



CEMENT MONTHLY UPDATE

September 2025

Cement demand set to rise on GST rate cut and infrastructure momentum

We interacted with cement dealers to assess pricing trends and the demand scenario across different regions of the country. In September 2025, cement prices experienced a downward trend, with trade prices declining and non-trade prices showing a marginal decline. Average cement prices fell pan-India for the fourth consecutive month, with trade prices dropping sharply by Rs. 23/bag to Rs. 345/bag. This decline was mainly due to the GST-related adjustments made in the pricing. Overall demand remained mixed, while some regions witnessed a pickup in construction activity as the monsoon season drew to a close, others continued to be affected by seasonal factors and festivities.

Key regional takeaways:

North: Cement demand in North India remained moderate across most parts in September 2025. However, demand picked up slightly towards the end of the month. Prices were not significantly impacted by this change in demand. Dealers expect demand to improve gradually in the coming months, leading to a steady increase in prices. Average prices in the North declined by 7.0% MoM to Rs. 360/bag in September 2025.

East: East India witnessed weak demand throughout September, primarily due to seasonal factors and the Durga Puja festivities in the region. This subdued demand, combined with GST cuts, led to a decline in prices. Prices are expected to remain muted in the coming months, with no significant hikes expected until December, when construction activity is likely to pick up. Average prices in the East decreased by 7.5% MoM to Rs. 310/bag in September 2025.

South: The Southern region experienced low demand in September, leading to a decline in prices as the monsoon continued. Another factor affecting demand was the limited availability of laterite stone, which is widely used in construction. No near-term price hikes are expected unless these conditions stabilize. Demand is likely to be driven by individual home builders (IHBs) and certain government projects if execution picks up pace. Average prices in the South decreased by 5.4% MoM to Rs. 350/bag in September 2025.

West: Cement demand in the Western region was sluggish during September due to the ongoing festive season. Demand from the government and corporate segments remained steady, while the retail segment saw a decline. A recovery in demand is expected only after Diwali. Average prices in the West declined by 6.5% MoM to Rs. 360/bag in September 2025.

Central: Cement demand in Central India remained muted due to the ongoing monsoon season and festivities. Prices declined mainly due to GST cuts instead of festivals and seasonality. Dealers expect the demand to pick up as the festival season is coming towards the end, due to which construction activities are getting started back. Average prices in Central India decreased marginally by 5.0% MoM to Rs. 345/bag in September 2025.

Outlook:

The Indian cement industry witnessed a significant shift in pricing dynamics during September 2025, following the reduction of GST on cement from 28% to 18%, effective September 22. The rate cut, aimed at easing construction costs and accelerating infrastructure growth, led to a broad-based decline in retail cement prices across regions, with the industry largely passing on the benefit to consumers. As a result, average trade prices fell, marking the fourth consecutive month of decline. The downward pressure was largely regulatory-driven rather than demand-led, as companies adjusted prices post-GST adjustments. From a demand standpoint, September remained weak due to extended monsoon activity and festive constraints, but early signs of recovery emerged toward the month's end as project activity resumed across most regions. Dealer feedback suggests mixed regional performance. Northern markets witnessed marginal improvement, while the Eastern and Southern regions continued to face muted demand amid the monsoon and festivals. The Western and Central regions also experienced temporary slowdowns, but construction activity is expected to ramp up after Diwali as the monsoon ends and government project execution improves. Going ahead, we maintain a constructive outlook on demand recovery in H2FY26. The cut in GST aligns with the government's broader infrastructure and housing push and is expected to lift cement demand growth to 8-9% annually over the next two years. Leading producers such as UltraTech and Ambuja Cements have already initiated price revisions, passing on the full tax benefit and positioning themselves for volume-led growth. The effect of GST rate transition, the incoming dry season, rising infrastructure activity, and steady rural housing demand are expected to support sequential recovery from Q3FY26. However, increasing pet coke and freight costs require close monitoring as they may offset part of the tax gains in margins. The GST reduction remains positive for the industry, enhancing affordability, boosting construction activity, and setting the stage for a volume-driven recovery in the coming quarters, with pricing stability expected by early FY27. Overall, we remain positive on the sector, with players such as Ultratech, Ambuja Cements, and Dalmia Bharat well-positioned to benefit from these factors.

