

September 2, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	Buy	1,818	2,543
Ambuja Cement	Buy	567	685
Dalmia Bharat	Accumulate	2,403	2,395
Nuvoco Vistas Corporation	Accumulate	456	422
Shree Cement	Hold	29,815	30,001
Ultratech Cement	Accumulate	12,826	13,200

Source: PL

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Demand weakness weighs on prices

Quick Pointers:

- Cement prices fell sharply in East (mainly in Patna followed by Ranchi and Kolkata). Rs5-23/bag decline in South, North and East in Aug'25, while flat in West and Central. All-India average declined Rs6/bag MoM.
- Companies have indicated a Rs20–30/bag price hike to dealers, but its implementation appears unlikely in weak demand scenario.

We interacted with cement dealers across regions in India to assess the demand and pricing scenario in Aug'25. Our discussions indicate that demand remained muted across most markets, impacted by intense rains and festivals during the month. Prices were largely stable MoM in the West and Central India, while the Eastern region witnessed sharp corrections of Rs40–45/bag in Patna and Rs10–12/bag in Ranchi and Kolkata. The Southern region saw mixed trends, with a marginal Rs5 uptick in Chennai but ~Rs15/bag decline in Hyderabad amid weak demand. As a result, the all-India average price declined MoM by Rs6 to ~Rs354/bag. Going forward, dealers expect a meaningful demand recovery only after Navratri, with the sustainability of any price hikes remains in question.

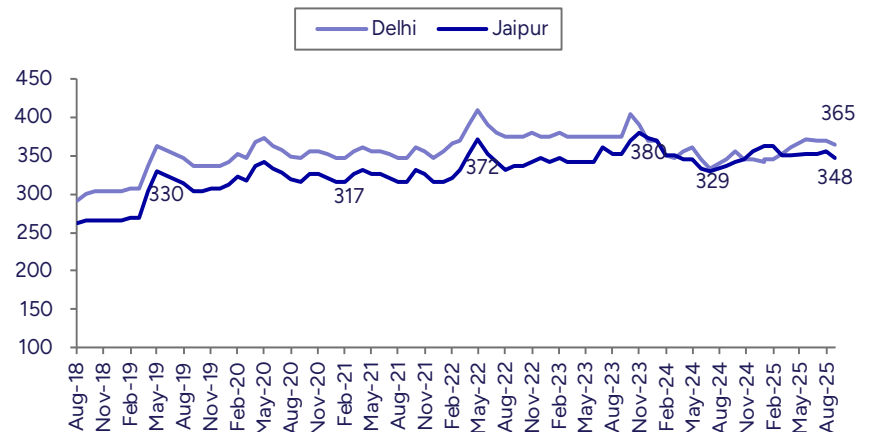
Cement prices, which were largely steady over the past three months despite monsoon, saw a notable correction in August, particularly in the Eastern region. While companies are attempting to raise prices ahead of GST rationalization, muted demand amid upcoming festive season is likely to act in contradiction. Coupled with rising pet coke and gypsum costs, we expect pressure on Q2FY26 earnings. Although demand is likely to improve post-monsoon, the addition of new capacities could exert further pressure on pricing sustainability. Await better entry in cement stocks.

Northern Region

Cement prices in **Delhi** remained flattish MoM, with demand impacted by incessant rains through August. Dealers have not received any price hike notifications yet, though a Rs20–30/bag increase could be attempted post-Navratri if demand improves. The impact of GST rationalization remains uncertain, but dealers expect it to lower costs for customers.

Cement prices in **Jaipur** are down by Rs10/bag MoM due to intense rains that severely impacted construction activity and weakened demand through August. Dealers expect demand to recover post-Pitra Paksh (Sept 7–22) and strengthen around Navratri, which could potentially support price hike. UltraTech and Ambuja dominate the market with almost similar pricing. GST rationalization is expected to aid demand to some extent. For now, there has been no intimation of any price increases.

