PL Capital
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Cement

Sector Update

June 01, 2026

Coverage Universe

Name of the Company	Rating	TP (INR)	CMP (INR)
ACC	BUY	2,188	1,399
Ambuja Cement	BUY	524	448
Dalmia Bharat	BUY	2,235	1,748
JK Cement	Accumulate	6,101	5,171
JK Lakshmi Cement	BUY	765	590
JSW Cement	Accumulate	142	130
Nuvoco Vistas Corporation	Buy	474	349
Shree Cement	Accumulate	27,907	25,275
Ultratech Cement	BUY	13,835	11,482

**ACC to be discontinued post amalgamation into Ambuja Cement*

Top Picks

Ultratech Cement

JK Cement

JSW Cement

Pricing under pressure amid muted demand

Quick Pointers

- All-India avg. price declined INR2/bag MoM to INR331/bag.
- Dealers remain cautiously optimistic on further price hikes.

We interacted with cement dealers across regions in India to assess demand and pricing trends in May'26. Our discussions indicate that demand remained subdued across most markets, impacted by extreme heatwaves, labour shortages due to Eid, wedding season and localized labour strikes, which weighed on construction activity and delayed project execution. Pricing remained under pressure during the month, with several markets witnessing either flat prices or rollbacks of earlier hikes due to weak demand conditions and higher competitive intensity. While select regions such as Chennai and Patna retained part of the earlier increases, South markets, particularly Hyderabad, saw meaningful corrections amid weak real estate activity and labour disruptions. Overall, dealers highlighted that demand improved marginally towards month-end in certain markets as labour availability gradually normalized and pre-monsoon activity picked up. Companies continue to discuss fresh price hikes for June, though sustainability will remain dependent on demand, labour availability and improvement in construction activity across regions due to delayed monsoon.

Going forward, subdued demand during seasonally weak monsoon period can put pressure on pricing across regions pulling prices downwards. Most companies have indicated a likely cost inflation of ~INR150-200/t in Q1FY27, driven by higher fuel, freight, packaging and other raw material costs. While companies have attempted price hikes since April, partial rollbacks in several markets have limited the benefit while pet coke prices has also corrected. Ongoing increase in diesel prices would necessitate a small price hike (~INR2/bag for every INR10/ltr in diesel). We continue to believe that well managed cement companies will be able to pass on the higher costs and gain market share in the long run. We remain selectively positive on companies having pan-India presence, focus on volume growth and lucrative valuations. Top Picks: UTCEM, JKCE and JSWCEMEN.

Northern Region

Cement prices in **Delhi** remained largely unchanged MoM. Demand was subdued for most of the month but improved slightly towards the end of May, supported by some pre-monsoon construction activity. Dealers highlighted severe labour shortages due to extreme heatwaves, along with disruption from Eid, though labour availability has started improving gradually. While there is no clear confirmation on price hikes, dealers indicated that companies are attempting to improve pricing and some increase may be possible going ahead if demand and labour availability continue to improve.

Jaipur cement prices remained largely stable during the month, with some dealers indicating a decline of ~INR5/bag due to weak demand conditions. Demand remained subdued, impacted by extreme heatwaves, labour shortages and slower activity in the individual housing segment, where rising construction costs have delayed project. Companies are discussing a price hike of ~INR15/bag in the first week of June; however, dealers remain uncertain about its sustainability given the current demand environment

