



CEMENT MONTHLY UPDATE

August 2025

Post-monsoon recovery and GST cuts key monitorables for future pricing

We interacted with cement dealers across regions to assess pricing trends and the demand scenario across the country. In August 2025, the cement industry largely witnessed a downward trend, with trade prices edging lower and non-trade prices remaining flat. Average cement prices declined pan-India for the third consecutive month, with trade prices decreasing by Rs. 5/bag to Rs. 368/bag. Overall demand was weak due to lower construction activity, affected by intense rains and festivals during the month. Most dealers remain uncertain about whether prices will sustain after the GST rate cut; however, a stable pricing environment is expected going forward, with demand likely to increase.

Key regional takeaways:

North: North India witnessed muted demand across most regions in August 2025 due to the monsoon. However, the demand picked up slightly towards the end of the month. As a result, prices fell marginally due to the minor impact on demand. Dealers expect demand to improve in September and sustain throughout the month, leaving room for price hikes. Average prices in the North declined marginally by 0.8% MoM to Rs. 387/bag in August 2025.

East: Cement demand in East India remained weak throughout August due to heavy rainfall in the region. This weak demand led to a fall in prices, which are expected to remain stable in the coming month, with no significant hikes in the short term. Average prices in the East decreased by 1.5% MoM to Rs. 335/bag in August 2025.

South: The Southern region experienced lower demand in August compared to July, leading to a significant reduction in prices. This was mainly the effect of the monsoon season. According to dealers in some areas, a shortage of sand also constrained construction activities, further reducing demand. As a result, no near-term price hikes are expected. Average prices in the South decreased by 2.6% MoM to Rs. 370/bag in August 2025.

West: Cement demand fell significantly in some parts of the Western region due to the impact of heavy rainfall, while it remained stable in others, considering the seasonal effect and festivals during the month. According to dealers in a few regions, demand is expected to stay muted in September, with a likely recovery only after Diwali. Average prices in the West declined by 1.3% MoM to Rs. 385/bag in August 2025.

Central: Cement demand in Central India remained subdued due to the ongoing monsoon season and festivities. No additional price increases are expected in September due to the ongoing festival season in India. Sales were impacted, putting pressure on prices in the region. Demand is expected to pick up only after Diwali. Average prices in Central India decreased marginally by 0.5% MoM to Rs. 363/bag in August 2025.

Outlook:

The Indian cement sector faced subdued demand in August 2025, with average trade prices declining for the third consecutive month. Monsoon rains and the festive season dampened construction activity. Regionally, demand was muted across most markets, with the South and East seeing sharper corrections, while the North showed early signs of recovery toward the end of the month. Dealers remain cautious about the sustainability of prices after the GST rate cut, though they expect stability and gradual recovery in the coming months. The recent rationalisation of GST on cement from 28% to 18% could be sentimentally positive for the sector, particularly for the housing segment. However, near-term demand elasticity may remain limited as construction activity continues to face seasonal headwinds. Pricing behavior post-GST cut will be a key monitorable. Larger players are better positioned to retain part of the benefit from the reduced tax rate to protect margins, particularly since lower GST rates may also reduce annual incentives available to manufacturers. We believe that while price hikes could be limited in the near term, premiumisation and margin retention will aid profitability for cement companies over the medium term. A growing focus on green power and lower input costs should also support margins. Although some companies attempted price hikes earlier in August, these were rolled back due to weak demand conditions. With the monsoon season gradually receding, the industry may attempt fresh price hikes in the coming months. Recovery is likely to be driven by infrastructure projects, government housing initiatives, and increased urban demand. We expect demand to pick up from September onwards, though the upcoming festival season could limit near-term growth. A stronger recovery is anticipated post-Diwali, setting the stage for a healthier H2FY26. **Overall, we remain positive on the sector, with players such as Ultratech, Ambuja Cements, and Dalmia Bharat well-positioned to benefit from sustainable volume growth, supported by government-led infrastructure spending and rising demand for premium products.**

Cement Monthly Price Update

Region (Rs./bag)	Aug-25	Jul-25	MoM	Aug-24	YoY
North	387	390	-0.8%	350	10.6%
East	335	340	-1.5%	320	4.7%
South	370	380	-2.6%	355	4.2%
West	385	390	-1.3%	370	4.1%
Central	363	365	-0.5%	345	5.2%
Pan-India	368	373	-1.3%	348	5.7%

Source : BP Equities Pvt. Ltd.

