

Cement

Sector Update

April 02, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
ACC*	BUY	1,327	2,163
Ambuja Cement	BUY	420	640
Dalmia Bharat	Hold	1,806	2,302
JK Cement	Accumulate	5,141	6,199
JK Lakshmi Cement	BUY	589	881
JSW Cement	BUY	114	142
Nuvoco Vistas Corporation	BUY	290	443
Shree Cement	Hold	23,340	27,770
Ultratech Cement	BUY	10,714	14,168

Source: PL

*ACC to be discontinued post amalgamation into Ambuja Cement

Top Picks

Ultratech Cement

JK Cement

Ambuja Cement

JSW Cement

March kept pricing low, needs hikes to maintain margins

Quick Pointers

- All-India average price remained flat MoM to Rs322/bag.
- Dealers expect prices to improve meaningfully from April onwards due to sharp increase in input costs.

We interacted with cement dealers across regions in India to assess demand and pricing trends in Mar'26. Our discussions indicate that demand remained broadly decent, despite higher dispatches and stocking activity ahead of year-end. While underlying demand was uneven with some slowdown observed post Holi and in select markets due to labour issues and weak retail activity. Pricing trends were largely weak MoM, as aggressive volume push led to price declines in key markets of East and South, while most other regions saw flat pricing with no meaningful hikes. Despite good demand in certain pockets, pricing discipline remained constrained due to intense competition and companies prioritising dispatches over margins. Overall, price recovery was deferred, with dealers across regions indicating meaningful hikes likely only from early April, supported by rising input costs amid middle east crisis.

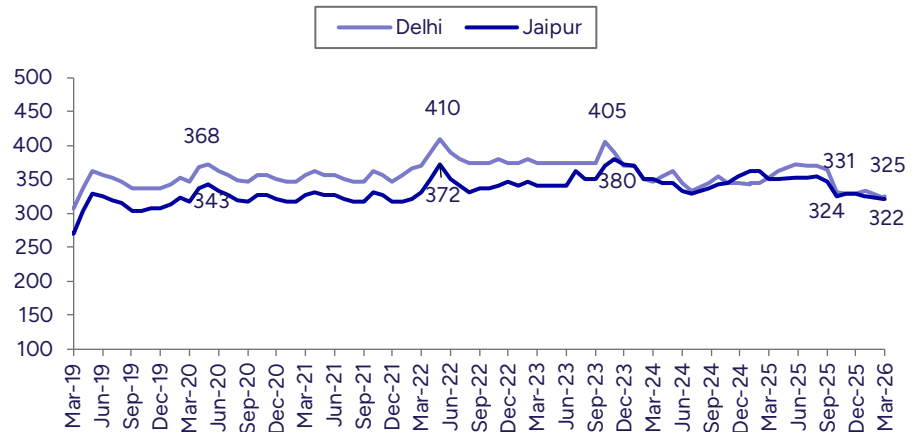
We expect Q4FY26 to be a decent quarter for the cement sector aided by better volumes (~7% YoY on high base), supported by improved demand and gradual uptick in prices on a QoQ basis. This should drive ~Rs100-120/t QoQ improvement in EBITDA/t across companies, aided by operating leverage and better fuel mix. However, H1FY27 outlook remains contingent on ability to take price hikes amid weakening demand (monsoon, lower priority for construction by IHB amid uncertainties, possible cut in Gol spending) and cost inflation (pet coke prices rising sharply by ~\$40 MoM to \$165/t, polypropylene bag costs, explosives for mining, etc.). Potential fuel-related disruptions impacting logistics can also be significant & unknown yet. These factors necessitate price hikes to maintain margins. We remain positive on cement companies with pan-India presence and few smaller companies where valuations have come off significantly. Top Picks: UTCEM, JKCE, ACEM & JSWCEMEN.