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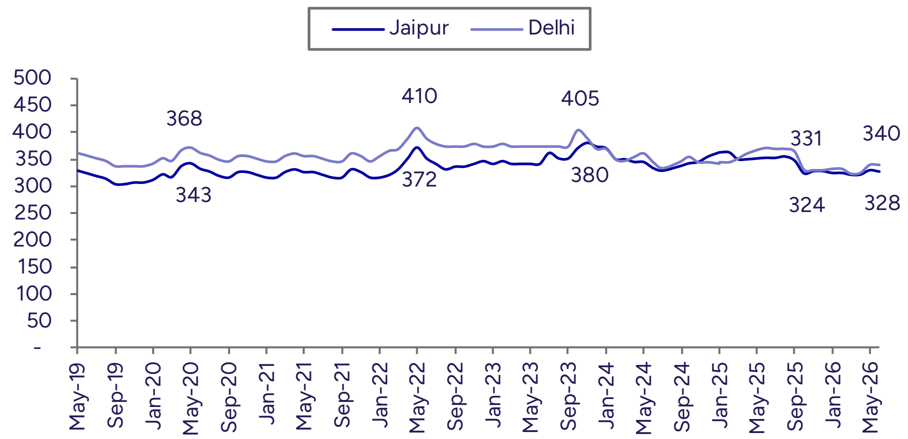
Exhibit 1 : **Prices in North remained flat MoM on extreme heatwaves affecting demand**



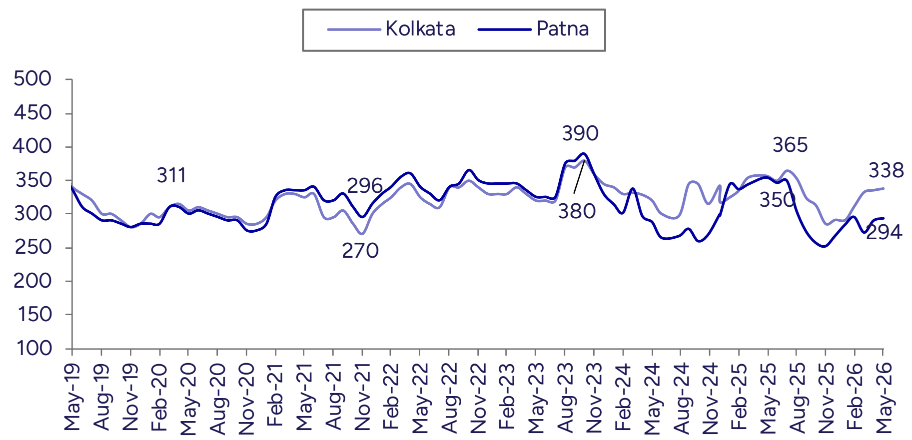
Source:, PL

Eastern Region

Demand remained weak in **Patna** in the first half of the month due to labour shortages associated with the wedding season, resulting in subdued construction activity across the state. Consequently, no meaningful price hikes could be implemented during the month. Dealers expect a price hike in June, though there is no official confirmation from companies yet. Demand is also expected to remain subdued through June.

Dealers indicated that cement demand remained weak in **Kolkata** during both April and May, with no meaningful price hikes taking place. Demand was impacted by labour shortages during Eid, while overall construction activity remained subdued. The new government's crackdown on projects initiated under the previous administration has further slowed construction activity across the state. Dealers believe price hikes will only be possible once labour availability improves and real estate activity picks up.

Exhibit 2 : **Patna and Kolkata prices both up R3/bag despite demand pressure**



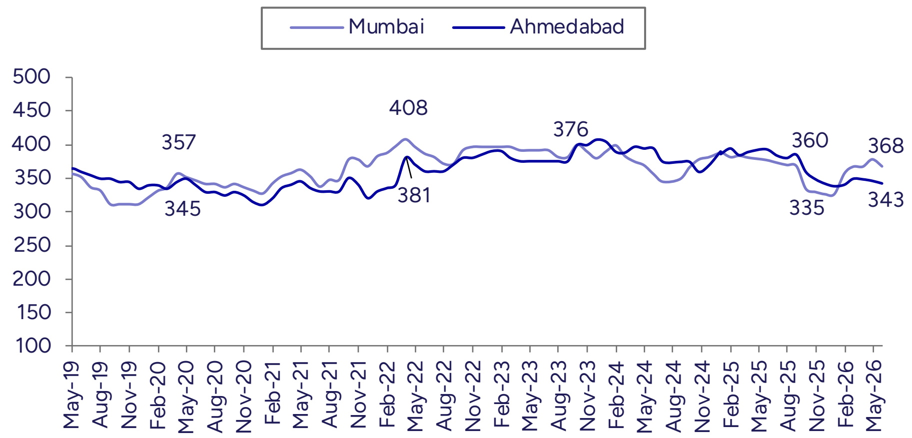
Source:, PL

Western Region

Ahmedabad demand improved in the second half of the month, while the first half was impacted by labour shortages. Labour availability remained constrained towards month-end as some workers had yet to return post Eid. Dealers expect demand to improve further and anticipate a price hike of ~INR10/bag in June.

