

Healthy demand, Pricing to follow

Quick Pointers:

- Avg. cement prices increased in East/West/Central by ~Rs16/7/1, while declined in North/South by ~Rs6/4 in Feb'26. All-India average increased by Rs3/bag MoM to Rs322.
- Dealers expect prices to improve meaningfully from April onwards, as year-end volume push eases, while demand is expected to remain healthy.

We interacted with cement dealers across regions in India to assess demand and pricing trends in Feb'26. Our discussions indicate that demand remained healthy across most markets, with steady offtake supported by infrastructure activities and seasonal construction momentum, though some regions witnessed temporary slowdown due to Holi and year-end adjustments. Pricing trends were mixed MoM, as aggressive volume push ahead of March closing led to price corrections in select North and South markets, while East and West saw limited price increases. However, several attempted hikes were either partially accepted or rolled back due to competitive intensity and year-end dispatch focus. Overall, pricing discipline remained constrained as companies prioritized volumes over margins, with broader price restoration deferred to April.

We expect demand to remain healthy as the sector moves through its seasonally strong quarter, aided by Gol spending (although Jan'26 was weak). With volumes holding firm and price restoration likely once dispatch-driven pressures ease, realizations and EBITDA/t should see improvement in the coming months. As pet coke inches towards USD130/t, it gives companies an opportunity to take measured price hikes post Mar'26. We remain constructive on cement (amid global uncertainties) and pan-India players who are well positioned to capture both volume growth and the eventual pricing recovery. Top Picks: UTCEN, JKCE, ACEM & JSWCEN.

Northern Region

Cement prices in **Delhi** have declined by ~Rs10-15/bag MoM, largely due to aggressive volume push and Holi. Non-trade prices remain broadly stable MoM. Demand is described as decent, though companies are prioritising dispatches over margins ahead of March closing. Dealers see price hikes as unlikely before the end of March, with any meaningful increase (potentially ~Rs30/bag) expected only post quarter-end, subject to demand conditions.

Jaipur prices are largely unchanged and marginally lower by Rs3-5/bag in some areas. Demand remains good with ~10% MoM improvement for some dealers. Competition remains intense with multiple brands, leading to a strong volume push and weak pricing. Despite healthy demand, price hikes look difficult in March, with April seen as a more likely window for now.

March 3, 2026

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	BUY	1,553	2,150
Ambuja Cement	BUY	491	640
Dalmia Bharat	Hold	1,969	2,302
JK Cement	Acc	5,611	6,199
JK Lakshmi Cement	BUY	687	881
JSW Cement	BUY	123	142
Nuvoco Vistas Corporation	BUY	318	443
Shree Cement	Hold	25,850	27,770
Ultratech Cement	BUY	12,521	14,168

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

Top Picks

Ultratech Cement

JK Cement

Ambuja Cement

JSW Cement

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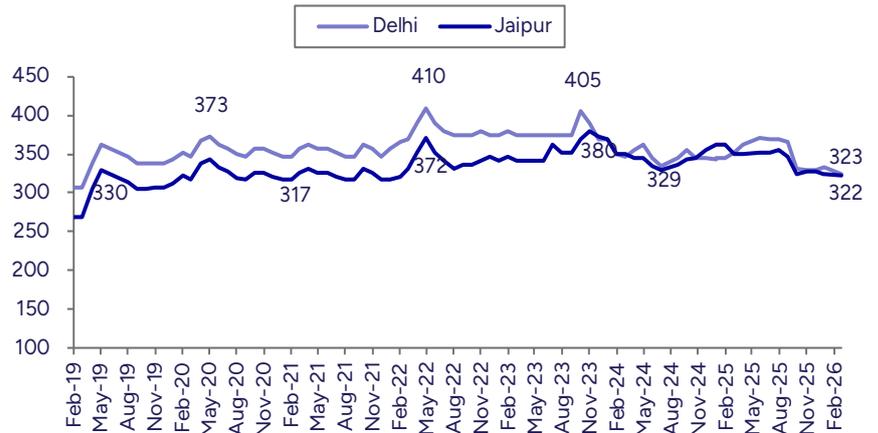
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Exhibit 2: Prices declined Rs6/bag MoM on volumes push

