

Cement Companies' Performance in India: A Review of Ultratech and Grasim's Financial Performance

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ABSTRACT

One of the most vibrant and broadening sector of India is the cement industry, which has encountered notable growth since the COVID-19 pandemic. A performance evaluation of this industry, therefore, is pertinent. This study uses secondary data to compare the financial performance of two of India's leading listed firms, ULTRATECH and GRASIM, over the past 5 years, from 2021 to 2025. Sales, expenses, net profit, operational profit, and other benchmarks taken from financial statements are some of the performance indicators this study evaluates. Additionally, this data is used to calculate the standard deviation, arithmetic mean, and testing of hypotheses. Inferences have also been made using all these statistical techniques.

Keywords: Cement companies, performance, sales, expenses, net profit, operating profit, earnings per share

Introduction

The cement industry is one of the most important industries in any country, forming the basic foundation for infrastructure, construction, and real estate businesses. India is home to several cement companies. There are nearly two hundred and thirty-odd cement companies functioning in India as per the data given by the Ministry of Commerce and Internal Trade, Government of India. Among these companies, two companies, namely ULTRATECH and GRASIM, are the largest in terms of market capitalisation as of March 2025. Hence, this article attempts to analyse the financial performance of these companies for the past five years.

Literature Review:

(L G Burange, 2009) Conducted a detailed study on the growth and development of the cement sector for nearly two decades, starting from 1990 onwards. They opined that liberalisation, policy changes, and growth in the construction and real estate sectors are very crucial for the cement industry.

(Vedansh M, 2024) Discussed the path taken by the Indian cement industry in the past. The Indian cement industry is having a high demand from both local and international markets, and additionally is also facing environmental concerns and ecological balance of late. The paper also pointed out various challenges faced by the Indian cement industry.

(ICRA, 2025) Pointed out that the Indian cement sector performed significantly after the year 2021. The sector will have a stable growth rate of around 6 to 7% in the upcoming year, 2026, which is directly linked with the real estate and construction industry.

Objectives of Study:

- 1) To study and compare the performance of ULTRATECH and GRASIM in terms of sales recorded, expenses incurred, operating profit, net profit, earnings per share, and reserves created.
- 2) To offer suggestions based on the findings made.

Hypotheses of the Study:

- (H0) There is no significant difference between the performance of ULTRATECH and GRASIM.
- (H1) There is a significant difference between the performance of ULTRATECH and GRASIM.

Methodology of the study:

- **Sources of data:** Secondary data collected throughout five years, from 2021 to 2025, served as the study's foundation.
- **Plan of analysis:** Sales, expenses, operational profit, net profits, earnings per share and reserves were used to examine the gathered data. Mean, SD and CV have been used to measure consistency and deviation of the companies. Additionally, hypotheses are tested using a t-test, and conclusions are drawn using a P-value. The P-value shows the degree of difference in performance between ULTRATECH and GRASIM. In other words, P = 0.5 or higher is not significant, P = 0.2-0.5 is, and P = 0.00-0.2 is extremely significant.
- **Limitations of the study:** Only the preceding five years and the aforementioned parameters are included in the study. The suggestions are based on P-value results derived from the above indicators.

Profile of the companies:

- **ULTRATECH:** The Aditya Birla Group's flagship cement company is UltraTech Cement Limited. UltraTech, an USD 8.9 billion construction solutions powerhouse, is the largest manufacturer of ready-made concrete (RMC) and grey cement in India, in addition to being one of the largest manufacturers of white cement. Except for China, it is the biggest cement producer in the world in terms of sales volume and the second-largest in terms of capacity. The only cement firm in the globe (aside from China) with more than 175 MTPA of cement production capacity in one nation is UltraTech. The company works in Sri Lanka, India, Bahrain, and the United Arab Emirates.
- **GRASIM:** Grasim is an important participant in clean energy solutions, diversified financial services, and cement production in India. For its innovative leadership in Environmental, Social, and Governance (ESG) regulations, Grasim won the prestigious Economic Times Conscious Corporate Award 2024, proving the business's unwavering commitment to being a force for good. Grasim aims to produce long-term value for its 45,000+ workers, 2,52,000+ shareholders, society, and clients. In FY 2025, the firm recorded EBITDA of ₹20,023 Cr. and consolidated net revenue of ₹1,48,478 Cr.

Results, analysis, and Findings:**1. Sales Recorded:****Table 1: Sales made by the companies in crores**

Sales	2021	2022	2023	2024	2025	Result
Ultratech	43,188	50,663	61,237	68,641	71,895	L.Sig.
Grasim	12,386	20,857	26,840	25,847	31,563	
	Mean	SD	CV	t-test value	P value	
Ultratech	59,125	12079.75	0.20	0.000	1.000	
Grasim	23,499	7283.24	0.31			

(Source: Annual report from company website), (Table compiled by author)

It is noted from the above information that both companies have experienced an increase in sales during the observation period. A peep into CV shows that Ultratech has a lower CV, indicating stability in sales volume. The P value shows that the companies' sales do not differ significantly from one another.

Conclusion: Both companies have consistent sales.