Exhibit 2: Cement price declined by Rs6/bag in the Northern region in Aug'25



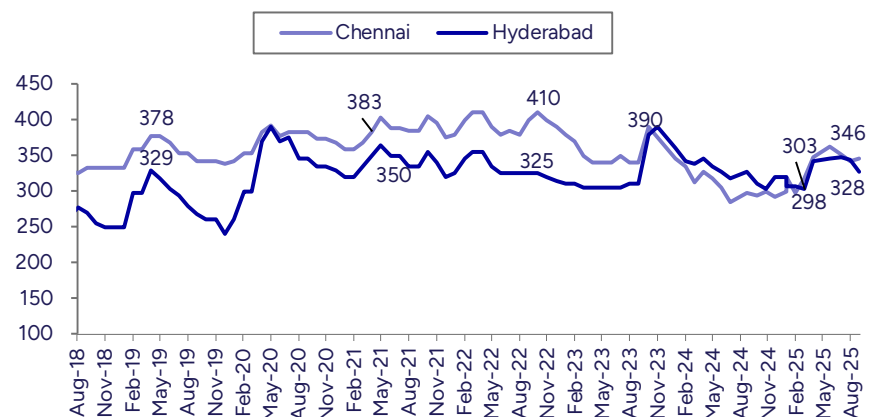
Source: PL

Southern region

Prices in **Chennai** saw a slight uptick of Rs5 and dealers reported that the demand currently has been good and has been gradually picking up. Companies have been attempting price hikes over the past week; however, these have not been successful so far.

Prices in **Hyderabad** declined by ~Rs15/bag through the first three weeks of August as heavy rains slowed construction activity and weakened demand. Demand remains sluggish and is expected to stay muted in the first week of September as Ganesh festival leads to road blockages, restricted truck movement, and a broader slowdown in construction. Despite weak demand, companies have announced a steep price hike of ~Rs30/bag, though dealers remain cautious on its sustainability.

Exhibit 3: Hyderabad led to decline in average price in South by Rs5/bag MoM

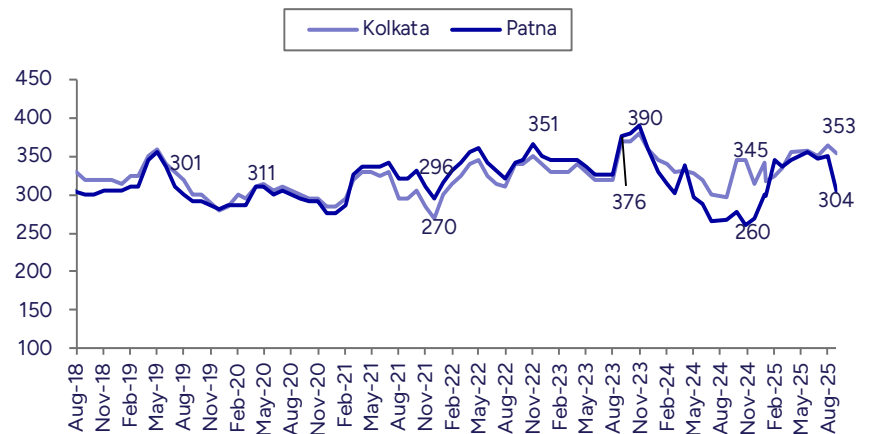


Source: PL

Eastern region

Demand in **Kolkata** remains weak, with several dealers highlighting that the market has been in a poor state for over a year with no meaningful improvement. Heavy rains have further dampened demand, with prices falling by Rs10-12 MoM. Companies have attempted price hikes, but these have not sustained given weak demand. In some cases, supply restrictions and plant shutdowns are being tried to support pricing, but dealers believe any hike will not hold. A meaningful recovery in both demand and pricing is expected only post-Durga Puja.

Exhibit 4: Eastern region prices declined sharp Rs23/bag* due to intense rain



Source: PL *includes Ranchi prices as well

Demand in **Patna** remained very weak in August, impacted by the Bhadrapada month when construction activity slows, along with heavy rains and floods that halted nearly 70% of ongoing work. Dealers highlighted extremely low demand throughout the month, with expectations of recovery only after 1.5 months. Prices, which had corrected sharply by Rs40-45/bag during the month, saw a partial attempt at recovery with companies announcing a Rs10 hike, though sustainability remains uncertain amid subdued demand conditions.