Cement Monthly Price Update

Region (Rs./bag)	Sep-25	Aug-25	MoM	Sep-24	YoY
North	360	387	-7.0%	355	1.4%
East	310	335	-7.5%	335	-7.5%
South	350	370	-5.4%	360	-2.8%
West	360	385	-6.5%	375	-4.0%
Central	345	363	-5.0%	345	0.0%
Pan-India	345	368	-6.3%	354	-2.5%

Source : BP Equities Pvt. Ltd.

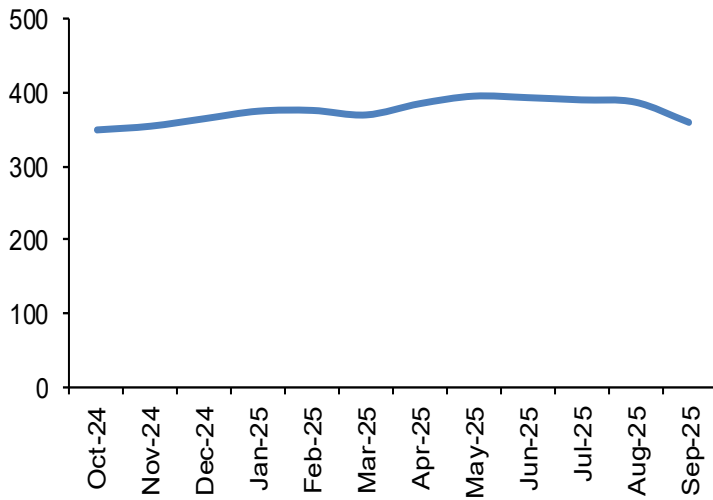
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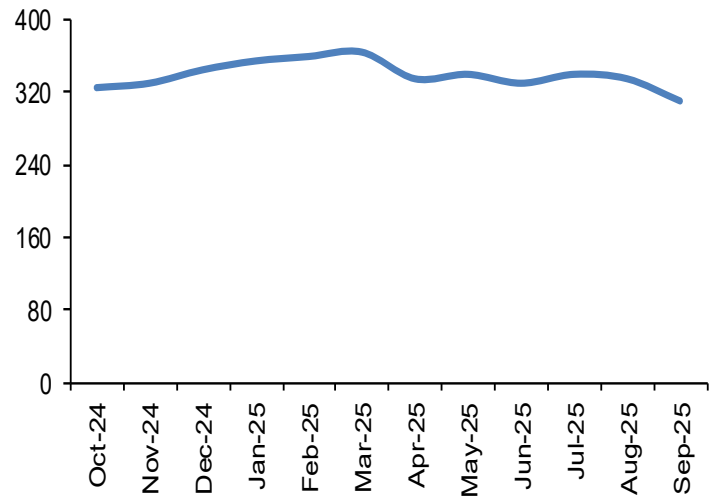
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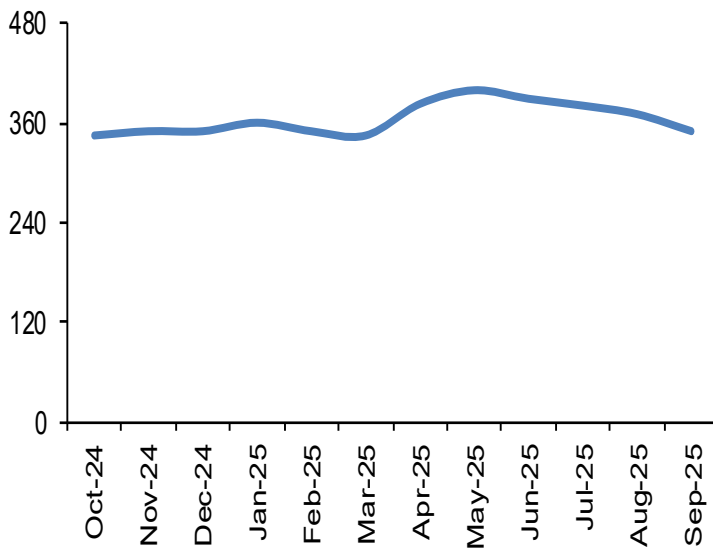
North prices declined MoM (Price Rs./bag)