Cement prices in **Mumbai** declined by INR10/bag during the month. Demand remained weak due to labour shortages, subdued construction activity, and intense competition among brands. Dealers also highlighted slower real estate sales and funding constraints affecting construction activity. No price hike attempts were seen during the month, and dealers believe further price increases may be difficult in the near term unless demand improves materially.

Exhibit 3 : Mumbai prices fell by INR10/bag while Ahmedabad declined by INR4/bag MoM



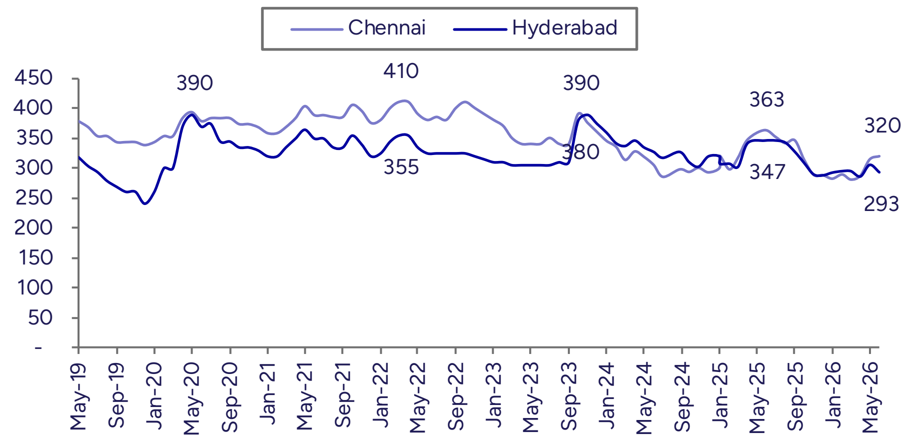
Source: PL

Southern Region

Demand remained muted in **Chennai** during the month due to election-related disruptions and continued labour shortages. Dealers indicated that road construction and real estate activity remained slow. While companies attempted price hikes during the month, they were largely unsuccessful in implementing them. Dealers expect a price hike in the first week of June.

Hyderabad cement dealers indicated that prices have declined back to March levels due to weak demand conditions. UTCEM attempted a price hike in the second week of May; however, sluggish real estate activity and weak demand resulted in a rollback. Dealers also highlighted that the ongoing labour strike severely impacted construction activity during the second half of May, with sales volumes dropping to nearly 20% of normal levels. While companies may attempt price hikes in June amid rising input costs, dealers believe sustainability will remain difficult unless the strike ends and demand improves.

Exhibit 4 : Chennai prices up by Rs5/bag, while Hyderabad down by Rs13/bag in May