Northern Region

Cement prices in **Delhi** remained flat MoM. Demand remains strong on-ground, supported by closing-related dispatches. Logistics remain stable for now, though risks could emerge if fuel-related issues persist. Input costs have increased sharply, and companies are indicating price hikes of ~Rs30-60/bag in the near term (April/early next quarter). Dealers believe hikes are likely to be implemented given the sharp rise in manufacturing costs, though sustainability will depend on demand conditions. Additionally, companies are also planning price increases in white cement and putty segments.

Prices are largely unchanged MoM in **Jaipur**. Demand is described as decent to good, largely supported by March closing, with urban demand holding up better than rural. Non-trade prices were increased by ~Rs30/bag in February to ~Rs290, narrowing the trade-non-trade gap to ~Rs30-35/bag. While companies are indicating price hikes of Rs30-60/bag going ahead. No major disruptions due to war on Jaipur have been observed so far.

Exhibit 1: Prices in North remained flat MoM on year-end volume push; strong demand



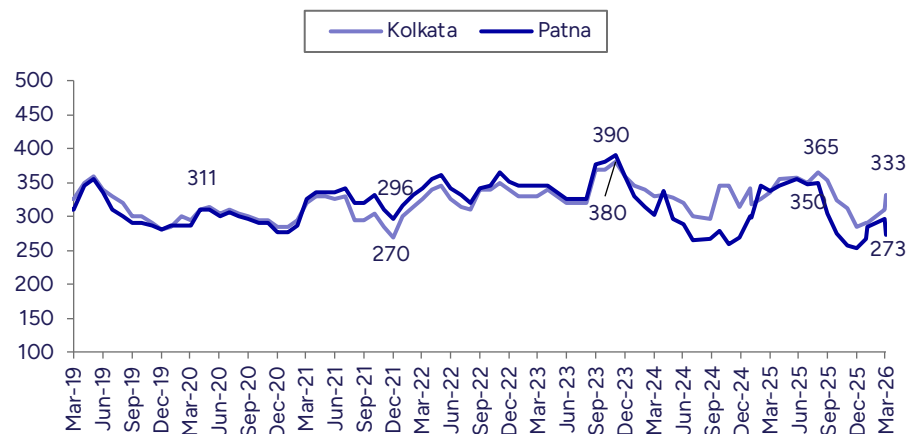
Source: PL

Eastern Region

Patna dealers' feedback indicates that prices declined by ~Rs25/bag MoM in March due to weak demand in the first half, followed by aggressive volume push by companies and dealers in the second half to meet year-end targets. Competition intensified, with UTCEM, BCORP and NUVOCO reporting strong volumes, while SRCM also improved towards month-end. The leader refrained from increasing prices to drive volumes, leading other players to hold prices as well. Dealers expect a price hike of Rs40-50/bag from early April (3-5th), though sustainability remains the key monitorable.

Cement prices in **Kolkata** have increased by ~Rs20/bag MoM ahead of state elections. There is further scope for a Rs10-15/bag increase in April. However, demand is not very strong, with March volumes largely flat vs February as market activity remains slow as elections are approaching next month.

Exhibit 2: Kolkata prices up Rs22/bag despite weak demand, while Patna down Rs23/bag on volume push



