



# CEMENT MONTHLY UPDATE

**October 2025**

## Demand softness persists; recovery expected in FY26

We interacted with cement dealers to assess pricing trends and the overall demand scenario across various regions of the country. In October 2025, cement prices continued to soften, with both trade and non-trade segments showing a decline. Average cement prices fell pan-India for the fifth consecutive month, with trade prices dropping by Rs. 11/bag to Rs. 334/bag. This decline was mainly due to the festive season during the month, as well as the extended monsoons. Overall demand remained stable in certain regions, while it slowed down in others.

### Key regional takeaways:

**North:** Cement demand in North India softened across most regions in October 2025 due to the festive season and labor shortages. Prices were somewhat impacted by this weakening demand. Dealers expect demand to remain sluggish, particularly in Delhi, due to the implementation of the Graded Response Action Plan (GRAP), under which construction activities will be paused to reduce dust levels. In other regions, increased fog during the winter season is also expected to slow down construction activities, further reducing demand. Average prices in the North declined by 3.6% MoM to Rs. 347/bag in October 2025.

**East:** East India witnessed moderate demand throughout October, primarily due to seasonal factors and the festivities in the region. Another factor which impacted demand was the limited availability of sand. This subdued demand resulted in a decline in prices. However, prices are expected to improve in the coming months as construction activity is likely to pick up before the next monsoon. Average prices in the East decreased by 3.2% MoM to Rs. 300/bag in October 2025.

**South:** The Southern region experienced low demand in October, leading to a decline in prices. Demand was affected by the limited availability of sand and the high prices of laterite stone, which is widely used in construction. Demand is expected to recover only once the execution of certain government projects accelerates. Average prices in the South fell by 4.3% MoM to Rs. 335/bag in October 2025.

**West:** Cement demand in the Western region remained subdued in October, mainly due to the festive season, as no new projects were started during Diwali. Additionally, the limited availability of finance for launching new projects has further constrained demand. This financial crunch is expected to weigh on cement consumption, and dealers do not expect any recovery until these conditions improve. Average prices in the West declined by 2.8% MoM to Rs. 350/bag in October 2025.

**Central:** Cement demand in Central India remained muted due to the festivities and labor shortages. Prices remained largely stable, with only a marginal decline. Dealers expect the demand to stay muted in the near term, as there are currently no significant triggers to drive construction activity. Average prices in Central India decreased marginally by 1.4% MoM to Rs. 340/bag in October 2025.

### Outlook:

The Indian cement sector faced subdued demand in October 2025, due to the festive season, extended monsoons, labor shortages, and restricted construction activity across regions. These factors, along with weak project financing and supply constraints in materials such as sand and laterite stone, led to softer demand and continued price corrections. The near-term outlook remains weak, as most dealers expect any upward revision to come only from Q4FY26 onward, depending on how quickly construction activity revives. Prices are likely to remain stable in the coming months as companies factor in the impact of the recent GST reduction from 28% to 18% and adhere to government scrutiny on GST pass-through. While this has temporarily limited pricing power, it has improved affordability, particularly for low- and mid-income housing, which should support demand once construction activity picks up. The ongoing price correction is also likely to support volume growth in the medium term. A steady rebound is expected from Q3 onwards as the festive period ends and monsoon-related disruptions fade. Housing demand is likely to improve with rising urbanization, population growth, and better affordability. Rural markets should also benefit from government-led development schemes focusing on housing, road connectivity, and infrastructure upgrades. Infrastructure remains a key structural driver for the sector, supported by continued government emphasis on highways, metro networks, rail capacity expansion, and urban development under the National Infrastructure Pipeline (NIP). These initiatives, along with improving execution, are expected to support steady demand across regions. With consolidation in the sector and capacity additions aligned with long-term demand growth, the Indian cement industry appears well-positioned for expansion. The sector is expected to deliver 7-8% volume growth in the second half of FY26, supported by a recovery in construction activity, steady infrastructure execution and a stable pricing environment. While the sector faces short-term pressures from pricing constraints, the medium- to long-term outlook remains structurally strong, supported by favorable policy measures, strengthening demand fundamentals, and improving operating conditions. 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)	Oct-25	Sep-25	MoM	Oct-24	YoY
North	347	360	-3.6%	350	-0.9%
East	300	310	-3.2%	325	-7.7%
South	335	350	-4.3%	345	-2.9%
West	350	360	-2.8%	370	-5.4%
Central	340	345	-1.4%	345	-1.4%
Pan-India	334	345	-3.1%	347	-3.6%

