

September 30, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	Buy	1,808	2,543
Ambuja Cement	Buy	563	685
Dalmia Bharat	Accumulate	2,229	2,395
Nuvoco Vistas Corporation	Accumulate	423	422
Shree Cement	Hold	29,595	30,001
Ultratech Cement	Accumulate	12,041	13,634

Source: PL

GST benefits passed on; prices steady

Quick Pointers:

- Cement selling prices eased by Rs.20–30/bag across regions, reflecting full pass-through of GST-related benefits to customers.
- Near-term price hikes remain unlikely due to government mandate to pass on GST benefits; rains, labor shortages, and festive activities keeping demand subdued while pet coke is inching up.

We interacted with cement dealers across regions in India to assess demand and pricing trends in Sep'25. Our discussions indicate that demand remained weak across most markets, impacted by rains, labor shortages, and ongoing festive activities. Prices largely reflect GST-related adjustments, with companies passing on the full benefits to customers. The Western and Central regions saw stable markets, while the Eastern region remained subdued with limited offtake due to intense weather. In the Southern region, demand showed gradual recovery in Chennai, whereas Hyderabad continued to witness weak offtake. Northern markets saw some improvement recently, but overall demand is expected to pick up meaningfully only post Diwali. The all-India average selling price declined by Rs29 MoM to ~Rs325/bag. Going forward, dealers across regions expect a meaningful recovery only after Diwali.

Cement prices are unlikely to rise in the near term due to government restrictions ensuring GST benefits are passed on to customers. This could weigh on the industry during the seasonally strong quarter, leading to lower-than-expected realizations in Q3 and, consequently, reduced EBITDA per ton. Elevated input costs, such as pet coke (up 8% QoQ to USD120/t) and gypsum, could further pressure near term margins. However, the early conclusion of the festive season, coupled with an expected increase in consumption, may support volume growth and partially offset the margin impact. Accumulate UTCEN & ACEM at lower levels.

Northern Region

In **Delhi**, cement prices have corrected by about Rs.25-30/bag following the GST rate rationalisation. Companies are fully passing on the benefits to customers. Demand remained slow through September due to rains and worker unavailability, though some improvement has been seen post-Shradh and following the implementation of the new GST rates. Dealers do not expect any price hikes in the near term and believe meaningful demand revival will only take place after Diwali.

In **Jaipur**, dealers highlighted that companies fully passing on GST-related reductions to the customers. Demand this month was impacted as farmers remain occupied with harvesting crops such as jowar, bajra, and groundnut, though recovery has been visible post GST implementation and as rains subsided. Dealers expect demand to remain decent until Diwali, with only a temporary festive slowdown, and anticipate further improvement thereafter. However, they do not foresee any price hikes for the next 2–3 months, as government intervention is likely to prevent near-term increases. Overall, sentiment has turned positive with expectations of better demand ahead.

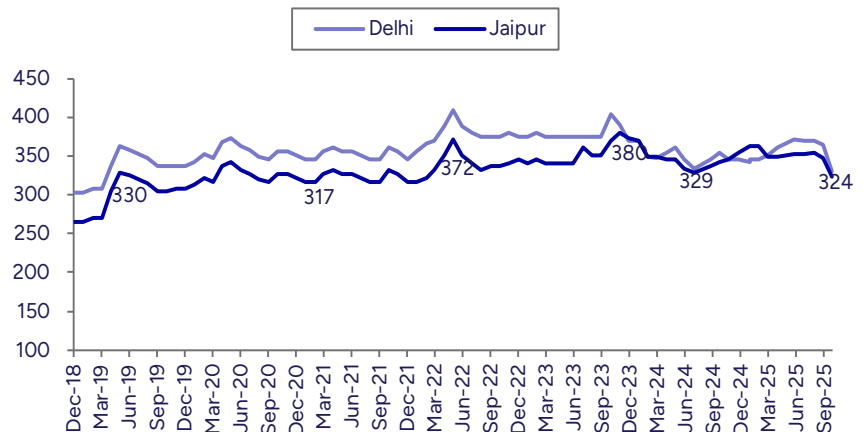
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Exhibit 2: GST benefit of ~Rs29/bag fully passed on in the North