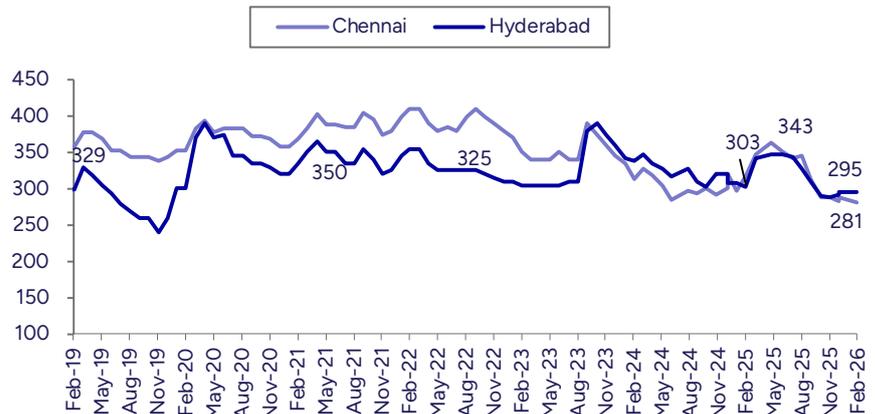


Source: PL

Southern region

Demand in **Chennai** remains strong, with several dealers reporting healthy volumes. However, prices declined by ~Rs10/bag MoM due to aggressive volume push. Dealers also highlighted that ICEM brands have been discontinued in Tamil Nadu, leading to shifts in brand dynamics within the market. There is no confirmed news of a major price hike at present. While a minor increase may be attempted, any meaningful hike is likely only after the April'26 elections, subject to sustained demand.

Exhibit 3: Prices declined by 4/bag largely due to decline in Chennai



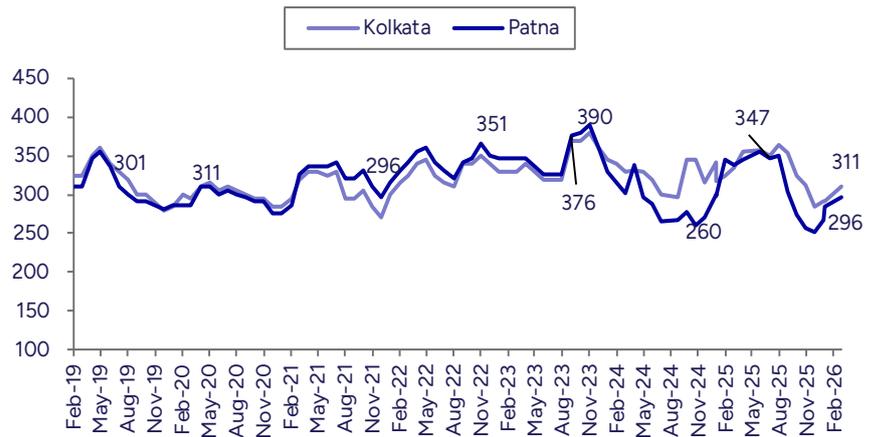
Source: PL

Trade prices rose at the start of February but were rolled back later, ending flat MoM in **Hyderabad**, while non-trade prices remained unchanged. UTCЕМ is performing very well in terms of sales and volumes. Demand might be slightly weak in early March due to Ramzan but should improve later as companies push year-end volumes. Price hikes have been hard to sustain, though a Rs40-45 increase is expected in April.

Eastern region

After two months of weakness, cement prices in **Kolkata** have increased by ~7-9% MoM (~Rs20/bag). However, the full Rs50/bag billing price hike has not been fully reflected in market prices, as the market is yet to accept the higher levels. Demand trends remain mixed and some dealers report improvement versus last month, while others indicate stable offtake. Any further price increase will depend on a stronger pickup in demand; otherwise, minor corrections cannot be ruled out.