2. Expenses:**Table 2: Expenses incurred by the companies in crores**

Expenses	2021	2022	2023	2024	2025	Result
Ultratech	32,224	39,727	50,952	56,011	59,349	L.Sig.
Grasim	10,822	17,641	23,649	23,531	30,402	
	Mean	SD	CV	t-test value	P value	
Ultratech	47,653	11384.33	0.24	0.000	1.000	
Grasim	21,209	7356.58	0.35			

(Source: Annual report from company website), (Table compiled by author)

It is seen from the table that even with reference to the expenses incurred, Ultratech is much more consistent than its counterpart, set apart by higher mean expenses. Whereas on an overall basis both expenses are similar in ratio between the companies, as denoted by the P value.

Conclusion: Expenses have shown a stable increase.

3. Operating Profits**Table 3: Operating profits made by the companies in crores**

Operating Profits	2021	2022	2023	2024	2025	Result
Ultratech	10,965	10,936	10,286	12,630	12,546	L.Sig.
Grasim	1,564	3,216	3,190	2,316	1,161	
	Mean	SD	CV	t-test value	P value	
Ultratech	11,473	1054.20	0.09	0.000	1.000	
Grasim	2,289	931.38	0.41			

(Source: Annual report from company website), (Table compiled by author)

The operating profits of the companies indicate that Ultratech is consistent even on this ground as well. But Grasim has experienced higher fluctuation, as noted by a higher CV of 0.41, and both companies stand on the same ground, highlighted by the least significant P value.

Conclusion: Operating profits are consistent in Ultratech than Grasim.

4. Other incomes**Table 4: Other incomes made by the companies in crores**

Other incomes	2021	2022	2023	2024	2025	Result
Ultratech	625	612	505	580	355	L.Sig.
Grasim	527	1,182	920	541	1,531	
	Mean	SD	CV	t-test value	P value	
Ultratech	535	111.08	0.21	0.155	1.000	
Grasim	940	429.54	0.46			

(Source: Annual report from company website), (Table compiled by author)

Other incomes work as a cushion for companies but are not a dependable source. In this, Grasim has an edge over Ultratech, but it has higher fluctuation as well. The P-value shows no significant difference in other profits for both the companies.

Conclusion: Other incomes are more stable in Ultratech

5. Net Profit

Table 5: Net Profit Made by the Companies in Crores

Net profit	2021	2022	2023	2024	2025	Result
Ultratech	5,342	7,067	4,951	6,905	6,193	L.Sig.
Grasim	905	3,051	2,124	945	212	
	Mean	SD	CV	t-test value	P value	
Ultratech	6,092	933.57	0.15	0.002	1.000	
Grasim	1,447	1129.40	0.78			

(Source: Annual report from company website), (Table compiled by author)

On the net profit side, Ultratech is much more consistent than Grasim, and Grasim has experienced a high fluctuation, shown by the CV of 0.78, which is a matter of concern. But the P value of 1 shows that these variations have not caused any significant difference in the profits.

Conclusion: Net profits of Ultratech is much stable than its counterpart.

6. Earnings per share

Table 6: Earnings per share made by the Companies in Rupees

Earnings per share	2021	2022	2023	2024	2025	Result
Ultratech	185	245	172	239	210	L.Sig.
Grasim	13	45	31	14	3	
	Mean	SD	CV	t-test value	P value	
Ultratech	210	32.27	0.15	0.000	1.000	
Grasim	21	16.55	0.77			

(Source: Annual report from company website), (Table compiled by author)

Earnings per share is a direct reflection of net profit made by a company. Hence, Ultratech is much more consistent than Grasim. On an overall basis, both the companies have fared consistent earnings, as indicated by the P-value.

Conclusion: Ultratech has a higher EPS than Grasim

7. Reserves

Table 7: Reserves Accumulated by the companies in crores

Reserves	2021	2022	2023	2024	2025	Result
Ultratech	43,064	48,982	53,119	58,807	69,383	L.Sig.
Grasim	42,816	48,484	46,823	51,982	54,262	
	Mean	SD	CV	t-test value	P value	
Ultratech	54,671	10037.99	0.18	0.009	1.000	
Grasim	48,873	4465.09	0.09			

(Source: Annual report from company website), (Table compiled by author)

Reserves are accumulated profits, and Grasim has an upper hand on this front, as identified by the CV of profits. But both companies are performing consistently, as shown by the P value.

Conclusion: Grasim has higher profit reserves than Ultratech.

Suggestions:

- It is suggested that both companies have to continue their efforts to increase their sales.
- Expenses need to be monitored and curtailed by the companies to bring efficiency in operations.
- Dependency on other incomes has to be reduced.

- Attempts are needed by both the firms to increase profit margin, leading to increased net profit.
- Concentration on increasing EPS has to be made by both the firms.
- Efforts are to be made to utilise reserves much better by the firms for expansion and diversification.
- The cement industry is highly dependent on infrastructure and real estate; therefore, reserves have to be judiciously used.
- Innovation is the order of the day; hence, efforts are to be made to bring innovations to the product profile.

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