

CEMENT

Q3FY26 Review

17 February 2026

Robust volume gains; GST rate cut weakens prices, caps gains

- Volume growth was a robust 16%, driven by capacity ramp-up and post monsoon demand recovery, leading to 18% revenue growth
- Regional pricing divergence persisted; EBITDAM improved by ~100bps YoY, aided by operating leverage and moderating cost
- Post results, we maintain BUY on UTCEM and STRCEM, and SELL on DALBHARA, JKLC and TRCL. JKCE and SRCM retained to HOLD

Milind Raginwar
 Research Analyst
 Ayush Dugar
 Research Associate
 research@bobcaps.in

Volume growth robust YoY: Our coverage universe aggregate volume growth was ~16% YoY, driven by post-monsoon demand recovery (more in December), push from infrastructure segment and capacity ramp-up. Growth was diverse with East and North-eastern regions leading, while Southern markets stayed weak due to pricing pressure. UTCEM (+29% inorganic and 15% like to like), ACEM (+19%), JKCE (+23% grey), and STRCEM (+21%) were the volume leaders. Under-performers included SRCM (flat YoY due to plant disruptions) and TRCL (+1%).

GST rate cut keeps realisations tepid: Coverage universe revenue grew ~18%/9% YoY/QoQ, despite the muted prices driven by mix (Premium share UTCEM 36%, ACEM 35%, JKCE 17% of trade share). UTCEM (+23%), ACEM and ACC (+22%), JKCE (+18%) STRCEM (+22%) were amongst companies that led revenue gains through scale and better product mix. Blended realisations rose ~2 YoY (UTCEM - 6% YoY/JKCE -3% YoY), pressured by competition and higher non-trade mix.

Cost pressure moderates: Aggregate operating cost/t was flat YoY, with fuel/power tailwinds (lower kcal rates ~Rs 1.2-1.6/kcal, higher green power shares 42-60% across companies) that offset RM and logistics cost inflation. QoQ costs were down ~3%, aided by operating leverage from higher volumes, better fuel mix, reduced lead distances (UTCEM -14km/3km YoY/QoQ) and efficiency gains.

Effectively margins stay range-bound: Our cement universe EBITDA margins gained marginally by 40 bps YoY to 15.3% from 14.9% YoY. STRCEM margins at 23%, JKCE and UTCEM at ~17.0%/17.5% each, beat the industry. ACC, ACEM and JKLC saw below-average margins of ~11%/9%/13% respectively. Aggregate EBITDA/t gained ~10% YoY to Rs 779 vs Rs709 (Rs 888 in Q2FY26).

Top pick is UTCEM: We maintain BUY on UTCEM (TP Rs 14,794) given its higher capacities, better efficiencies and pan-India spread. Given its niche presence, regional diversification and share consolidation, we retain BUY on STRCEM (Rs 327). SELL rating on TRCL/JKLC/DALBHARA (Rs 830)/ (Rs 716)/ (Rs 2,064) on weak operating efficiencies. Retain HOLD on JKCE/SRCM (Rs5,821)/(Rs.28,719).



Fig 1 – Revenue growth

(Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	64,586	53,036	21.8	59,254	9.0	<ul style="list-style-type: none"> Aggregate revenue for our cement coverage grew ~18% YoY to record levels, led by robust volume momentum and selective realisation support. Growth remained broad-based, with almost all major players posting double-digit YoY revenue increases, except that SRCM focused on profitability over market share and few constrained by regional or operational factors like TRCL.
ACEM	59,130	48,537	21.8	51,487	14.8	
DALBHARA	35,060	31,810	10.2	34,170	2.6	
JKCE	32,128	27,155	18.3	28,585	12.4	
JKLC	15,884	14,968	6.1	15,318	3.7	
NUVOCO	27,013	24,094	12.1	24,576	9.9	
SRCM	44,164	42,355	4.3	43,032	2.6	
STRCEM	8,800	7,188	22.4	8,109	8.5	
TRCL	21,015	19,766	6.3	22,348	(6.0)	
UTCEM	2,00,879	1,63,284	23.0	1,78,644	12.4	
Aggregate	5,08,658	4,32,192	17.7	4,65,524	9.3	

Source: Company, BOBCAPS Research

Fig 2 – EBITDA growth

(Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	6,937	4,725	46.8	8,195	(15.3)	<ul style="list-style-type: none"> Aggregate EBITDA for our coverage universe was healthy at ~21% YoY, primarily powered by strong volume leverage, on account of tepid prices after GST rate cut, operating efficiencies, and controlled costs. Improvement was broad-based for volume leaders, aided by lower fuel/power costs (favourable mix, green energy shares 37-60%), reduced lead distances, and scale synergies from higher dispatches/capacity ramps. STRCEM was the clear outperformer with EBITDA nearly doubling (~94% YoY surge) to surge in margins (~23%), driven by sharp cost tailwinds (power/fuel -9%, logistics -13%) and Northeast demand strength.
ACEM	5,148	4,111	25.2	7,044	(26.9)	
DALBHARA	6,020	5,110	17.8	6,960	(13.5)	
JKCE	5,356	4,896	9.4	4,398	21.8	
JKLC	2,060	2,019	2.1	2,081	(1.0)	
NUVOCO	3,837	2,583	48.6	3,670	4.6	
SRCM	8,605	9,466	(9.1)	8,513	1.1	
STRCEM	2,025	1,042	94.3	1,902	6.5	
TRCL	2,808	2,794	0.5	3,869	(27.4)	
UTCEM	35,088	27,783	26.3	27,702	26.7	
Aggregate	77,884	64,529	20.7	74,334	4.8	