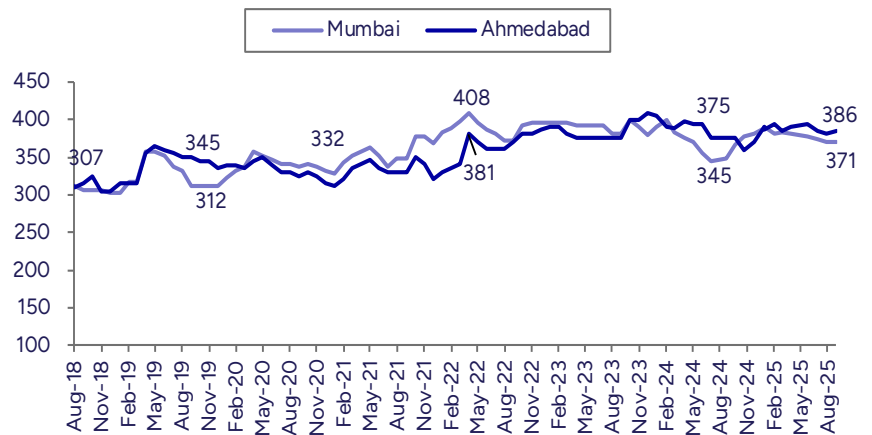
Overall demand in **Ranchi** remains weak, primarily due to a slowdown in construction activity. Dealers highlighted that demand is largely supported by central government spending, with limited new projects from the state government. UTCEN prices declined by Rs10-15/bag MoM, yet demand for the brand remains subdued (vis a vis Nuvoco & ACEM) given its premium positioning compared to other players.

Western region

Cement prices in **Mumbai** remained flat MoM despite demand being severely impacted by heavy rains for over two weeks, with some support coming from local contractors and retail customers. Dealers indicated a ~Rs20/bag price hike announced to create pricing headroom ahead of potential GST rationalisation, though its implementation appears challenging amid the muted demand environment and the ongoing festive season.

Demand in **Ahmedabad** in August was mixed - while some dealers reported weak demand, others indicated that offtake improved in the second half of the month. Overall, demand was considered reasonable given the impact of rains and festivals, at about 50% of normal levels. Prices remained stable with no news of hikes. Dealers expect demand to improve in September as festival-related disruptions ease.

Exhibit 5: Western region prices increased by Rs3/bag MoM despite monsoon

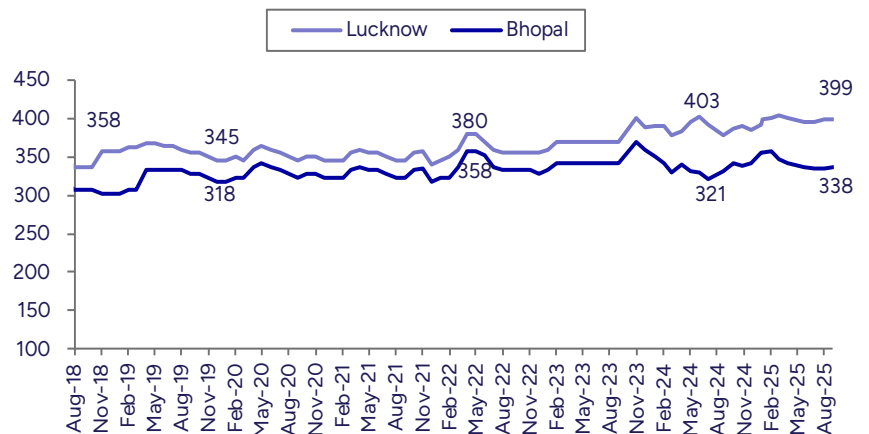


Source: PL

Central region

Cement prices in **Lucknow** remained stable MoM, with demand severely impacted by 15–20 days of intense rains. Dealers reported announcements of a Rs15–30/bag price hike but believe it is unlikely to sustain amid weak demand. Many dealers expressed dissatisfaction as repeated hike notifications are not implemented, leading to inventory pile-up. Regarding GST rationalization, dealers expect rate variation to reduce to some extent, which could support a more stable pricing environment going forward.

