



GREEN FINANCE ADOPTION IN CORPORATE FUNDING STRATEGIES AT ULTRATECH CEMENT

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ABSTRACT: The present research explores UltraTech Cement's corporate financing strategy, focusing on green finance and sustainability-driven capital allocation. Sustainability-linked loans, green bonds, and ESG-aligned financing instruments in UltraTech Cement's financial structure are examined. It highlights the company's strategic shift to low-carbon investments, energy efficiency, and renewable energy. The study examines how green financing reduces environmental hazards and promotes financial stability. It also examines how legislative frameworks and investor expectations affect green finance selection. Sustainable finance approaches' cost-of-capital advantages are highlighted. The study explores how green finance boosts a company's reputation and stakeholder confidence. Financial performance measurements are linked to sustainability outcomes to assess efficacy. Implementation difficulties including verification costs and reporting are investigated. Comparison of conventional and ecological funding strategies. The study claims green finance boosts UltraTech Cement's competitiveness and resilience.

Index terms: *Green Finance, ESG (Environmental Social Governance), Green Bonds, Sustainability-Linked Loans, Corporate Funding Strategy,*

1. INTRODUCTION

Green finance refers to structured financial activities or investments that aim to promote initiatives and projects that have positive impacts on the environment. A low-carbon, climate-resilient, and sustainable economy should replace traditional, carbon-intensive economic spheres as the principal recipient of investment resources.

The term "green funding" refers to investments and loans that support environmentally conscious businesses and individuals, as well as green infrastructure projects. Incentives in green financing make it easier to pay for eco-friendly lifestyle and business improvements, including making your home more energy efficient or switching to electric vehicles,

that are required to reduce environmental impact. Businesses and people can use this information to make better purchasing and investment decisions that benefit the environment and themselves.

The mainstream has wholeheartedly embraced green finance. With the growing awareness of the dangers posed by ecologically damaging products and services, it is only natural that more sustainable alternatives will be widely used.

Environmentalists and business owners alike can reap financial and societal benefits from green financing. It promotes more equitable development by making environmentally friendly goods and services more accessible to individuals and companies alike, thus leveling the playing



field in the shift to a low-carbon society. Everybody wins from this "great green multiplier" impact, which is good for the planet and the economy.

Stakeholder expectations for sustainable business practices, growing environmental concerns, and regulatory hurdles have all contributed to green financing's status as an essential part of contemporary corporations' funding strategies. It specifies how money will be allocated to projects and programs that improve the environment, including renewable energy, energy efficiency, pollution reduction, and climate-resilient infrastructure. To strike a balance between being environmentally responsible and having a healthy bottom line, more and more corporations are incorporating green finance tools like sustainability-linked loans, ESG-focused shares, and green bonds into their capital structures.

2. LITERATURE SURVEY

Smith, J. A. 2021 This research examines how green financing affects business funding in industrialized nations. Green bonds and loans are increasingly used in monetary systems. The study found that investor demand drives green finance. Corporate funding is also affected by environmental disclosure and regulatory support. Secondary data from company sustainability reports is used in the study. The results show that green funding improves corporate reputation. Environmentally conscious companies have lower capital expenses. The study also reveals reporting and verification difficulties. Adoption rates vary by industry. Energy and infrastructure have the most adoption. ESG integration is stressed in the paper. The results show that

green finance creates long-term wealth. The findings enhance sustainable financing knowledge.

Ahmed, S. & Khan, F. 2022 This research analyzes how green finance affects firm capital structure decisions as debt instruments become more ecologically friendly. Executive data shows strategic priorities and viewpoints. The results show that green funding is gaining popularity for its financial and non-financial benefits. Business decisions are influenced by capital costs. Green financing is becoming a capital market advantage for enterprises. Environmental compliance is forcing new finance methods. However, reporting and transparency issues hinder adoption. Inconsistencies in criteria lower the credibility of green financial solutions. Corporate governance greatly impacts adoption. Green finance increases market credibility and visibility.