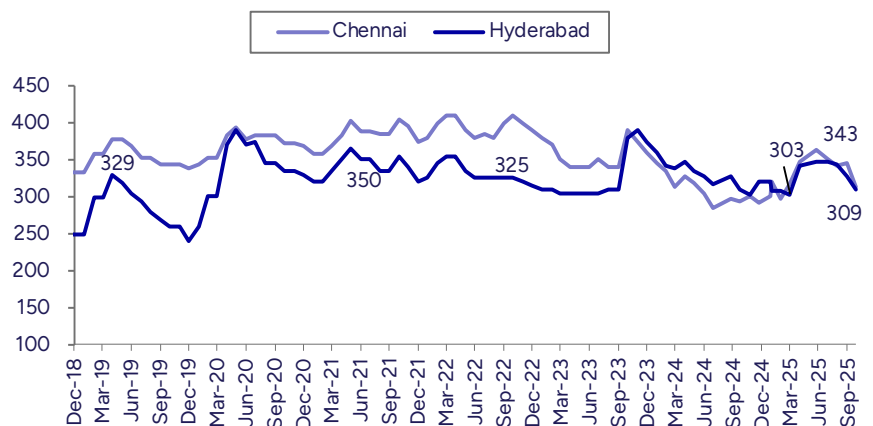
Source: PL

Southern region

In **Chennai**, cement demand is currently stable to moderate, with dealers anticipating a pickup from October onwards. They expect upcoming election-related spending to support infrastructure and construction activity in the state, thereby boosting consumption. The ~Rs.30/bag price reduction following the GST cut has largely been absorbed, and dealers believe prices are unlikely to move higher until a few months of sustained demand recovery are seen.

In **Hyderabad**, cement demand remained severely weak through September, with dealers attributing the slowdown to persistent rains and festive disruptions. Construction activity across the city and surrounding areas has been minimal, resulting in significantly lower offtake compared to normal seasonal levels. Demand, which was already average in late August, deteriorated further in September with no visible improvement during the month. Dealers expect a gradual recovery only after Dussehra, once rains ease and construction activity resumes.

Exhibit 3: Hyderabad only passed on Rs19/bag due to higher older inventory

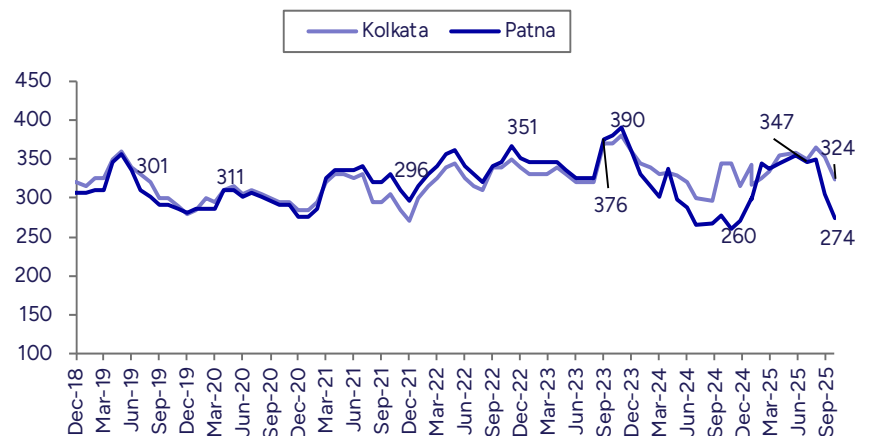


Source: PL

Eastern region

Cement demand in **Kolkata** has been subdued due to heavy rains, floods, and restrictions due to Durga Puja preparations. As per the dealers, buyers deferred their purchases in anticipation of lower prices following the GST 2.0 cut, which reduced GST on cement by 10%. While one of the dealers mentioned a Rs10/bag hike, which did not sustain, and current prices largely reflect the GST-related reduction. Overall demand remains weak but is expected to improve once festive season ends and the market stabilizes post-GST clarity.

Exhibit 4: Firm prices in East despite intense weather; full GST passed on



Source: PL

In **Patna**, cement demand remains subdued due to the monsoon and ongoing festive season. However, dealers expect gradual improvement, supported by GST rationalization, with a potential price hike likely towards the end of Q3 (December) as demand strengthens. They highlighted that the revised post-GST prices are still being integrated into the system—while some dealers have adopted the new rates, others remain uncertain and continue to sell small quantities at the older prices.