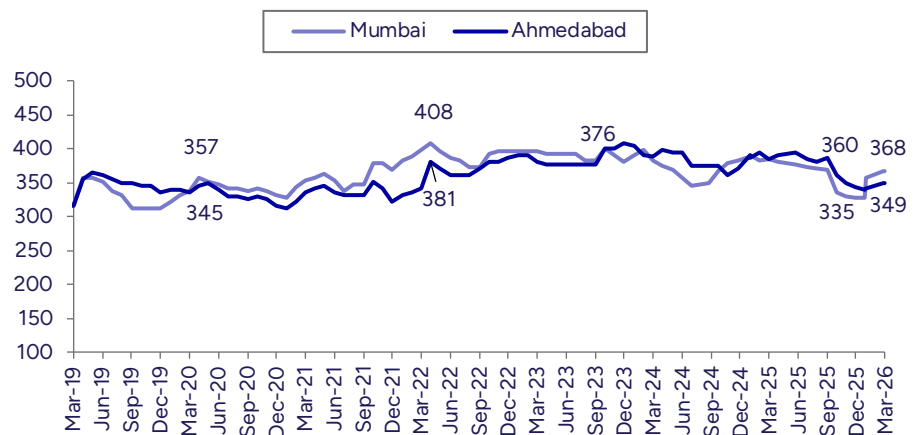
Source: PL

Western Region

Ahmedabad dealer feedback indicates that demand remains good, supported by stable prices over the past two months. Due to uncertainty in the market (including war-related concerns), companies have been pushing volumes and meeting year-end targets without taking price hikes. There is a possibility of a Rs30–40/bag price increase in the first week of April. Construction and infrastructure activity is expected to improve further in the next quarter, unless impacted by supply-side issues.

Prices in **Mumbai** remain unchanged MoM which is similar to January levels. Demand is described as decent but has slowed post Holi due to persistent labour shortages, weak real estate activity, and delayed payments. Construction activity remains subdued across segments, with cautious buying trends. Input costs have increased, including higher packaging costs. Companies are discussing price hikes going ahead, though the extent and sustainability remain uncertain given the current demand environment.

Exhibit 3: Volumes push in March kept the prices unchanged MoM; demand decent to good



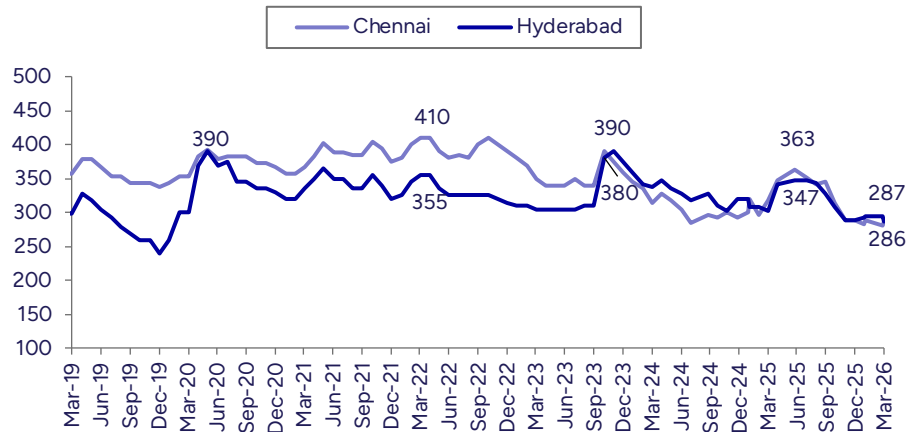
Source: PL

Southern Region

Demand in **Chennai** remains very strong, with all dealers reporting healthy volume. Dealers also mentioned that supply for key brands was constrained despite strong demand. There are discussions in the market around price hikes of Rs50–70/bag in April, with dealers confident that at least Rs50/bag increase is achievable.

No price hike was seen in March in **Hyderabad**, with pricing remaining flat due to year-end volume push despite strong demand. Demand was aided by customer stocking amid potential disruption concerns. Dealers expect price hikes of ~Rs40/bag in trade and ~Rs50/bag in non-trade from early April (2–5th). Supply is currently stable but may tighten over the next 1–2 months, which could support price increases.

Exhibit 4: Chennai prices up by Rs7/bag, while Hyderabad down by Rs9/bag; aggressive volume push