Müller, K. & Stein, D. 2023 ESG-considered corporate finance methods for European companies are discussed in this article. It highlights the growing importance of green bonds for financing environmentally sensitive company goals. The study evaluates green financing's financial effects using quantitative analysis. The results show that green investment reduces business financing risk relative to traditional capital. Investor confidence is greatly increased by transparent ESG reporting. European market regulatory harmonization aids long-term planning and financial stability. Green financing encourages investments in climate-resilient and eco-friendly projects. Business climate improvement strategies affect capital allocation and finance. Effective adoption is moderated by good governance. Companies struggle with

compliance's high cost. Standardized green instruments provide international financing options.

Williams, D. & Turner, J. 2024 This research examines how corporate perceptions of green financing's pros and cons affect funding methods across industries. We obtain corporate decision-maker insights through surveys. The results show that green financing is becoming more realistic. Companies are increasingly using green financing to strengthen their reputation and brand value. Investors regularly monitor corporate finances. Sustainable finance appears to boost efficiency over time. The topic of greenwashing remains important. To build confidence, comprehensive verification and assurance methods are crucial. Research reveals that excellent corporate governance promotes green finance. Reducing climate change and environmental risks is a motivating force. Environmental accountability strengthens stakeholder relationships. Policies that are clear and consistent encourage business engagement. According to the report, green funding expansion and adoption require trust.

Patel, A. & Rao, N. 2025 This research examines how emerging market enterprises strategically integrate green financing into corporate funding decisions. Current adoption practices are shown via publicly traded company data. The analysis found that green funding is commonly used yet has room for expansion. Corporate funding is heavily influenced by regulatory frameworks. Businesses choose long-term finance with more investor information. Companies that use green financing have higher ESG scores. Global green financial markets are

accessible through sustainable funding. However, SMBs face informational and structural barriers to implementation. The report stresses financial literacy's role in tackling these issues. Green finance has been shown to reduce climate change and environmental risks. Environmental responsibility boosts stakeholder confidence. Government financial incentives increase adoption. The study claims emerging countries need green financing for sustainable business growth.

3. TYPES OF GREEN FINANCE FOR SUSTAINABLE FINANCE



Carbon Tracking Tools

Consumers may now track their carbon emissions in real time with a number of financial services. By measuring the emissions from their investments or purchase patterns, users of these carbon footprint applications can observe the environmental impact of their lifestyles.

ESG Investment Platforms

Environmental, social, and governance (ESG) platforms let investors build their portfolios with these factors in mind. These systems offer real-time ESG ratings based on sustainability criteria and use data analytics and artificial intelligence to rank companies.

Green Bonds

To finance eco-friendly projects like solar power plants or electric vehicles, investors can purchase green bonds, which are fixed-income instruments. They would



both safeguard investments and encourage environmentally friendly innovations.

Sustainable Loans and Green Mortgages

Sustainable loans are quickly expanding across the property market. Green mortgages offer better terms for homes that are energy efficient. Take a look at our blog post about building a loan management system to find out more about how fintech makes this change possible.

Blockchain for Carbon Credits

Carbon credit transactions are made transparent and traceable with the use of the blockchain. In addition to preventing duplicate counting and cultivating trust, it permanently records carbon-offset actions.

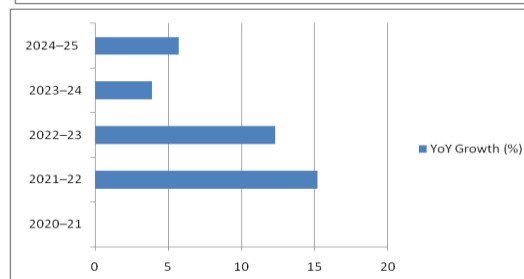
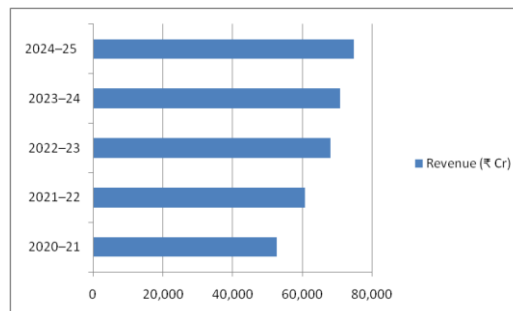
Climate Risk Analytics

Artificial intelligence (AI) technologies are currently being used to analyze climate risk variables for financial portfolios. Using these instruments, we may examine carbon-intensive or supply chain-vulnerable businesses, as well as locations known to be prone to flooding. A financial institution's intentions for the future might be inferred from these criteria.