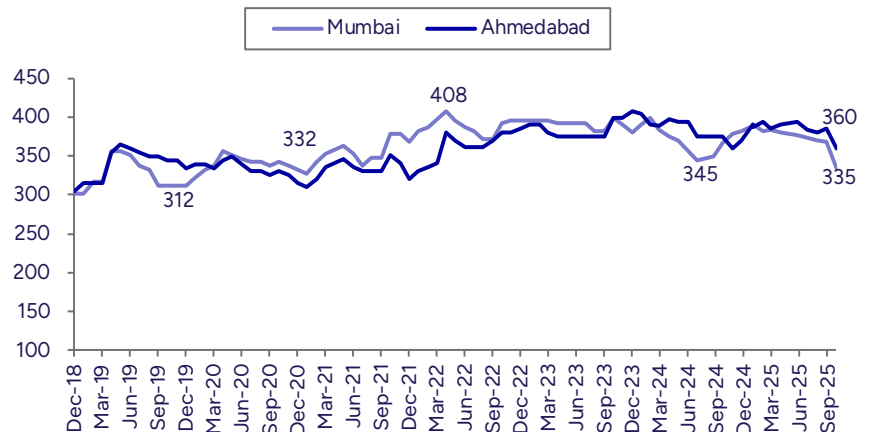
Cement demand in **Ranchi** is very weak at around 30-40% of actual normal demand, with dealers attributing the slowdown to ongoing festive preparations. Prices have been adjusted in line with the GST revision, and the benefits are being fully passed on. Apart from the GST-related reduction, there have been no further price changes, and overall demand remains muted.

Western region

In Mumbai, cement prices have remained unchanged apart from the GST-related cut, with companies fully passing on the benefits to customers. Demand has been weak, impacted by uneven rains that disrupted infra projects and slowed activity in the real estate sector. With Navratri and Diwali adding to the seasonal lull, demand is expected to stay sluggish until the festive season concludes, with a meaningful recovery afterwards. No price hikes are anticipated in the near term.

In Ahmedabad, cement demand remained weak in September as buyers deferred purchases following the GST cut. Prices were stable compared to August, apart from the GST-related reduction. With festive season contributing to a temporary slowdown, dealers expect demand to recover only from mid-October onwards.

Exhibit 5: Prices remained flat despite rains; full GST passed on

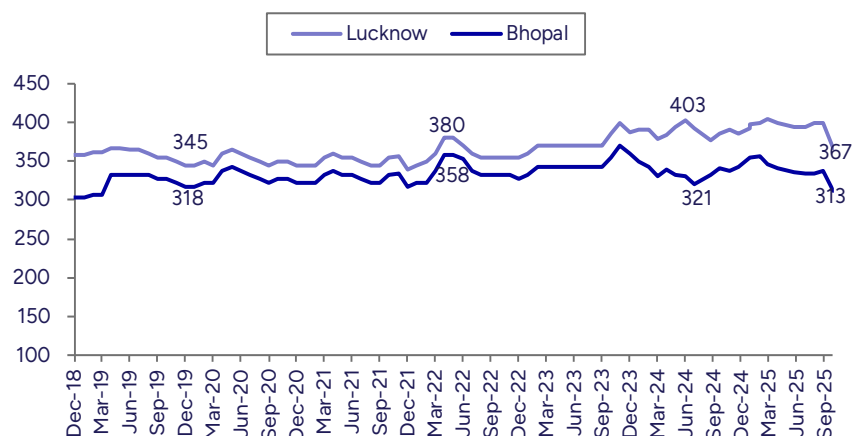


Source: PL

Central region

Lucknow dealers have indicated ~Rs.30/bag reduction from the GST rate cut, with companies fully passing on the benefits to customers. Demand was impacted through September due to persistent rains and labor unavailability, though a slight recovery was seen post GST implementation. Dealers expect full demand revival only post Diwali, once construction activity picks up pace. They do not anticipate any price hikes in the near term, with companies likely to maintain current pricing for the next few months.