East prices up by Rs16/bag led by sharp uptick in Kolkata



Source: PL

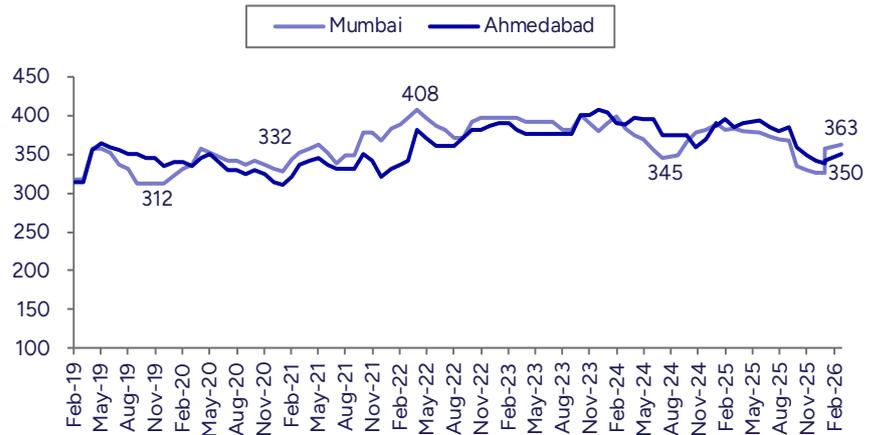
Patna prices softened in the latter half of the month, though they remain ~Rs10-11/bag higher on a MoM basis. Demand stayed healthy through most of February and has been strong since Dec'25 following the Bihar elections, showing steady sequential improvement. Dealers highlighted delayed government payments as a key concern, creating liquidity constraints. They believe timely fund releases could support higher volumes. Looking ahead, a ~Rs20/bag price hike is being discussed from March onwards, though implementation may remain moderate as companies and dealers continue to prioritize volume push ahead of year-end targets.

Western region

Mumbai prices are up just by ~Rs5/bag due to hike of Rs30/bag in the last month. Demand is robust which is driven by both private and government construction activities across the city. However, despite strong offtake, no meaningful price hike is expected in the near term due to year end volumes push.

Ahmedabad prices are up by ~Rs10/bag MoM. Dealer feedback indicates that demand remains healthy, though there is no confirmation of any further immediate price hike. Construction and infrastructure activity is expected to improve further post Holi, with most dealers anticipating that any meaningful price increase is likely only in April.

Exhibit 4: Prices increased Rs7/bag led by robust demand

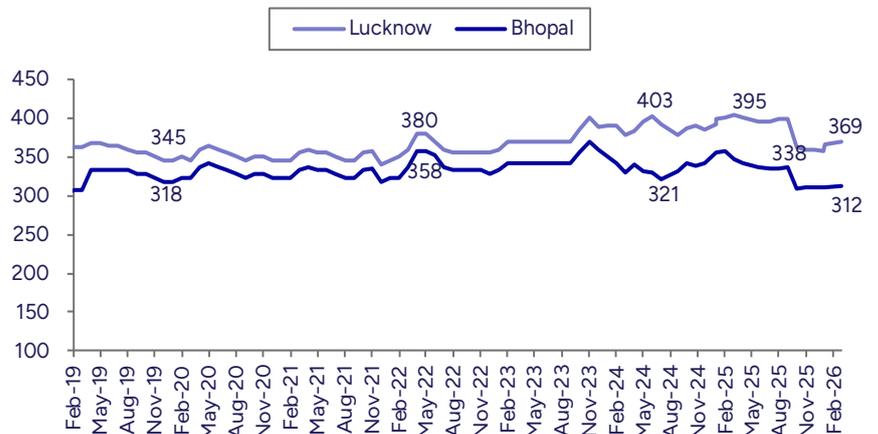


Source: PL

Central region

Lucknow prices remain largely unchanged MoM as intense competition limits pricing despite healthy demand. Dealers report a 10–15% increase in sales MoM. However, labour shortages persist, partly due to migration to other states, and logistical issues (RTO-related vehicle movement) are creating some operational friction. While demand momentum is improving, price hikes in March appear challenging given ongoing volume push and competitive intensity.

