that compares operating profitability without considering financial structure, it seems that Ultratech gains advantages by managing costs and economies better than its competitors due to its large presence and capacity across India. In high fixed-cost industries such as cement, according to Islam et al. (2023), the size of a firm's production and the effectiveness of its processes greatly impact margin stability when sales rise. The growing PBIT indicates that Ambuja is being managed well; but the drop in margins may be because its operations are more sensitive to input changes and it doesn't have as much geographical spread (Berizzi, 2002).

Even though results for NPM were almost the same, Ambuja performed better in the early part of this comparison. Such parity helps us see that the cement sector standardizes pricing and costs, as shown by Bianchi (2012), who pointed out that markets where products can be easily replaced (like cement) tend to have similar prices. Interestingly enough, Ambuja benefited early on as the group was likely better at arranging taxes or managing finance costs, according to Deb & Banerjee (2018) and their analysis. The EPS analysis revealed a big difference—Ultratech did much better than Ambuja. Part of the reason might be the difference in how companies raise capital. Despite a brief period of increased debt, the company's gains from new investments and expansions have raised its total assets and profits (Vanacker & Manigart, 2010; Naomi, 2023; Mohd Azhari et al., 2022). EPS can easily be swayed depending on the profit earned, how many shares have been issued and the company's policies for dividends (as demonstrated by Higgins). Because Ultratech keeps dividends and shareholder distributions low, it has been able to save more of its profits. At the same time, Ambuja, through its stable and conservative use of capital, may have chosen to preserve its wealth rather than pursue quicker earnings growth, something that many conservative people consider a good thing.

There was not much difference between Ultratech's RoE and that of the peer, but Ultratech still stood ahead a little. Since there is a stronger profit for each dollar of equity, the company looks like it is handling its finances well (Jensen, 2005; Koller et al., 2010). Given that cement firms must buy significant assets and infrastructure, the usual RoE in the industry is lower than what Lambay and DTIL report. Sader (2000) reported that, because Indian infrastructure firms have lengthy projects and delays in earning returns, their RoEs tend to be less compared to other industries. Ultratech's results could be a result of more efficient working capital utilization and selecting the right mix of debt and equity (Baños-Caballero et al., 2014; AWEDA, 2023). RoCE numbers show that Ambuja was more efficient at generating returns from the total amount of capital used in the firm (including both equity and debt). This is especially true in

big-budget businesses, because using capital efficiently can matter much more than just looking at stock returns (John & Paisner, 2016). Its RoCE is better, in part, because the company's capital is minimal which means it avoids costly expansions and makes better use of its investable amounts (Ferniawan et al., 2024; Nukala & Prasada, 2021). Instead, Ultratech's large-scale financing could make profits appear smaller at first, despite those profits being higher than its rival's.

Once more, the Return on Assets (RoA) highlighted that Ultratech is more efficient than its competition when it comes to asset management. The authors Hasanatun et al. (2025) state that RoA is very important for asset-heavy businesses because it measures how well monetary investments are turned into net income. Ultratech's strengths in RoA could come from the newest and automated plants, good supply chain processes and the use of advanced logistics. Schneider et al. (2020) explained how digital technologies and automated plants in the cement industry boost throughput without leading to large additional expenses. Ambuja's RoA is slightly lower thanks to its legacy assets and a business focus on a defined geographic region.

What stands out most from the Asset Turnover Ratio is a unique pattern. The companies both declined greatly between 2020 and 2021 because of the disruptions caused by COVID-19. Because of nationwide lockdowns, building projects stopped and supply chains were interrupted, there was widespread use of only part of the industry's total production capabilities. While Ultratech and Ambuja dropped in value, Ambuja's 2021–22 improvement saw it shrink less It demonstrates the strength of India's cement industry as a whole, according to the Cement Manufacturers' Association's reports from 2021 which pointed out how pent-up demand for housing and projects in infrastructure helped the industry rebound rapidly. But to recover well over the long run, companies must improve asset utilization after the pandemic and Ultratech seems to have an advantage here with its model. There is more to learn from these results by revisiting the strategies both companies follow. Ultratech is mainly focused on growing, by dominating the market, making acquisitions and using its factories to their fullest. These big acquisitions follow the expansion culture at Aditya Birla Group, demonstrated by its fast-paced market maneuvers. In its years with Holcim (currently Adani Group), Ambuja highlighted strong operations, responsible practices and stable results—qualities that are widely credited in stakeholder-based governance models. Notably, the discrepancy in the profitability ratios of EPS and RoCE reflects the competition between growth-focused value creation and efficiency-focused value protection in this sector, a conflict also identified by experts in comparative studies of sectors using a lot of capital.

In addition, the fact that RoE and NPM are close for both companies shows that in this highly controlled industry, where they face little pricing freedom, inputs and costs are more affected by factors outside the company (such as petrol prices, transport costs and government policies). Because of these constraints, firms in the same industry often end up with similar profitability metrics. Besides assets and sales, business performance is shaped in part by how well the company handles corporate governance, its reputation and its environmental and social responsibilities. The study done by Mittal & Singh (2025) found that companies that have strong environmental and governance strategies experience better long-term profit, despite less predictable short-term outcomes. As a result, both Ultratech and Ambuja are committed to being eco-friendly, although Ambuja's energy efficiency might make it look better for institutional investors today, due to ESG-focused investment. These results are supported by the work of Haar (1989) which showed that profits are more closely linked to market and strategy factors than to just a firm's capabilities. In addition, Alnaa et al. (2016) suggested that foreign-owned banking firms generally performed better than local businesses in mixed banking environments, mainly owing to their superior setup, not just to skilled management. The analysis in the present study confirms this idea, suggesting that Ultratech's strong

profitability could depend more on its organizational structure, earlier capacity spending and having access to finances.

## Conclusion

For five years, from 2017–18 to 2021–22, the study carried out a detailed analysis of the profit earned by Ultratech Cement Ltd and Ambuja Cement Ltd, the leading cement makers in India. Using seven profitability ratios and the Student's t-test, the research intended to reveal not only what made the companies different in financial terms, but also the key structural and strategic elements supporting these results in the cement industry. While both companies kept their profits steady, Ultratech Cement impressed with significantly better results than Ambuja in measures such as PBIT, EPS, RoA and Asset Turnover Ratio. On the other hand, Ambuja Cement excelled in Return on Capital Employed (RoCE), signaling a well-organized use of all its capital. The ways that both firms made profit and the ratios of their profits to equity stake were close which indicates similar exposure to the same industry factors. The results prove that profitability is affected by a company's capital, way of working, positioning and management decisions, in addition to sales or market share. It is clear that the different strategies of Ultratech and Ambuja are reflected in their financial performance. This study adds to the scholarship on financial performance evaluation by highlighting the role of multi-dimensional analysis and linking financial ratios to broader company and industry trends. To widen the study, future investigations could add different industry actors, insert leverage and cash flow measurements or analyze how major companies will remain profitable in the future, depending on their ESG and innovation performance. While India's infrastructure industry transforms, it will be important for investors, policymakers and company decision-makers to examine firm-level profitability.

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