Source : BP Equities Pvt. Ltd.

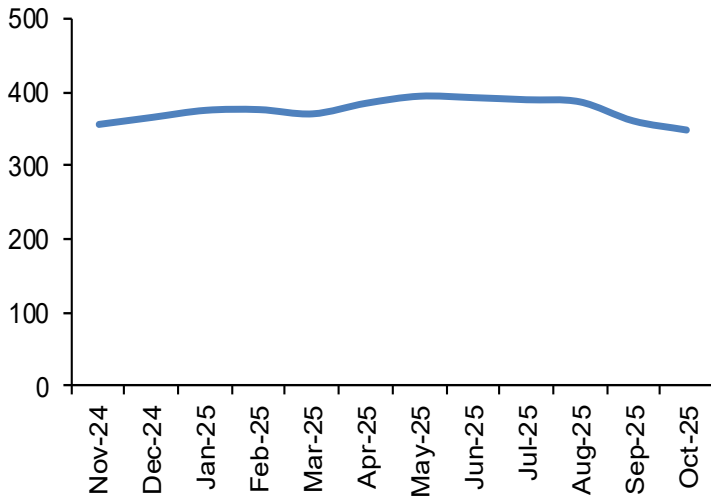
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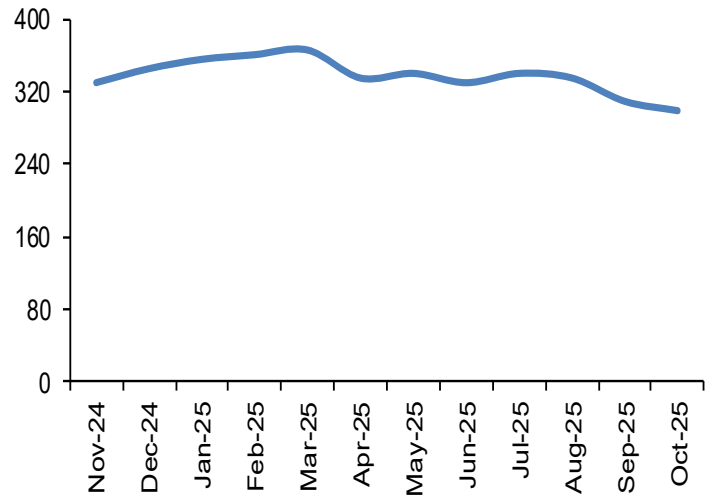
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# Cement Monthly Update (October 2025)

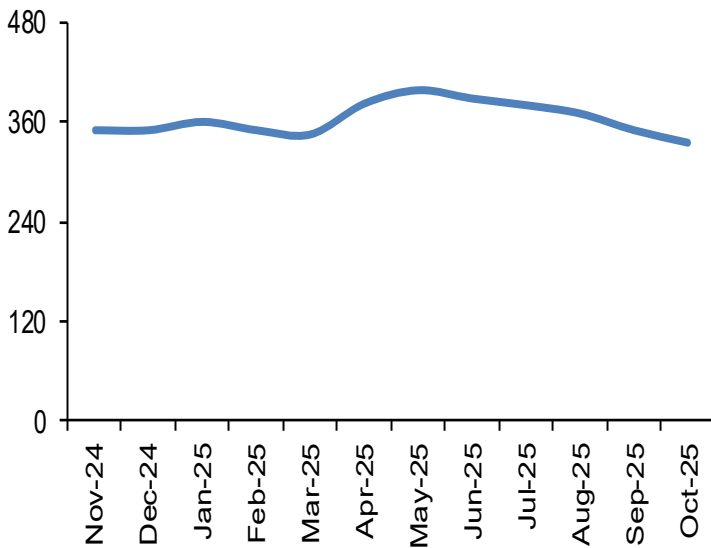
North prices declined MoM (Price Rs./bag)