Source: Company, BOBCAPS Research

Fig 3 – Adj. PAT growth

(Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	3,846	(781)	-	4,407	(12.7)	<ul style="list-style-type: none"> Aggregate APAT for coverage grew sharply by ~42%, though individual players were a mixed bag Profitability remained weaker on a QoQ basis across most companies, on account of late recovery due to festivities and wedding season, elevated depreciation from commissioned capacities and higher non-trade mix, as focus shifted towards Infrastructure segment.
ACEM	2,394	2,266	5.7	4,307	(44.4)	
DALBHARA	1,540	610	152.5	2,360	(34.7)	
JKCE	2,265	2,048	10.6	1,758	28.9	
JKLC	772	783	(1.4)	823	(6.2)	
NUVOCO	494	(614)	-	364	35.5	
SRCM	2,786	2,294	21.4	2,771	0.5	
STRCEM	797	91	780.0	711	12.1	
TRCL	(921)	(37)	-	743	(224.0)	
UTCEM	15,917	14,344	11.0	10,639	49.6	
Aggregate	29,889	21,004	42.3	28,883	3.5	

Source: Company, BOBCAPS Research

Fig 4 – Volume growth

(mn tonnes)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	11.3	10.7	5.6	10.0	13.0	<ul style="list-style-type: none"> UTCEM remained the dominant volume driver with grey cement volumes up ~29% YoY (including inorganic). STRCEM continued its strong performance with ~21% YoY volume growth, driven by robust post-monsoon demand in Northeast (~76% of sales) and improving traction outside the region, JKCE posted healthy ~23% YoY growth, supported by ramp-up of new grinding capacity and steady demand traction across core markets.
ACEM	12.0	10.1	18.8	9.9	21.2	
DALBHARA	7.3	6.7	9.0	6.9	5.8	
JKCE	5.8	4.7	22.6	4.9	18.5	
JKLC	3.3	3.0	8.2	2.8	15.4	
NUVOCO	5.0	4.7	6.4	4.3	16.3	
SRCM	8.7	8.8	(0.3)	7.9	10.5	
STRCEM	1.3	1.1	21.0	1.2	10.3	
TRCL	4.4	4.4	1.4	4.4	0.7	
UTCEM	36.6	28.3	29.2	31.8	15.1	
Aggregate	95.7	82.4	16.0	84.0	13.8	

Source: Company, BOBCAPS Research

Fig 5 – Realisation per tonne

(Rs/t)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	5,247	4,652	12.8	5,519	(4.9)	<ul style="list-style-type: none"> Aggregate realisations for our coverage universe remained largely tepid at ~2% YoY, despite robust volume and post monsoon recovery on GST rate cuts. Pricing also faced headwinds from competitive intensity across most regions, leading to lower non-trade prices, and a shift towards higher non-trade/infra mix in several companies (JKLC non-trade up to 51%). Premiumisation emerged as a key support to blended realisations, with premium product share rising in trade sales for players.
ACEM	4,927	4,806	2.5	5,201	(5.3)	
DALBHARA	4,803	4,748	1.2	4,952	(3.0)	
JKCE	5,565	5,765	(3.5)	5,866	(5.1)	
JKLC	4,841	4,938	(2.0)	5,390	(10.2)	
NUVOCO	5,403	5,126	5.4	5,715	(5.5)	
SRCM	5,053	4,830	4.6	5,440	(7.1)	
STRCEM	6,317	6,333	(0.3)	6,376	(0.9)	
TRCL	4,744	4,523	4.9	5,079	(6.6)	
UTCEM	4,680	4,984	(6.1)	4,782	(2.1)	
Aggregate	5,158	5,071	1.7	5,432	(5.0)	

Source: Company, BOBCAPS Research

Fig 6 – Operating cost per tonne

(Rs/t)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	5,102	4,515	13.0	5,106	(0.1)	Aggregate operating cost inflation for our coverage universe remained largely contained at ~1% YoY, aided by softer fuel & power costs (steady green energy adoption).
ACEM	4,498	4,399	2.3	4,489	0.2	
DALBHARA	3,978	3,985	(0.2)	3,943	0.9	
JKCE	4,637	4,726	(1.9)	4,963	(6.6)	QoQ, operating costs were down ~4%, aided by strong operating leverage from higher dispatches, reduced lead distances, and normalisation post-maintenance/shutdowns.
JKLC	4,213	4,272	(1.4)	4,657	(9.5)	
NUVOCO	4,489	4,427	1.4	4,721	(4.9)	STRCEM delivered the sharpest decline (~9% YoY cost/t), driven by benign fuel prices (~Rs 1.2/kcal).
SRCM	4,068	3,750	8.5	4,364	(6.8)	
STRCEM	5,248	5,759	(8.9)	5,306	(1.1)	
TRCL	4,110	3,884	5.8	4,200	(2.1)	
UTCEM	4,536	4,788	(5.3)	4,754	(4.6)	
Aggregate	4,488	4,450	0.8	4,650	(3.5)	