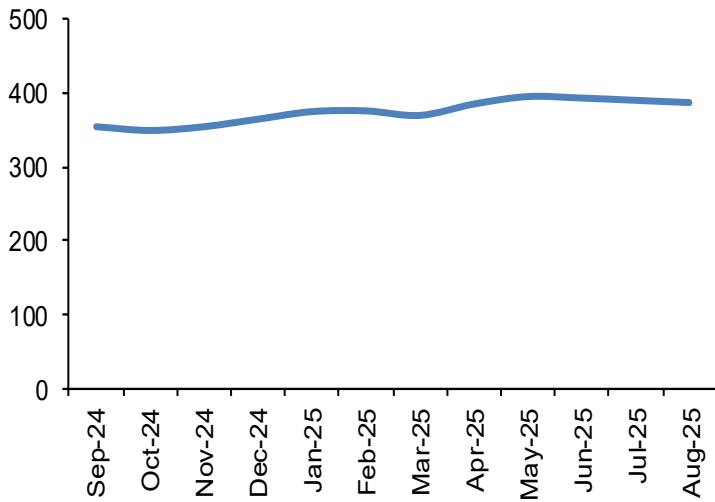
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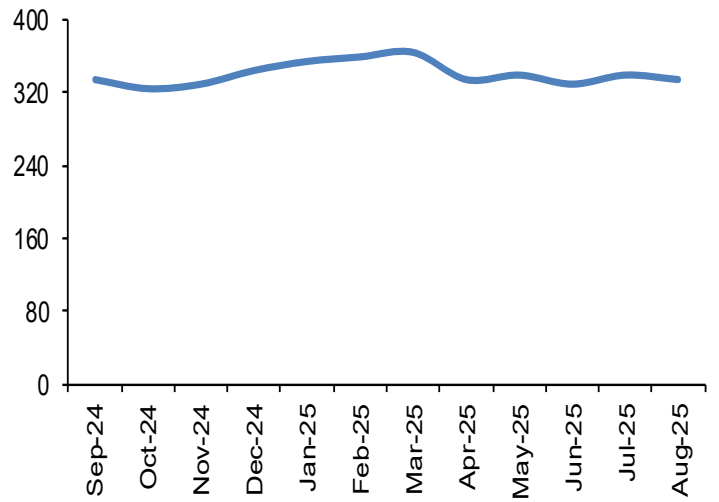
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Cement Monthly Update (August 2025)

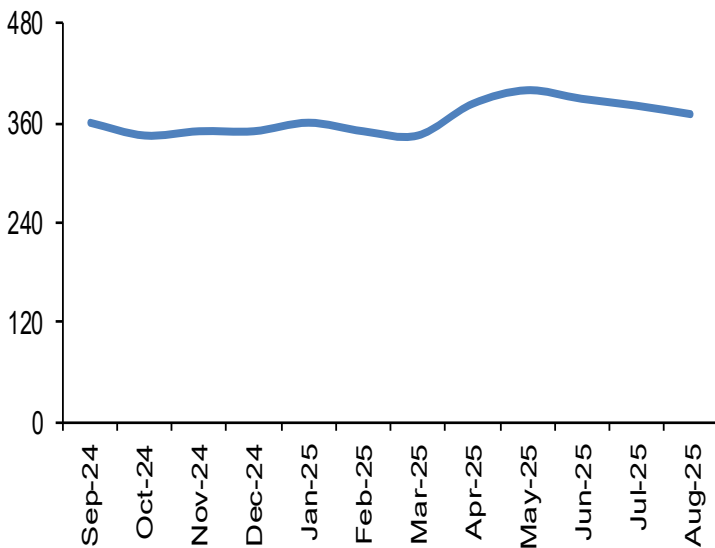
North prices declined marginally MoM (Price Rs./bag)