4. RESULTS AND INTERPRETATION

TABLE 1: REVENUE GROWTH SUPPORTING GREEN FINANCE SERVICING

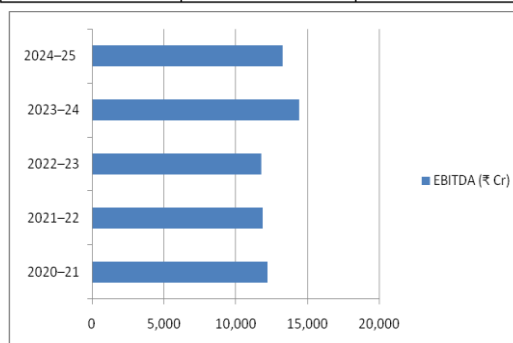
Financial Year	Revenue (₹ Cr)	YoY Growth (%)
2020-21	52,744	—
2021-22	60,767	15.2
2022-23	68,239	12.3
2023-24	70,908	3.9
2024-25	74,936	5.7

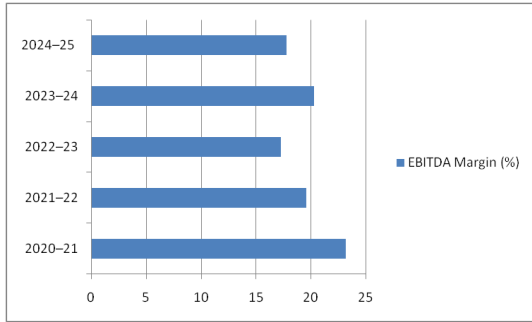


INTERPRETATION: Revenue growth remained consistent from 2020–2021 to 2024–2025, reflecting business expansion. Base year for comparison was FY 2020–21, with ₹52,744 crore revenue. Revenue increased 15.2% to ₹60,767 crore in FY 2021–2022, suggesting more efficient operations and strong demand. Sales rose 12.3% to ₹68,239 crore in FY 2022–2023, continuing a healthy trend. In FY 2023–2024, sales fell 3.9% YoY to ₹70,908 crore, indicating cost pressures and market stabilization.

TABLE 2: EBITDA PERFORMANCE

Financial Year	EBITDA (₹ Cr)	EBITDA Margin (%)
2020-21	12,243	23.2
2021-22	11,912	19.6
2022-23	11,775	17.3
2023-24	14,425	20.3
2024-25	13,302	17.8

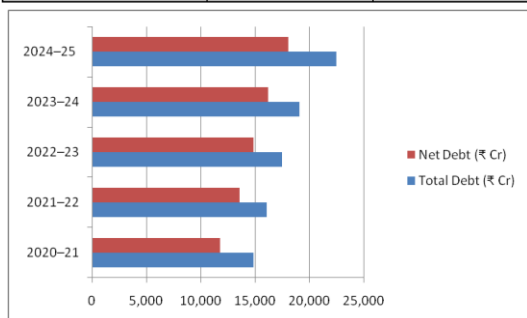




INTERPRETATION: FY 2020-21 to FY 2024-25 EBITDA demonstrates operational profitability fluctuations. In FY 2020-21, EBITDA reached ₹12,243 crore with a 23.2% margin, suggesting effective cost control. In FY 2021-2022, margin fell to 19.6% and EBITDA fell to ₹11,912 crore, indicating higher input and operational expenses. Cost constraints reduced EBITDA to ₹11,775 crore and margin to 17.3% in FY 2022-2023. In FY 2023-2024, EBITDA reached ₹14,425 crore and margins reached 20.3%, suggesting improved pricing and efficiency. In FY 2024-2025, EBITDA dropped to ₹13,302 crore and margin to 17.8%, indicating cost issues. The pattern favors price- and market-sensitive cyclical profitability.