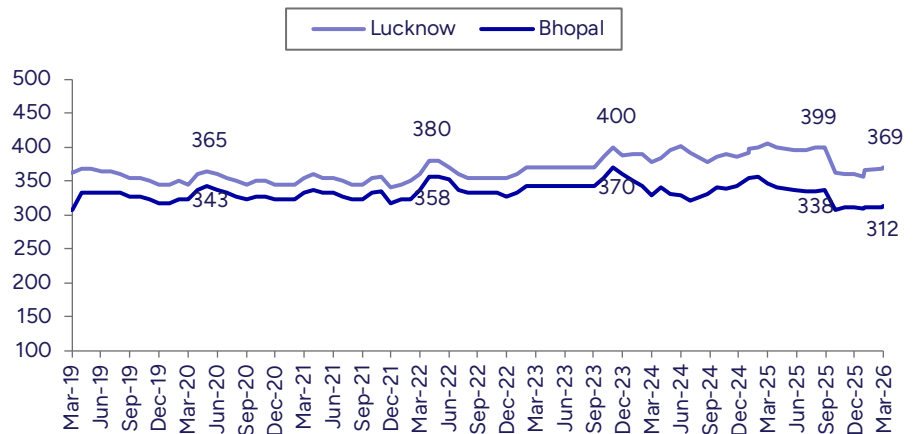
Source: PL

Central Region

Bhopal prices remain unchanged due to year-end volume push. Demand is decent, impacted by Holi (7-10 days disruption) and underlying liquidity constraints, with part of the sales driven by closing pressure rather than end-demand. Competitive intensity remains high, led by aggressive pricing from leader and strong presence of other brands, resulting in a price war in the region. ACC had halted non-trade sales during March, while others continued. With rising input costs (diesel, pet coke, water, PP bags), dealers expect a price hike of Rs30-50/bag, with some indicating even higher increases once pricing discipline returns.

Cement prices in **Lucknow** remain largely stable MoM with trade prices broadly unchanged and non-trade lower by ~Rs40-50/bag. Demand is weak, impacted by multiple factors including intermittent rains, Navratri, and lower prioritisation of construction by individual buyers amid broader uncertainties. Logistics challenges have also emerged due to fuel-related issues, adding to supply-side challenges. Overall construction activity remains subdued, with limited work in the market. However, rising input and transportation costs are expected to drive price hikes of ~Rs30-50/bag in April, though sustainability will depend on demand recovery.

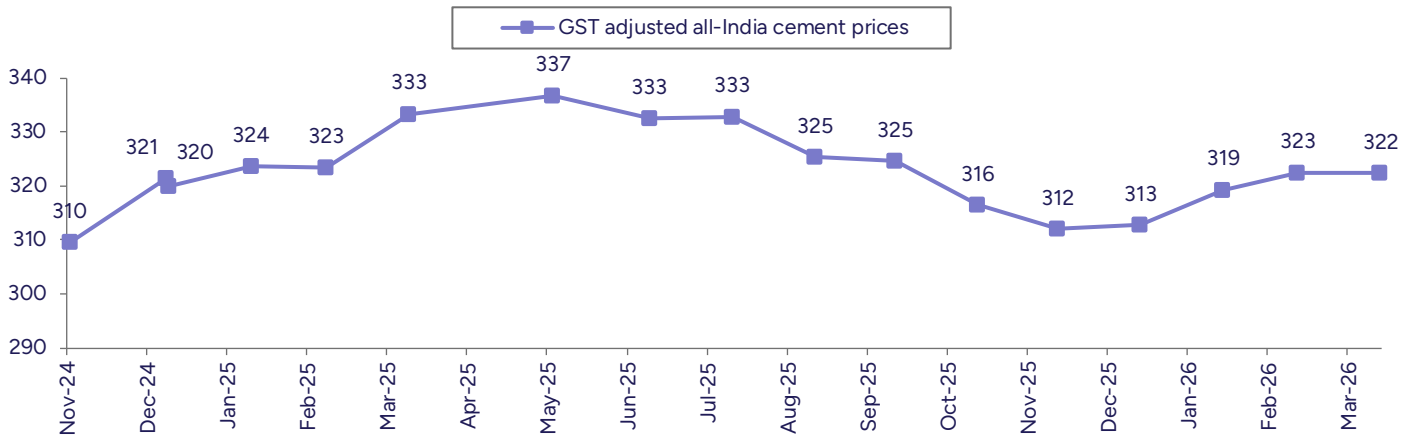
Exhibit 5: Central prices remained flat due to year-end sales targets