Exhibit 6: Prices were up by Rs1/bag MoM in the Central region



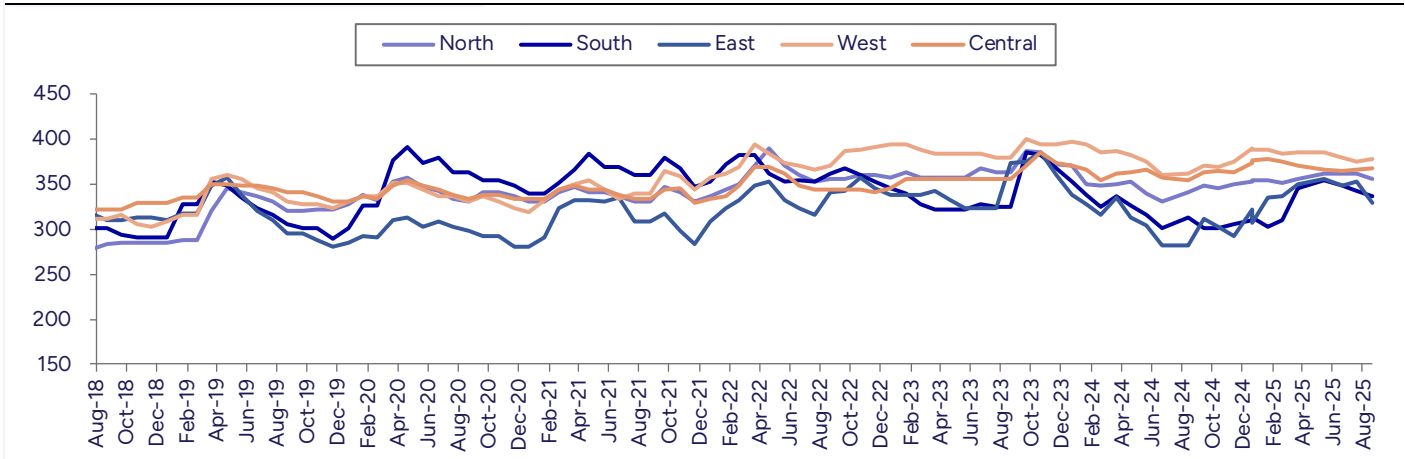
Source: PL

Cement prices in **Bhopal** remained stable MoM despite muted demand owing to heavy rains and festivals like Janmashtami and Rakshabandhan. Dealers mentioned receiving notifications of a Rs20–30/bag price hike, but believe it is unlikely to

materialize until the festival season concludes. Companies are attempting to push hikes ahead of potential GST rationalization to create pricing headroom and support margins even if prices decline later. The market is largely dominated by ACC and UltraTech, with Wonder Cement and Birla catering to regional demand.

All-India pricing

Exhibit 7: All-India average price declined across most regions in Aug'25 amidst monsoon



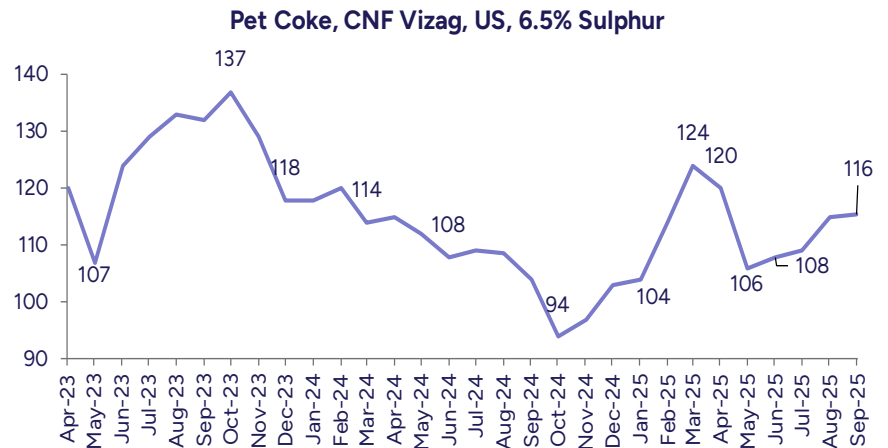
Source: PL

Exhibit 8: Region wise pricing (Rs/bag)