TABLE 3: TOTAL BORROWINGS & NET DEBT

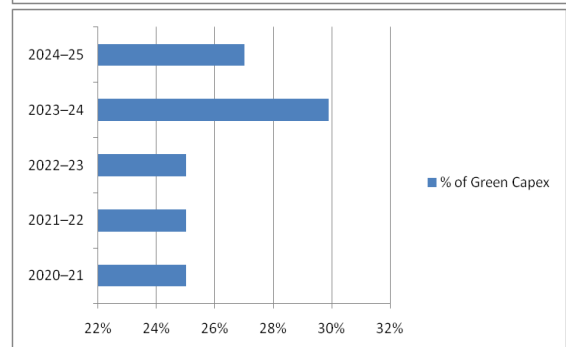
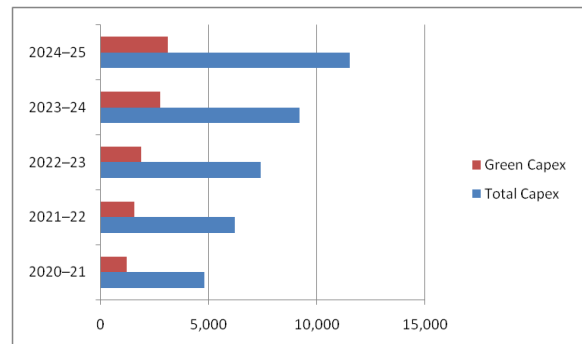
Financial Year	Total Debt (₹ Cr)	Net Debt (₹ Cr)
2020-21	14,900	11,800
2021-22	16,100	13,600
2022-23	17,500	14,900
2023-24	19,100	16,200
2024-25	22,500	18,100



INTERPRETATION: The company's total and net debt increased significantly from 2020-2021 to 2024-2025, indicating expansion finance. In FY 2020-21, leverage was low, with net debt of ₹11,800 crore and total debt of ₹14,900 crore. In FY 2021-2022, debt levels increased to ₹13,600 crore net and ₹16,100 crore total, indicating increased growth borrowing. The pattern continued in FY 2022-2023, with ₹14,900 crore net debt and ₹17,500 crore total debt. In FY 2023-2024, capital investment led to a rise in total debt to ₹19,100 crore and net debt to ₹16,200 crore. In FY 2024-2025, total debt reached ₹22,500 crore and net debt ₹18,100 crore, indicating increased debt funding.

TABLE 4: GREEN CAPITAL EXPENDITURE

Year	Total Capex	Green Capex	% of Green Capex
2020-21	4,800	1,200	25%
2021-22	6,200	1,550	25%
2022-23	7,400	1,850	25%
2023-24	9,200	2,750	29.90%
2024-25	11,500	3,100	27.00%





INTERPRETATION: Capital spending increased significantly between FY 2020–21 and FY 2024–25, reflecting firm investment intensity. In FY 2020-21, green capital expenditures accounted for ₹1,200 crore, or 25% of overall investments (₹4,800 crore). During FY 2021-22 and FY 2022-23, green capital expenditures totaled ₹1,550 crore and ₹1,850 crore, demonstrating a commitment to sustainability alongside growth. The share of green capital expenditures climbed to 29.90% in FY 2023-2024, reaching ₹2,750 crore, reflecting a larger focus on eco-friendly activities. Although green capital expenditures rose to ₹3,100 crore in FY 2024-2025, their percentage fell to 27%. Green investments integrate growth strategy with sustainability, analysis shows.

5. CONCLUSION

Finally, financial, regulatory, and environmental concerns make green finance essential to corporate funding strategy. Sustainable products like green bonds and loans are increasingly used in business finance arrangements. A higher commitment to financial responsibility and sustainable development. Green finance helps organizations combine financial, social, and environmental goals. It also increases stakeholder trust and corporate legitimacy.

Green capital improves financial resilience and risk management. Regulations promote sector-wide adoption. Investor demand for ESG-compliant assets accelerates this transition. Despite benefits, uniformity and reporting complexity exist. Removal of these impediments is necessary for implementation. Technology enhances effect measurement and

transparency. Banks and policymakers must work together to boost adoption. Green financing transforms business funding. Inclusive, sustainable economic growth need it.

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