Source: PL

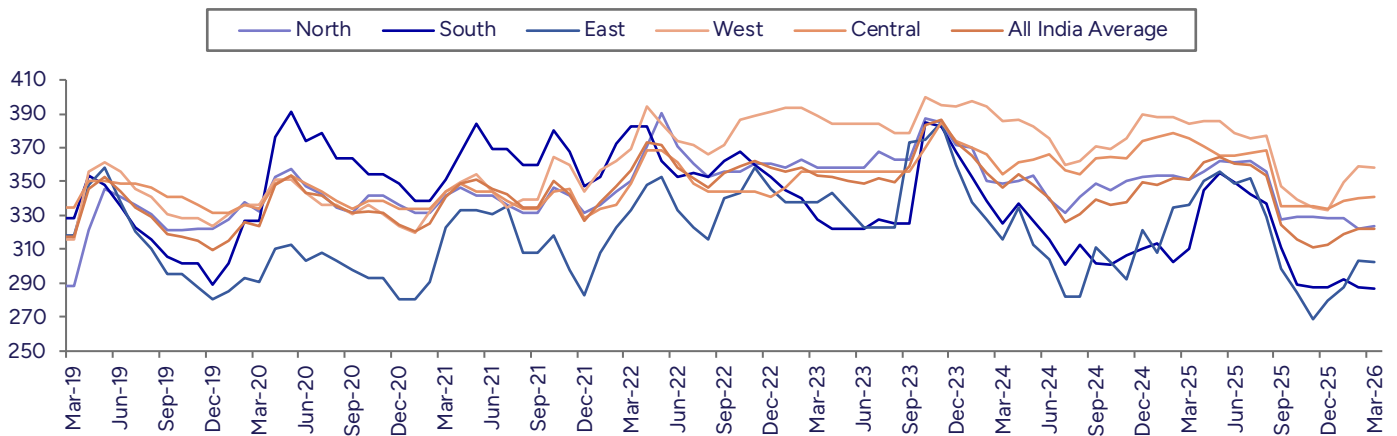
All-India pricing

Exhibit 6: All India average prices remained flat due to year end closing targets



Source: PL adjusted for GST 2.0 rationalization

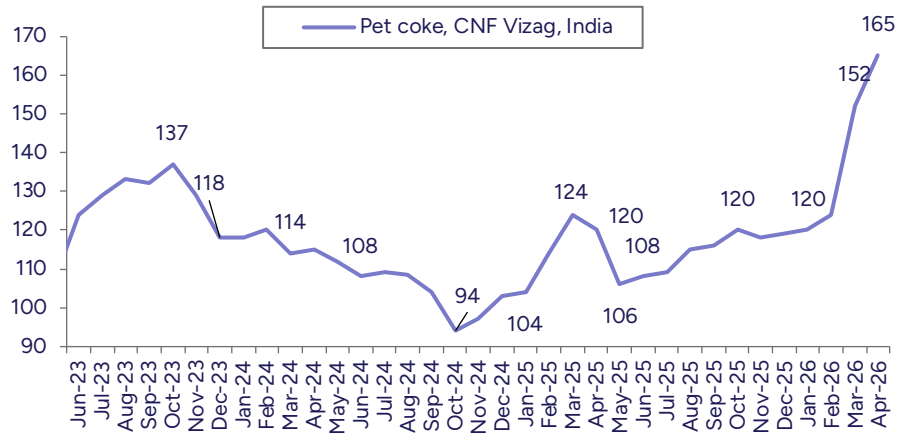
Exhibit 7: Cement prices remained flat in Mar'26 in the pursuit of yearly volume targets



Source: PL, unadjusted for GST 2.0

All-India cement prices remained largely flat on a MoM basis, reflecting continued year-end dispatch intensity, with companies prioritising volumes over pricing to meet FY26 targets. While demand remained supportive, competitive pressures and focus on closing targets limited any meaningful price traction during the month. However, with cost pressures rising particularly from fuel and logistics, the current pricing environment appears unsustainable. We believe a calibrated price reset will be necessary in the near term to restore margin equilibrium, especially as year-end pressures ease.