Exhibit 6: Passing on full GST benefits to the customers in the Central region



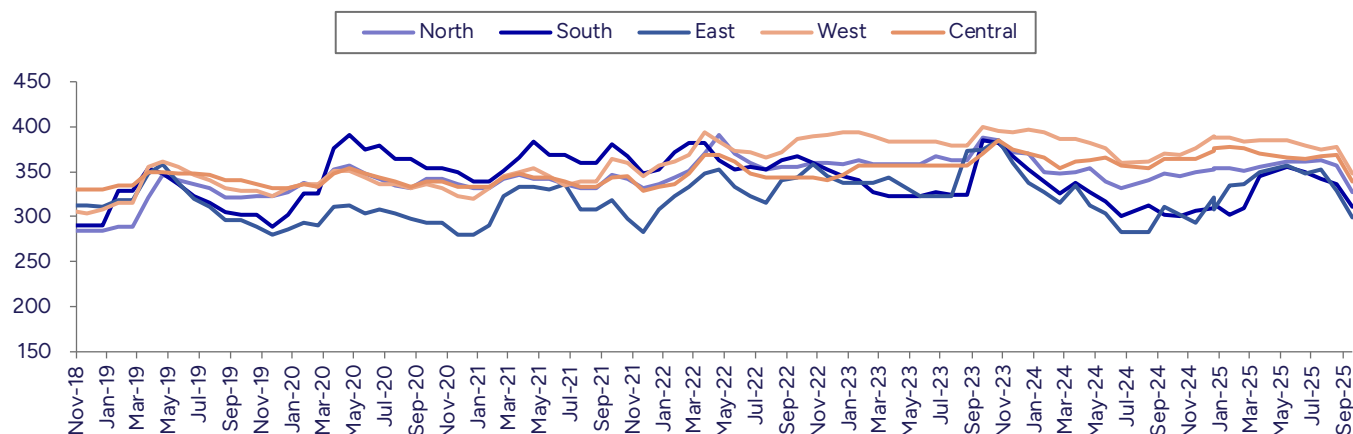
Source: PL

In **Bhopal**, dealers indicated that companies are largely passing on the full GST benefits, with billing prices reduced accordingly. Demand was weak through September as many buyers delayed work in anticipation of GST implementation, while rains and labor shortages (with workers engaged in harvesting Rabi crops) further impacted activity. Since GST came into effect, demand has recovered and piled-up inventory has cleared up, leading to healthy sales. Dealers expect demand to remain decent through the first half of October, though activity may soften

temporarily as laborers return home for festivals. A meaningful recovery is anticipated in November once the festive season concludes, with dealers expecting demand to be much stronger compared to recent months.

All-India pricing

Exhibit 7: All-India average selling price declined by Rs29/bag led by implementation of GST; flat realizations MoM



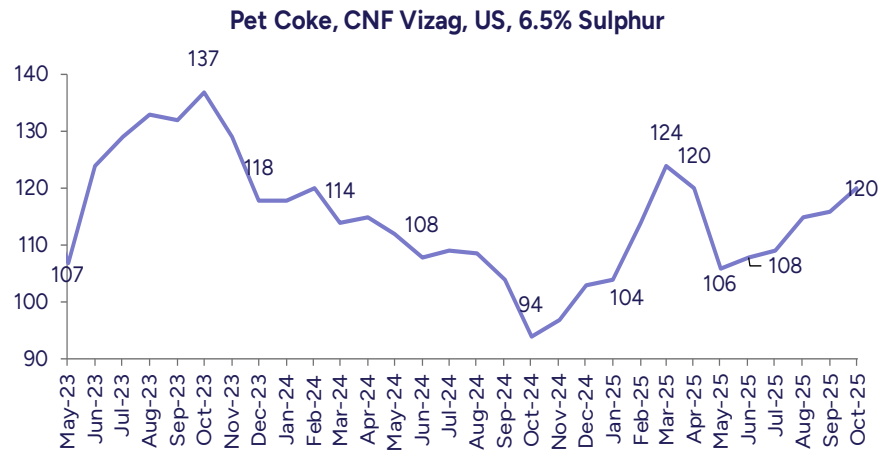
Source: PL

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	377	368	353
Sep-25	328	311	299	347	340	325