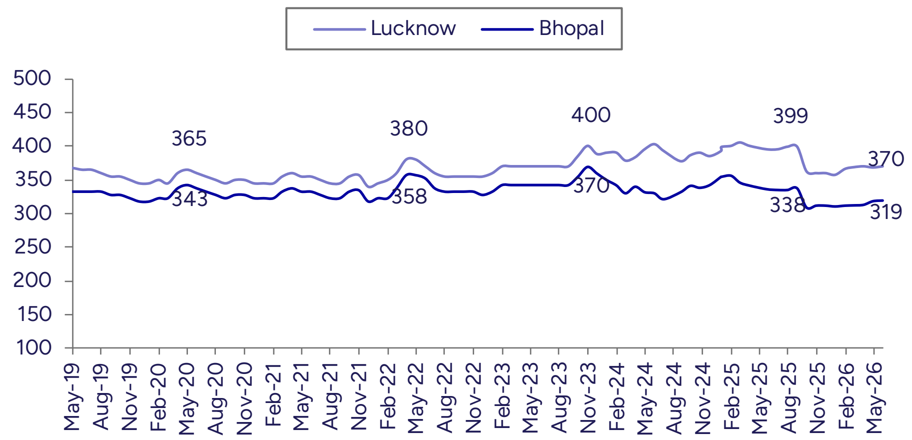
Source: PL

Central Region

Cement prices in **Bhopal** remained broadly stable MoM, with most of the April price hike being rolled back due to inadequate demand support. Dealers indicated that while prices remain ~INR10/bag higher than March levels, demand has been moderate, supported primarily by retail housing activity and pre-monsoon government projects. Labour shortages continue to persist due to extreme heatwaves, impacting construction activity. Dealers expect a potential price hike of ~INR10-20/bag in early June, driven by higher diesel costs and pre-monsoon demand, though implementation and sustainability remain uncertain.

Cement prices in **Lucknow** remained largely unchanged MoM, as earlier price hikes were rolled back amid weak demand conditions. Demand remained decent to subdued, impacted by extreme heatwaves, though discussions around price hikes continue in the market. Dealers highlighted an increase in construction-related input costs, including Morang, aggregates (gitti), and loading/unloading charges, with morang prices rising ahead of the monsoon season. Companies are discussing price hikes of up to INR20/bag; however, dealers believe a more realistic increase of ~INR10/bag which may be achievable if demand conditions remain stable.

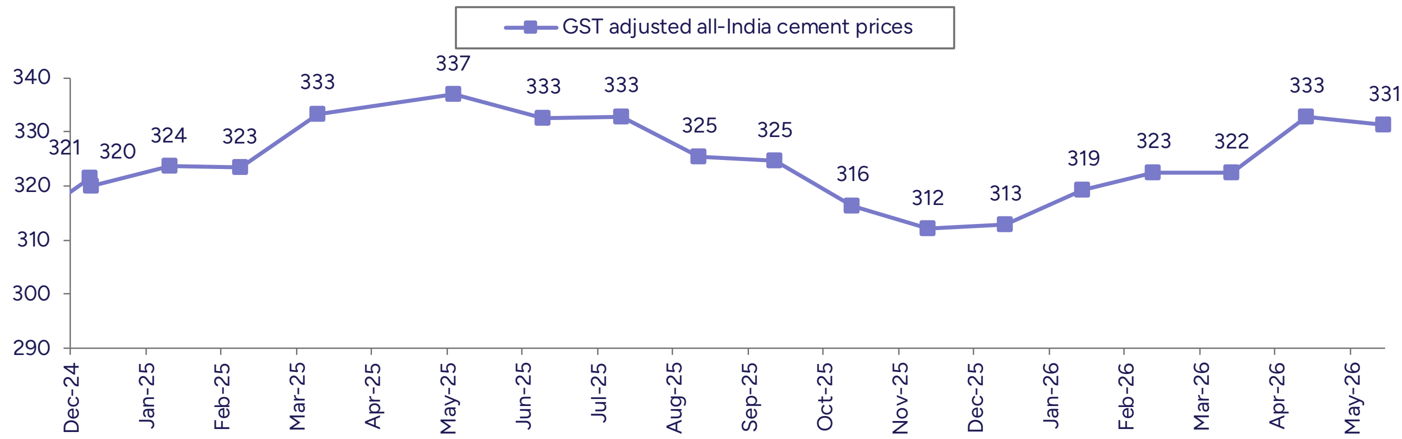
Exhibit 5 : Central prices rolled back to flattish MoM prices in May