Exhibit 9: Imported pet coke inched up to \$165/t due to ongoing US-Iran war (\$/t)



Source: CoalMint, PL

Imported pet coke prices have risen sharply to ~\$165/t from ~\$130/t earlier in the month (vs ~\$120/t previously), driven by ongoing disruptions from refineries in middle east. Sustained elevation in pet coke prices is likely to increase input costs for cement companies, thereby putting pressure on margins. In this scenario, companies may look to optimise their fuel mix (rely on domestic coal, pet coke) and improve efficiency to mitigate cost pressures, though the extent of pass-through through price hikes will remain critical.

Exhibit 8: Region wise pricing (Rs/bag)

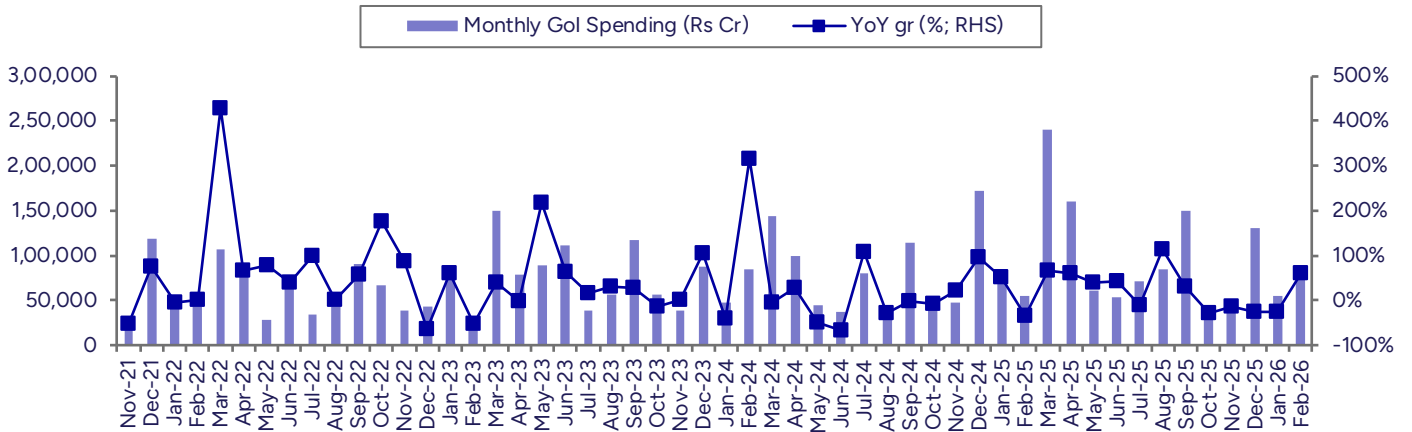
	North	South	East	West	Central	All India
Jun-23	358	323	323	384	356	349
Jul-23	368	328	323	384	356	352
Aug-23	363	325	323	379	356	349
Sep-23	363	325	373	379	356	359
Oct-23	388	385	375	400	370	384
Nov-23	385	383	385	395	385	387
Dec-23	372	368	360	394	374	373
Jan-24	370	353	338	398	370	366
Feb-24	350	339	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	377	368	353
Sep-25	328	311	299	347	335	324
Oct-25	329	289	285	340	336	316
Nov-25	329	288	269	335	336	311
Dec-25	329	287	279	333	334	312
Jan-26	329	292	288	349	339	319
Feb-26	323	288	304	359	340	323
Mar-26	324	287	303	358	341	322

Source: PL

Central government capex witnessed a sequential uptick in February, indicating a pick-up in spending momentum. However, cumulative spending stands at ~83% of the FY26 target of Rs11.2 lakh crore (Rs9.29 lakh crore spent till Feb'26), implying a significant ramp-up required in March to meet the full-year target.

Notably, dealer interactions in March point to healthy demand and strong volume push across regions, which suggests that execution activity likely accelerated further during the month. While this aligns with expectations of higher capex deployment towards year-end, the extent to which March spending bridges the gap to the full-year target remains a key monitorable.