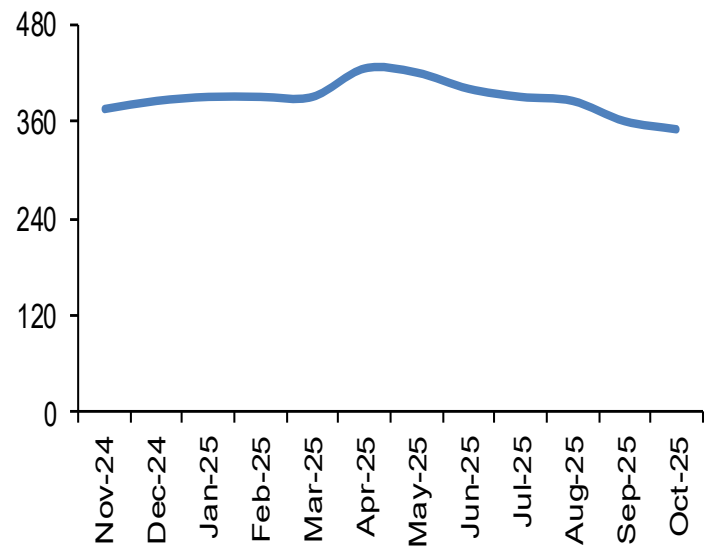
East prices decreased MoM (Price Rs./bag)



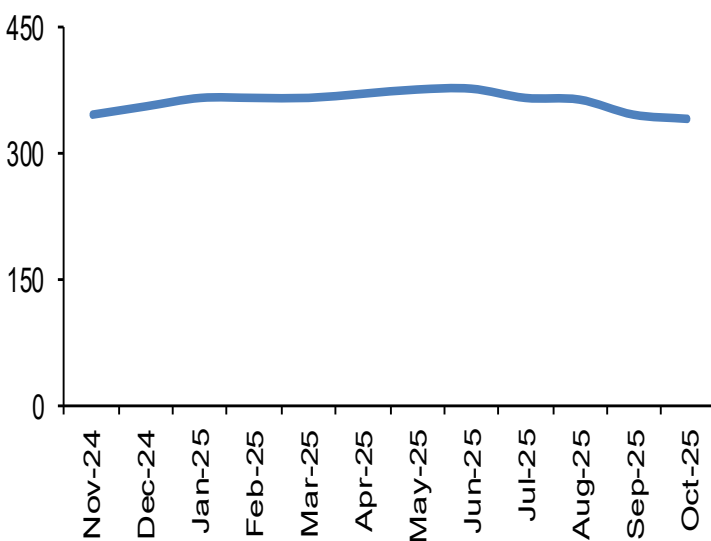
South prices decreased significantly MoM (Price Rs./bag)