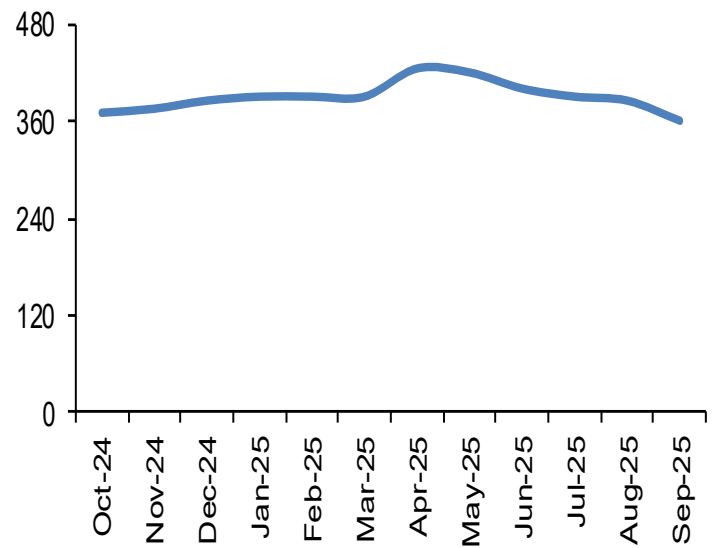
East prices decreased significantly MoM (Price Rs./bag)



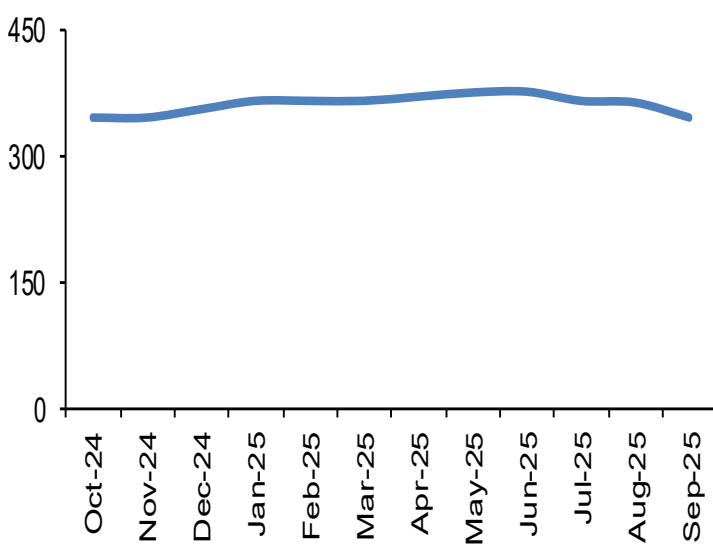
South prices decreased MoM (Price Rs./bag)



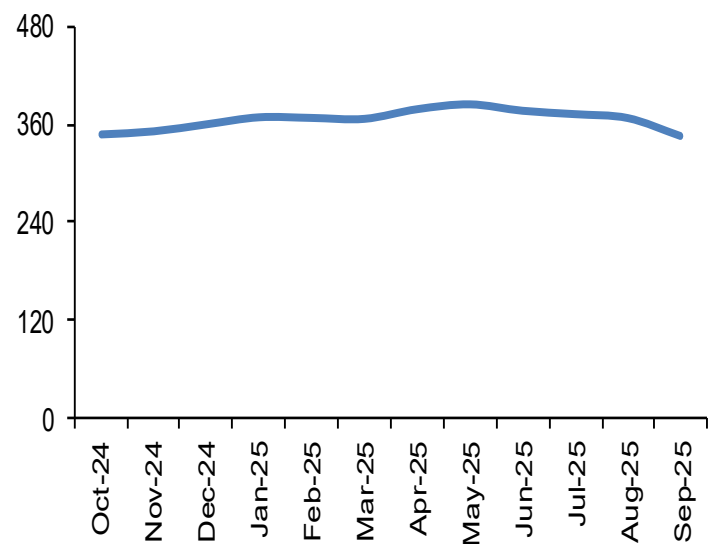
West prices declined MoM (Price Rs./bag)