	North	South	East	West	Central	All India
Jun-23	358	323	323	384	356	349
Jul-23	368	328	323	384	356	352
Aug-23	363	325	323	379	356	349
Sep-23	363	325	373	379	356	359
Oct-23	388	385	375	400	370	384
Nov-23	385	383	385	395	385	387
Dec-23	372	368	360	394	374	373
Jan-24	370	353	338	398	370	366
Feb-24	350	339	328	395	366	355
Mar-24	349	325	316	386	354	346
Apr-24	350	337	335	386	362	354
May-24	353	327	313	382	363	348
Jun-24	339	316	304	376	366	340
Jul-24	331	301	283	360	357	326
Aug-24	341	313	282	362	355	330
Sep-24	349	302	312	371	364	339
Oct-24	345	301	303	369	364	336
Nov-24	350	306	293	376	364	338
Dec-24	353	310	321	389	374	349
Jan-25	354	314	308	388	377	348
Feb-25	354	303	335	388	378	352
Mar-25	351	310	336	384	376	351
Apr-25	356	345	350	385	371	361
May-25	362	355	356	386	366	365
Jun-25	361	349	349	379	365	361
Jul-25	363	342	352	375	367	360
Aug-25	356	337	329	378	368	354

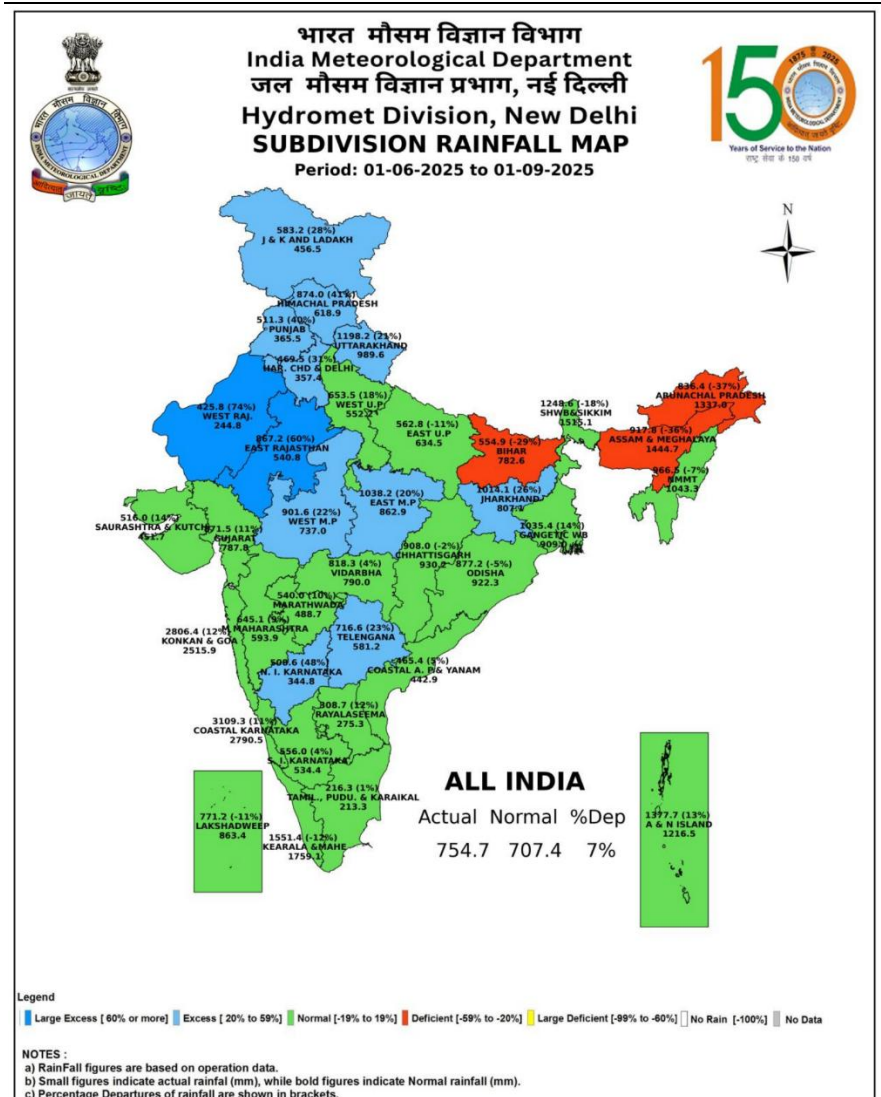
Source: PL

Exhibit 9: Imported pet coke prices started to inch up again (USD/t)



Source: CoalMint, PL

Exhibit 10: Rainfall statistics till 1st September, 2025



Source: Mausam.imd.gov.in

Exhibit 11: Valuation Summary

Company Name	Mkt Cap	CMP	TP	Rating	BV FY25 (Rs)	P/BV (x)	Revenue (Rs mn)			EBITDA (Rs mn)			PAT (Rs mn)			EV/EBITDA (x)			ROE (%)			ROCE (%)		
							FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
ACC	3,41,472	1,818	2,543	Buy	987	1.8	2,11,255	2,40,077	2,54,321	24,245	33,022	37,423	19,082	20,163	22,798	12.9	9.2	7.9	10.9	10.3	10.6	8.0	11.5	11.9