Exhibit 5: Central prices remained flattish MoM despite better demand

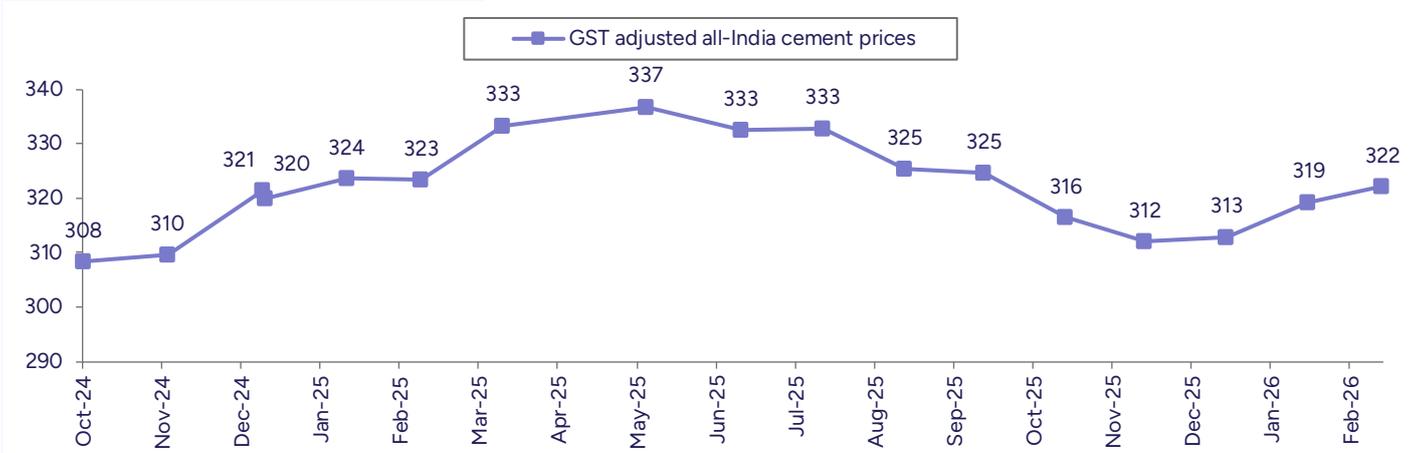


Source: PL

Bhopal prices remain largely flat MoM as high production and excess supply continue to weigh on pricing. Demand is described as decent, but companies are pushing volumes ahead of March closing, limiting price discipline. Non-trade prices have increased by Rs20-25/bag, narrowing the trade-non-trade gap to ~Rs30/bag. A recent Rs10/bag hike by ACC was rolled back. Dealers expect any meaningful price hike only in April.