Central prices decreased MoM (Price Rs./bag)



Pan-India prices fell MoM (Price Rs./bag)



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Key Financials

Company	Revenue (Rs. Cr.)		EV/EBITDA		EBITDA Margin (%)		PAT Margin (%)		ROE		P/E	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Ultratech Cement Ltd.	87,973	98,402	21.8	17.9	20.2%	22.0%	10.4%	12.1%	12.1%	14.1%	39.5	30.6
Ambuja Cements Ltd.	43,000	49,107	17.3	13.5	19.0%	21.3%	9.1%	10.4%	7.0%	8.3%	37.0	27.8
Shree Cement Ltd.	21,595	23,852	19.7	17.1	23.7%	24.8%	8.9%	10.0%	8.5%	9.5%	58.5	46.2
JK Cement Ltd.	13,434	15,241	20.8	17.3	19.6%	20.9%	8.6%	9.7%	17.2%	18.6%	44.1	34.5
Dalmia Bharat Ltd.	15,516	17,081	14.2	12.3	21.1%	22.0%	8.0%	8.5%	6.8%	7.3%	36.4	31.2
ACC Ltd.	23,724	25,567	9.9	8.6	13.7%	14.6%	7.9%	8.6%	10.1%	10.8%	18.3	15.7
The Ramco Cements Ltd.	9,351	10,443	16.1	13.4	19.2%	20.6%	5.2%	7.1%	7.1%	9.2%	49.8	32.2
Nuvoco Vistas Corp Ltd.	11,396	12,462	10.3	9.0	16.3%	17.1%	3.1%	3.8%	3.8%	4.9%	43.3	32.4
Birla Corporation Ltd.	9,964	10,701	8.3	7.2	15.0%	16.2%	5.2%	6.2%	7.3%	8.6%	18.8	14.8
JK Lakshmi Cement Ltd.	6,937	7,764	10.3	8.6	17.0%	18.2%	7.4%	7.8%	12.1%	13.3%	22.2	18.0
Star Cement Ltd.	3,704	4,194	13.4	11.4	22.9%	23.7%	9.2%	10.3%	11.9%	12.7%	33.4	25.6
Heidelberg Cement India Ltd.	2,358	2,503	13.4	11.5	13.9%	15.4%	7.6%	8.8%	12.4%	14.9%	27.3	22.0

Source : Bloomberg, BP Equities Pvt. Ltd.

Key Operational Performance

Company	Sales volume (Mt) (Q1FY26)	Q1FY26 Capex (Rs. crs)	FY26 Capex Guidance (Rs. crs)
Ultratech Cement Ltd.	37	~2,000	10,000
Ambuja Cements Ltd.	18	2,000	9,000-10,000
Shree Cement Ltd.	9	NA	3,000
JK Cement Ltd.	5	~400	20,00
Dalmia Bharat Ltd.	7	612	4,000
Acc Ltd.	12	2,000	9,000-10,000
The Ramco Cements Ltd.	4	321	1,200
Nuvoco Vistas Corporation Ltd.	5	NA	600
Birla Corporation Ltd.	1	100	1,000-1,100
JK Lakshmi Cement Ltd.	3	100	1,500
Star Cement Ltd.	1	62	820
Heidelberg Cement India Ltd.	1	NA	60

Source : Company, BP Equities Pvt. Ltd.

Disclaimer Appendix

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