Source: PL

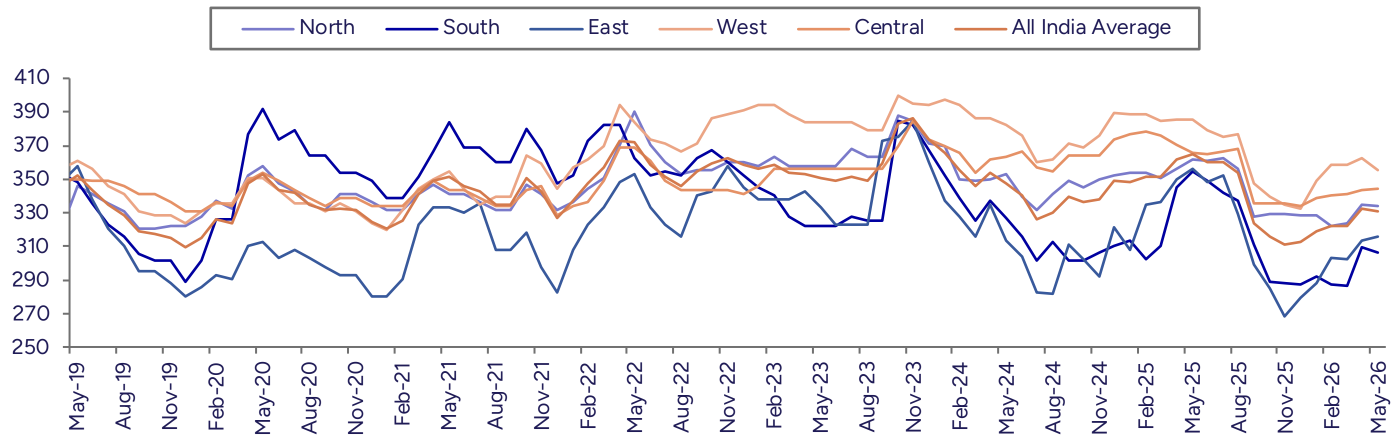
All-India pricing

Exhibit 6 : All India average prices declined INR2/bag in May due to sluggish demand



Source: PL adjusted for GST 2.0 rationalization

Exhibit 7 : Cement prices remained flat in North, East and Central, while declined in West and South



Source: PL, unadjusted for GST 2.0

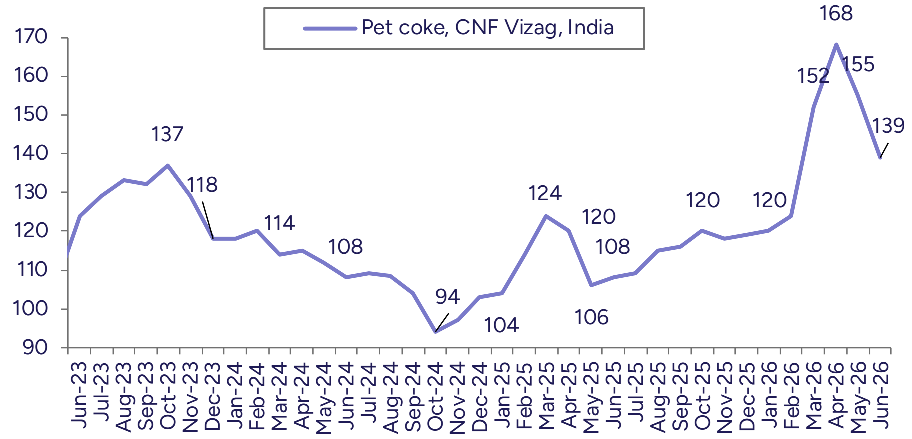
All-India cement prices declined INR2/bag MoM, reflecting weak demand conditions across most regions and the inability of companies to sustain earlier price hikes. Labour shortages, extreme heatwaves and subdued construction activity continued to weigh on demand, resulting in price corrections in several markets. While companies are discussing fresh price hikes in June, sustainability will be the key monitorable, particularly in the face of rising fuel and freight costs. We believe a meaningful improvement in labour availability and construction activity will be essential for supporting higher NSR and protecting margins in the coming quarters.