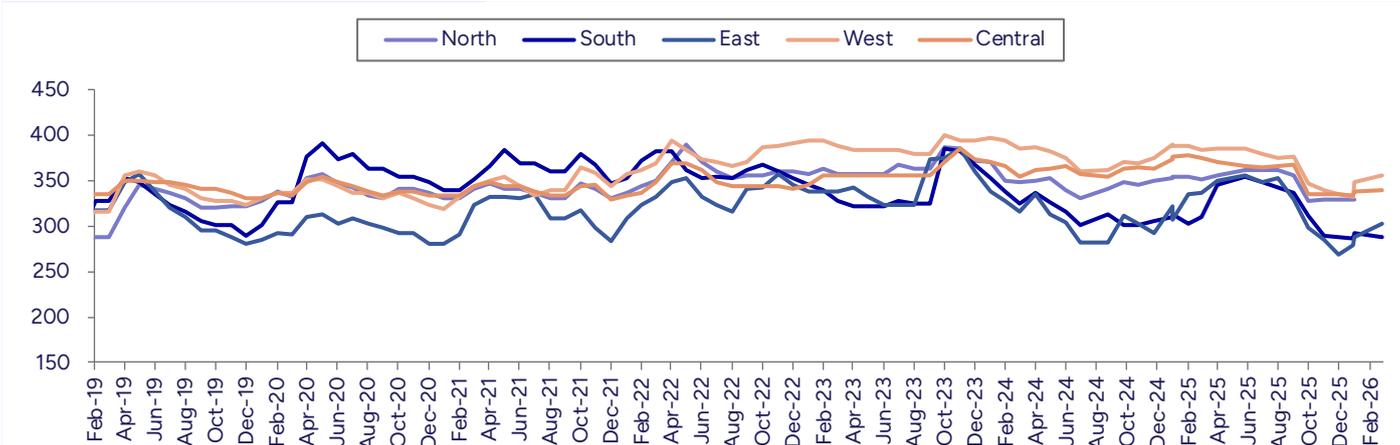
All-India pricing

All India average prices increased by Rs3/bag mainly led by sharp increases in Eastern and Western regions



Source: PL; adjusted for GST 2.0 rationalization

Exhibit 6: Cement prices in the Eastern/Western/Central regions increased during the month by Rs16/7/1 per bag



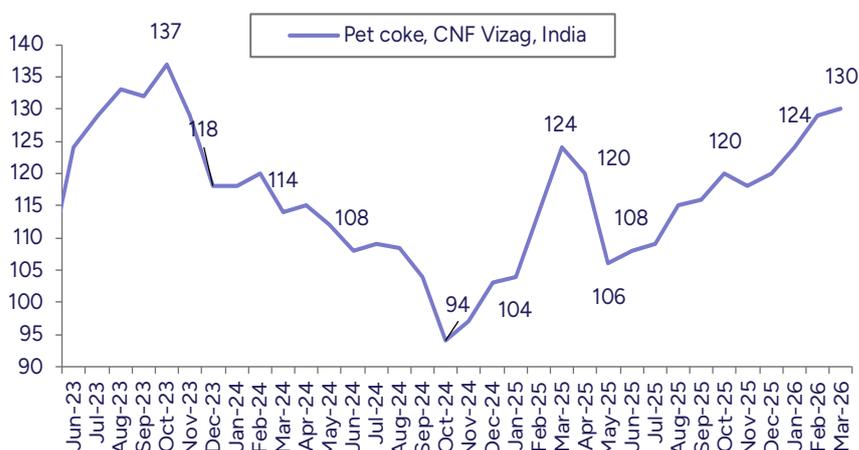
Source: PL; unadjusted for GST 2.0

Exhibit 7: 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	357	340	322

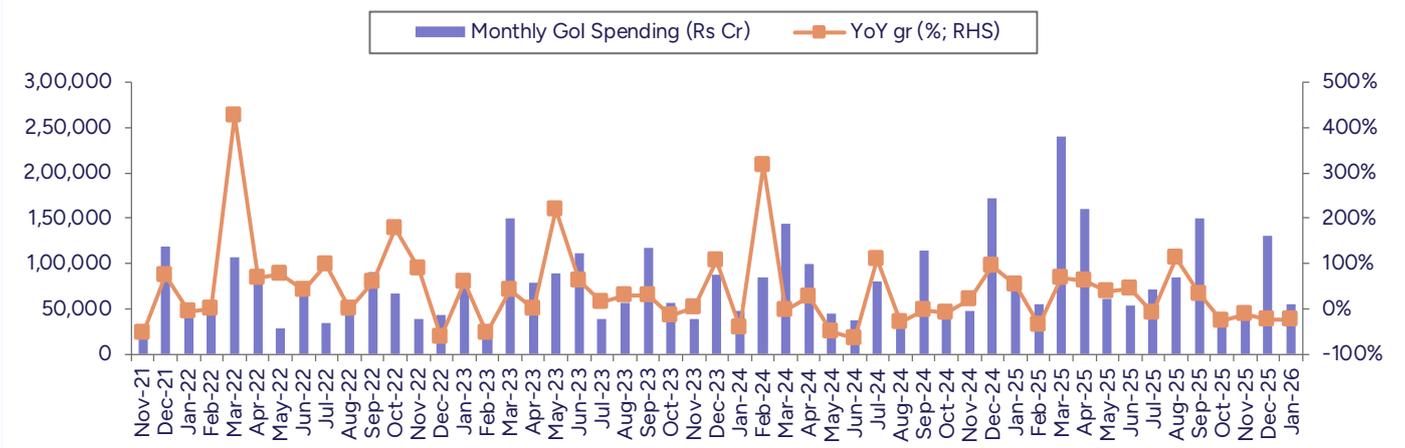
Source: PL

Exhibit 8: Imported pet coke inching up again (USD/t)