Ambuja Cement	13,96,837	567	685	Buy	217	2.6	3,50,448	4,49,732	4,98,059	59,707	82,466	1,08,143	41,815	34,914	45,253	23.8	18.1	13.7	8.8	6.3	7.7	7.3	8.6	10.7
Dalmia Bharat	4,50,669	2,403	2,395	Accumulate	927	2.6	1,39,800	1,58,800	1,79,920	24,070	35,625	42,754	7,240	16,280	18,531	19.2	13.2	11.0	4.3	9.0	9.4	4.9	9.2	10.5
Nuvoco Vistas Corporation	1,62,936	456	422	Accumulate	252	1.8	1,03,567	1,13,886	1,23,161	13,720	19,039	21,007	100	4,355	4,664	14.5	10.7	9.6	0.1	4.7	4.8	3.9	7.6	7.5
Shree Cement	10,75,748	29,815	30,001	Hold	5969	5.0	1,92,828	2,08,689	2,28,725	39,302	51,169	58,216	11,227	22,137	23,852	25.9	19.5	16.9	5.3	9.9	9.8	4.1	8.6	9.4
Ultratech Cement	37,79,566	12,826	13,200	Accumulate	2399	5.3	7,59,551	9,16,866	10,51,280	1,25,575	1,86,508	2,19,631	60,391	1,05,886	1,31,084	31.6	21.1	17.5	9.2	14.2	15.6	10.4	13.7	15.4

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,543	1,890
2	Adani Port & SEZ	BUY	1,777	1,358
3	Ambuja Cement	BUY	685	593
4	Dalmia Bharat	Accumulate	2,395	2,270
5	Hindalco Industries	Accumulate	762	667
6	Jindal Stainless	Hold	678	683
7	Jindal Steel	Accumulate	1,060	996
8	JSW Infrastructure	Accumulate	344	322
9	JSW Steel	Hold	1,068	1,034
10	National Aluminium Co.	BUY	228	187
11	NMDC	Accumulate	80	73
12	Nuvoco Vistas Corporation	Accumulate	422	390
13	Shree Cement	Hold	30,001	30,205
14	Steel Authority of India	Hold	133	126
15	Tata Steel	Accumulate	177	158
16	Ultratech Cement	Accumulate	13,634	12,561

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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