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
Apr-26	335	310	313	363	343	333
May-26	334	306	316	355	345	331

Source:, PL

Exhibit 9 : Imported pet coke came off to $139/t in last few weeks on US-Iran talks ($/t)



Source: CoalMint, PL

Imported pet coke prices have come off from recent highs of $168 to $139 now which should give some sigh of relief. Although there is no clarity on Iran war and negotiations, if incremental disruptions doesn't happen, it will aid cement companies in terms of lower prices and higher availability of pet coke. Companies are looking to optimise their fuel mix (rely on domestic coal, pet coke) and improve efficiency to mitigate cost pressures, though the extent of pass-through via price hikes will remain critical.

Exhibit 10 : 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*	263	1,399	2,188	BUY	1091	1.3	212.8	259.6	273.8	293.4	24	30	43	51	19.1	27.1	29.5	34.9	9.7	7.6	4.9	3.6	10.9	13.9	13.5	14.0	8.0	9.2	14.0	15.0
ACEM	1,107	448	524	BUY	240	1.9	353.4	406.6	471.8	518.5	60	65	83	99	43.2	51.3	25.7	40.3	18.9	18.7	14.9	12.5	9.1	9.1	4.2	6.3	7.7	5.3	6.6	9.0
DALBHARA	328	1,748	2,235	BUY	959	1.8	139.8	147.7	174.9	200.5	24	30	35	44	7.2	10.6	12.8	17.7	14.1	11.4	11.1	8.9	4.3	6.0	6.9	8.9	4.9	7.0	7.4	9.0
JKCE	400	5,171	6,101	Accumulate	911	5.7	118.8	137.2	160.5	186.5	20	24	28	36	8.6	9.9	11.5	15.7	21.7	19.2	16.9	13.0	15.0	15.1	15.2	17.9	12.6	13.7	14.0	16.2
JKLC	73	590	765	BUY	313	1.9	61.9	67.6	76.6	84.7	9	10	11	13	3.0	4.3	3.9	4.0	10.0	8.5	8.7	8.3	8.8	11.5	9.6	9.2	10.2	11.0	10.3	9.7
JSWC	177	130	142	Accumulate	49	2.7	58.1	65.1	84.6	95.3	9	12	17	19	(1.1)	7.8	7.2	8.2	21.8	16.9	13.3	12.0	-4.7	17.5	10.4	10.8	6.5	9.6	11.0	11.0
NUVOCO	125	349	474	BUY	286	1.2	103.6	113.4	125.2	138.0	14	19	20	22	0.1	3.4	4.5	6.1	11.7	9.1	8.3	7.0	0.1	3.6	4.3	5.6	3.9	7.1	6.8	8.0
SRCM	912	25,275	27,907	Accumulate	6449	3.9	191.7	209.4	235.7	255.7	38	46	48	53	11.2	17.2	17.7	15.4	22.4	18.1	17.4	15.2	5.3	7.7	7.4	6.2	3.6	7.8	8.4	7.6
UTCEM	3,384	11,482	13,835	BUY	2600	4.4	759.6	885.1	1022.8	1,154.5	126	170	203	232	60.4	81.7	103.7	112.8	28.4	20.8	17.3	15.0	9.2	11.1	12.9	12.7	10.4	12.8	14.6	16.2

Source: Company, PL *ACC to be discontinued post amalgamation into Ambuja Cement*

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ACC	BUY	2188	1411
2	Adani Port & SEZ	BUY	1879	1657
3	Ambuja Cement	BUY	524	445
4	Dalmia Bharat	BUY	2235	1796
5	Hindalco Industries	HOLD	1126	1109
6	Jindal Stainless	Accumulate	821	779
7	Jindal Steel	Accumulate	1289	1223
8	JK Cement	Accumulate	6101	5442
9	JK Lakshmi Cement	BUY	765	620
10	JSW Cement	Accumulate	142	127
11	JSW Infrastructure	Buy	342	284
12	JSW Steel	Accumulate	1381	1297
13	National Aluminium Co.	Hold	413	399
14	NMDC	Accumulate	95	84
15	Nuvoco Vistas Corporation	Buy	474	305
16	Shree Cement	Accumulate	27907	24975
17	Steel Authority of India	Accumulate	209	192
18	Tata Steel	Accumulate	247	217
19	Ultratech Cement	BUY	13835	12010

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

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