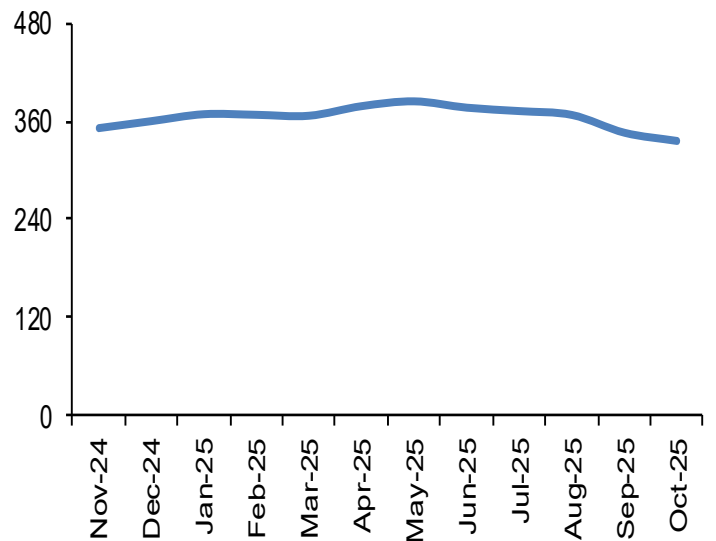
West prices declined MoM (Price Rs./bag)



Central prices declined marginally MoM (Price Rs./bag)



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



# Cement Monthly Update (October 2025)

## 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.	87,857	98,448	21.8	17.7	19.7%	21.6%	10.0%	11.7%	11.6%	13.7%	39.7	30.3
Ambuja Cements Ltd.	42,698	48,554	18.6	14.5	19.3%	21.7%	9.4%	10.2%	6.6%	8.0%	35.6	27.8
Shree Cement Ltd.	21,489	23,605	18.5	15.9	23.3%	24.5%	9.3%	10.2%	9.0%	10.1%	48.7	40.5
JK Cement Ltd.	13,490	15,242	18.9	15.6	18.7%	20.1%	8.0%	11.6%	16.4%	17.8%	38.9	30.6
Dalmia Bharat Ltd.	15,367	16,894	12.1	10.6	21.4%	22.2%	8.2%	8.6%	7.1%	7.5%	29.9	26.3
ACC Ltd.	24,560	26,372	10.4	9.3	13.7%	14.3%	8.2%	8.5%	9.9%	10.3%	17.8	15.5
The Ramco Cements Ltd.	9,343	10,488	16.6	13.6	18.2%	19.9%	4.6%	6.7%	6.0%	8.7%	53.8	32.7
Nuvoco Vistas Corp Ltd.	11,514	12,594	9.8	8.8	16.7%	17.2%	3.7%	4.0%	4.7%	5.3%	31.5	26.6
Birla Corporation Ltd.	9,881	10,596	8.1	6.9	14.6%	15.8%	5.1%	6.0%	6.9%	8.3%	18.3	14.2
JK Lakshmi Cement Ltd.	6,992	7,855	10.3	8.6	16.3%	17.5%	7.0%	7.5%	13.3%	13.8%	21.7	17.4
Star Cement Ltd.	3,735	4,191	11.7	10.3	23.1%	23.5%	9.3%	10.0%	11.6%	12.3%	27.8	23.0
Heidelberg Cement India Ltd.	2,367	2,517	12.3	10.4	13.7%	15.2%	7.3%	7.9%	12.2%	14.8%	25.2	20.2

Source : Bloomberg, BP Equities Pvt. Ltd.

## Key Operational Performance

Company	Sales volume (Mt) (Q2FY26)	Q2FY26 Capex (Rs. crs)	FY26 Capex Guidance (Rs. crs)
Ultratech Cement Ltd.	34	~2,880	10,000
Ambuja Cements Ltd.	17	1,400	8,000
Shree Cement Ltd.	8	NA	3,000
JK Cement Ltd.	4	NA	~2,800
Dalmia Bharat Ltd.	7	577	3,000
Acc Ltd.	10	~2,880	10,000
The Ramco Cements Ltd.	4	280	1,200
Nuvoco Vistas Corporation Ltd.	4	NA	~600
Birla Corporation Ltd.	4	100	800
JK Lakshmi Cement Ltd.	3	~150	1,000-1,200
Star Cement Ltd.	1	149	710
Heidelberg Cement India Ltd.	1	NA	60

Source : Company, BP Equities Pvt. Ltd.

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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