Source: CoalMint, PL

Exhibit 9: Weak monthly government spending in January (10MYTD spent 75% of FY26 target)



Source: Industry, PL

Exhibit 10: Valuation Summary

Company Name	Mkt Cap (Rs bn)	CMP	TP	Rating	BV FY25 (Rs)	P/BV (x)	Revenue (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EV/EBITDA (x)				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*	292	1,553	2,150	BUY	1069	1.5	211	238	254	271	24	29	33	38	19	17	20	22	10.9	8.9	7.5	6.3	10.9	8.8	9.4	9.7	8.0	9.4	10.3	10.8
Ambuja Cement	1,213	491	640	BUY	233	2.1	350	417	470	523	60	74	99	118	42	33	39	59	20.6	17.7	13.5	11.5	8.8	5.9	6.6	9.4	7.3	6.7	8.7	10.7
Dalmia Bharat	369	1,969	2,302	Hold	985	2.0	140	151	169	196	24	31	37	45	7	13	15	20	15.8	12.3	10.3	8.8	4.3	7.1	8.1	9.5	4.9	7.4	9.1	10.6
JK Cement	434	5,611	6,199	Acc	908	6.2	119	142	163	187	20	26	31	36	9	10	13	16	23.4	19.0	16.0	13.8	15.0	15.7	17.4	17.4	12.6	14.6	15.6	15.8
JK Lakshmi Cement	85	687	881	BUY	327	2.1	62	69	77	88	9	10	13	15	3	4	5	5	11.1	9.2	8.3	8.1	8.8	11.1	11.8	11.3	10.3	11.4	12.0	11.3
JSW Cement	168	123	142	BUY	45	2.8	58	65	83	94	9	12	17	19	-1	3	5	6	21.1	16.9	13.0	11.6	-4.7	6.0	8.2	8.6	6.5	9.0	10.7	10.8
Nuvoco Vistas Corporation	113	318	443	BUY	264	1.2	104	115	127	141	14	18	20	23	0	4	5	7	10.9	8.7	7.6	6.3	0.1	4.6	4.7	6.4	3.9	7.2	7.0	8.1
Shree Cement	933	25,850	27,770	Hold	6264	4.1	192	204	227	249	38	45	51	55	11	16	19	16	22.9	19.0	16.5	15.0	5.3	7.1	8.2	6.6	3.6	7.2	8.5	7.2
Ultratech Cement	3,690	12,521	14,168	BUY	2590	4.8	760	898	1,019	1,153	126	169	218	257	60	81	118	138	30.9	22.9	17.5	14.6	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

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,163	1,755
2	Adani Port & SEZ	BUY	1,900	1,531
3	Ambuja Cement	BUY	640	510
4	Dalmia Bharat	Hold	2,302	2,232
5	Hindalco Industries	Accumulate	962	904
6	Jindal Stainless	Hold	784	756
7	Jindal Steel	Accumulate	1,171	1,102
8	JK Cement	Accumulate	6,199	5,790
9	JK Lakshmi Cement	BUY	881	761
10	JSW Cement	BUY	145	124
11	JSW Infrastructure	BUY	339	273
12	JSW Steel	Accumulate	1,292	1,170
13	National Aluminium Co.	Hold	356	385
14	NMDC	Hold	87	86
15	Nuvoco Vistas Corporation	BUY	443	350
16	Shree Cement	Accumulate	29,242	27,325
17	Steel Authority of India	Hold	151	149
18	Tata Steel	Accumulate	204	180
19	Ultratech Cement	BUY	14,168	12,369

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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