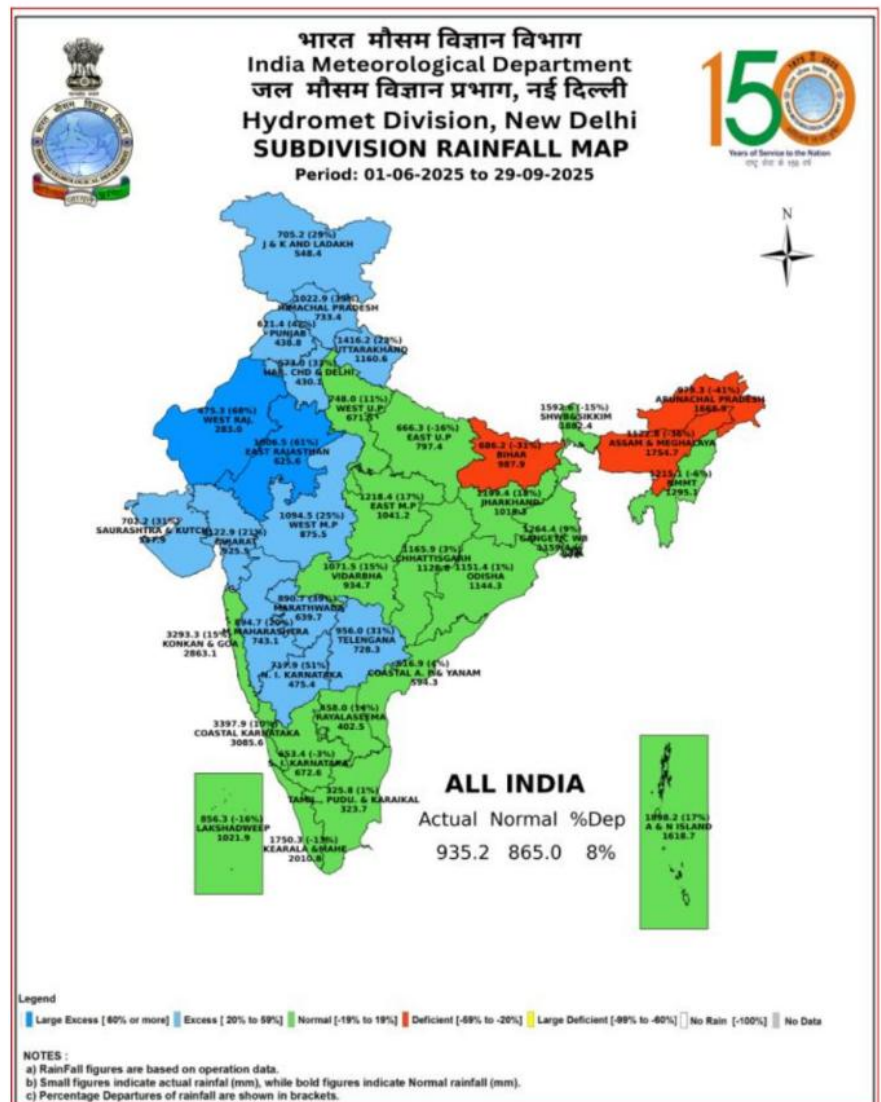
Source: PL

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



Source: CoalMint, PL

Exhibit 10: Rainfall statistics till 29th 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	3,39,463	1,808	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	9.1	7.8	10.9	10.3	10.6	8.0	11.5	11.9
Ambuja Cement	13,86,246	563	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	23.6	17.9	13.6	8.8	6.3	7.7	7.3	8.6	10.7
Dalmia Bharat	4,18,040	2,229	2,395	Accumulate	927	2.4	1,39,800	1,58,800	1,79,920	24,070	35,625	42,754	7,240	16,280	18,531	17.8	12.3	10.3	4.3	9.0	9.4	4.9	9.2	10.5
Nuvoco Vistas Corp.	1,50,989	423	422	Accumulate	252	1.7	1,03,567	1,13,886	1,23,161	13,720	19,039	21,007	100	4,355	4,664	13.7	10.3	9.2	0.1	4.7	4.9	3.9	7.6	7.5
Shree Cement	10,67,810	29,595	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	25.7	19.4	16.7	5.3	9.9	9.8	4.1	8.6	9.4
Ultratech Cement	35,48,242	12,041	13,634	Accumulate	2399	5.0	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	29.7	19.0	15.8	9.2	15.0	16.3	10.4	14.5	16.1

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	1,064	1,100
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	181	167
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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