Exhibit 10: Strong monthly government spending in February (11MYTD spent 83% of FY26 target)



Source: Industry, PL

Exhibit 11: Valuation Summary

Company Name	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Rating	BV FY26E (INR)	P/BV (x)	Revenue (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EV/EBITDA				ROE (%)				ROCE (%)			
							FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
ACC*	249	1,327	2,163	BUY	1069	1.2	211	238	254	271	24	29	33	38	19	17	20	22	9.1	7.4	6.2	5.2	10.9	8.8	9.4	9.7	8.0	9.4	10.3	10.8
ACEM	1,039	420	640	BUY	233	1.8	350	417	470	523	60	74	99	118	42	33	39	59	17.7	15.3	11.7	10.0	8.8	5.9	6.6	9.4	7.3	6.7	8.7	10.7
DALBHARA	339	1,806	2,302	Hold	984	1.8	140	151	169	196	24	31	37	45	7	13	15	20	14.5	11.3	9.5	8.1	4.3	7.1	8.1	9.5	4.9	7.4	9.1	10.6
JKCE	397	5,141	6,199	Accumulate	908	5.7	119	142	163	187	20	26	31	36	9	10	13	16	21.6	17.6	14.9	12.8	15.0	15.7	17.4	17.4	12.6	14.6	15.6	15.8
JKLC	73	589	881	BUY	327	1.8	62	69	77	88	9	10	13	15	3	4	5	5	9.8	8.1	7.4	7.4	8.8	11.1	11.8	11.3	10.3	11.4	12.0	11.3
JSWC	156	114	142	BUY	45	2.6	58	65	83	94	9	12	17	19	-1	3	5	6	20.1	15.9	12.3	11.0	-4.7	6.0	8.2	8.6	6.5	9.0	10.7	10.8
NUVOCO	104	290	443	BUY	264	1.1	104	115	127	141	14	18	20	23	0	4	5	7	10.2	8.2	7.1	5.9	0.1	4.6	4.7	6.4	3.9	7.2	7.0	8.1
SRCM	842	23,340	27,770	Hold	6264	3.7	192	204	227	249	38	45	51	55	11	16	19	16	20.5	17.0	14.7	13.4	5.3	7.1	8.2	6.6	3.6	7.2	8.5	7.2
UTCEM	3,157	10,714	14,168	BUY	2590	4.1	760	898	1,019	1,153	126	169	218	257	60	81	118	138	26.6	19.8	15.1	12.6	9.2	11.0	14.6	15.2	10.4	12.3	16.2	19.1

Source: Company, PL

*ACC to be discontinued post amalgamation into Ambuja Cement

Given the recent uptick in petcoke prices, our FY28 EBITDA estimates may see a ~7-8% cut, which we will revisit and incorporate in our Q4 preview.

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ACC	BUY	2163	1755
2	Adani Port & SEZ	BUY	1900	1531
3	Ambuja Cement	BUY	640	452
4	Dalmia Bharat	Hold	2302	2232
5	Hindalco Industries	Hold	907	964
6	Jindal Stainless	Hold	784	756
7	Jindal Steel	Accumulate	1171	1102
8	JK Cement	Accumulate	6199	5790
9	JK Lakshmi Cement	BUY	881	761
10	JSW Cement	BUY	142	124
11	JSW Infrastructure	BUY	339	273
12	JSW Steel	Accumulate	1292	1170
13	National Aluminium Co.	Hold	356	385
14	NMDC	Hold	87	86
15	Nuvoco Vistas Corporation	BUY	443	350
16	Shree Cement	Hold	27770	27350
17	Steel Authority of India	Hold	151	149
18	Tata Steel	Accumulate	226	197
19	Ultratech Cement	BUY	14168	12369

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Tushar Chaudhari MMS-Finance, Mr. Satyam Kesarwani BFM, Passed CFA Level II, Mr. Pranav Iyer BBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd, which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months\PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Tushar Chaudhari MMS-Finance, Mr. Satyam Kesarwani BFM, Passed CFA Level II, Mr. Pranav Iyer BBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.