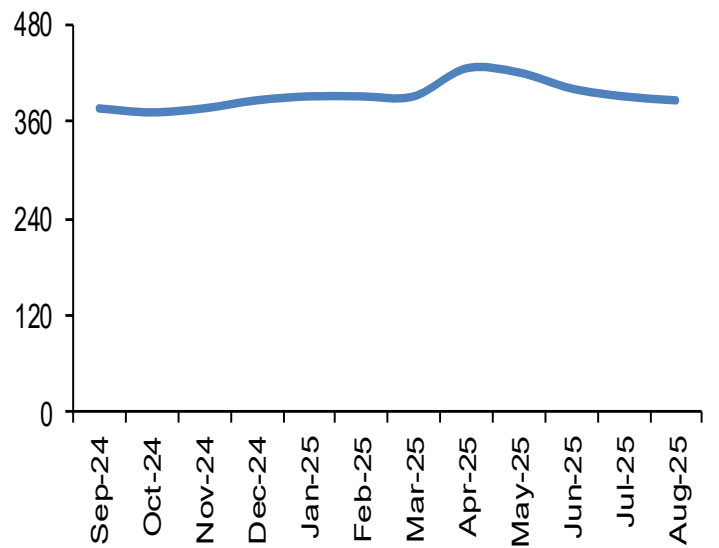
East prices decreased MoM (Price Rs./bag)



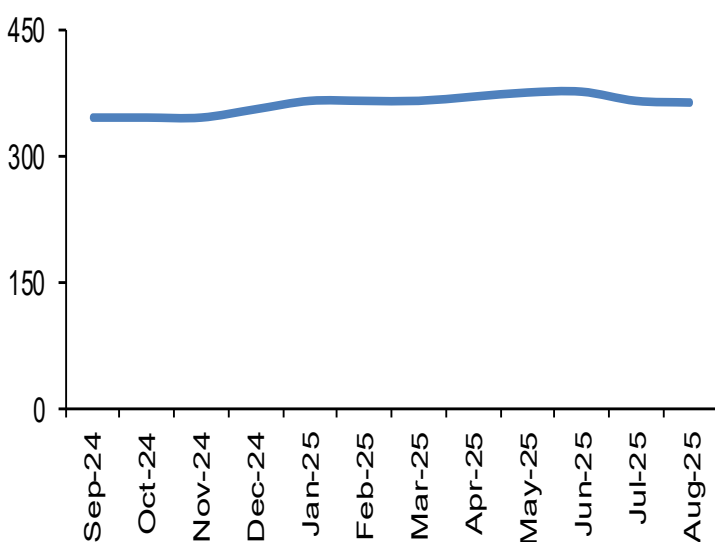
South prices decreased significantly MoM (Price Rs./bag)



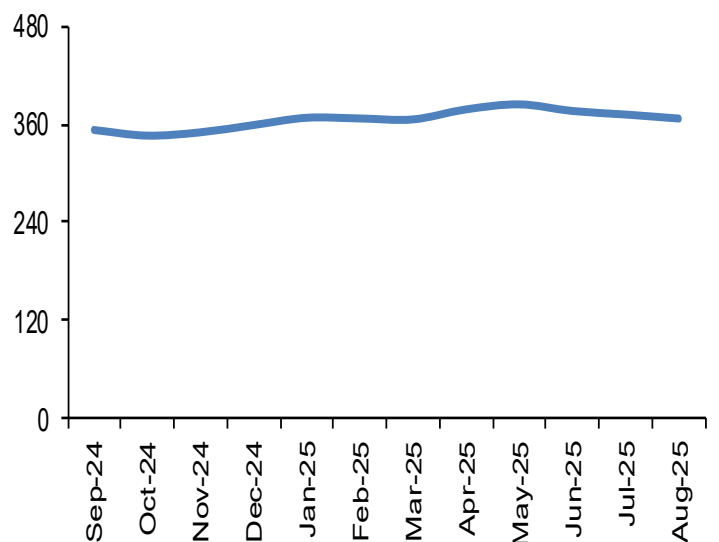
West prices declined MoM (Price Rs./bag)



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



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



Cement Monthly Update (August 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.	87,973	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	2000	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

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

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