Source: Company, BOBCAPS Research

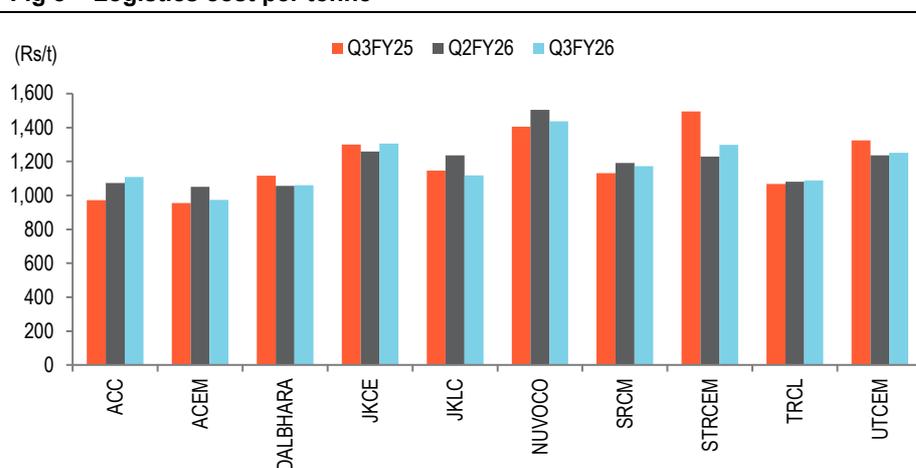
Fig 7 – EBITDA per tonne

(Rs/t)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comment
ACC	614	442	39.0	819	(25.1)	EBITDA/t was mixed though aggregate EBITDA/t rose by 10%, supported by strong volume and steady operating costs.
ACEM	429	407	5.4	712	(39.7)	
DALBHARA	798	736	8.4	982	(18.7)	UTCEM stayed higher at 960/tn flat YoY (Rs982/tn in Q3FY25), but healthy QoQ improvement (+10%) on operating leverage.
JKCE	928	1,040	(10.8)	902	2.8	
JKLC	628	666	(5.7)	732	(14.3)	
NUVOCO	767	549	39.7	853	(10.1)	JKCE EBITDA/tn fell YoY on account of lower trade mix, seeding newer markets and marking presence in the eastern region.
SRCM	985	1,079	(8.8)	1,076	(8.5)	
STRCEM	1,069	574	86.3	1,070	(0.1)	
TRCL	611	617	(0.8)	857	(28.6)	
UTCEM	960	982	(2.2)	873	10.0	
Aggregate	779	709	9.8	888	(12.3)	

Source: Company, BOBCAPS Research

Logistic cost/t for our coverage companies remained well controlled flat YoY as efficiency gains from shorter lead distances aided.

Key beneficiaries of logistics savings included UTCEM (down ~6% YoY, lead distance reduced by 14 km to ~363 km), STRCEM (down ~13% YoY despite temporary Meghalaya strike disruptions)

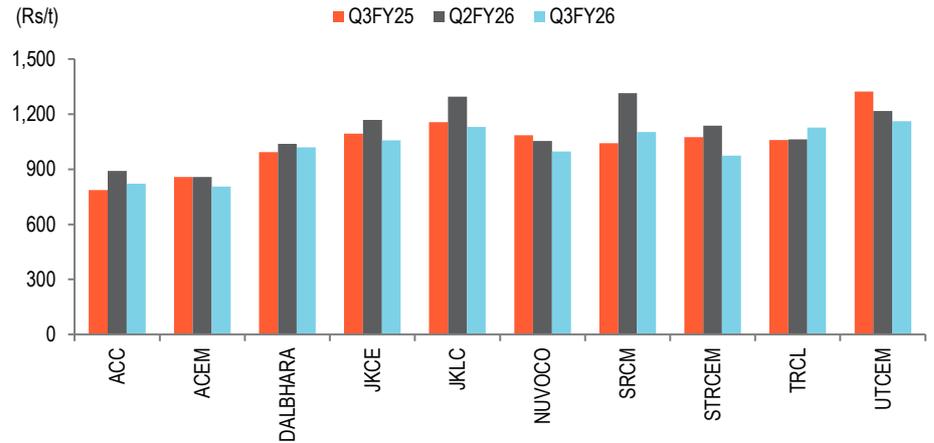
Fig 8 – Logistics cost per tonne

Source: Company, BOBCAPS Research

Fuel costs for our coverage companies dropped by 2%/7% YoY/QoQ.

The average k/cal (Rs) of the coverage universe declined by 0.9% YoY that kept the aggregate fuel cost soft in Q3FY26.

Fig 9 – Power & fuel cost per tonne

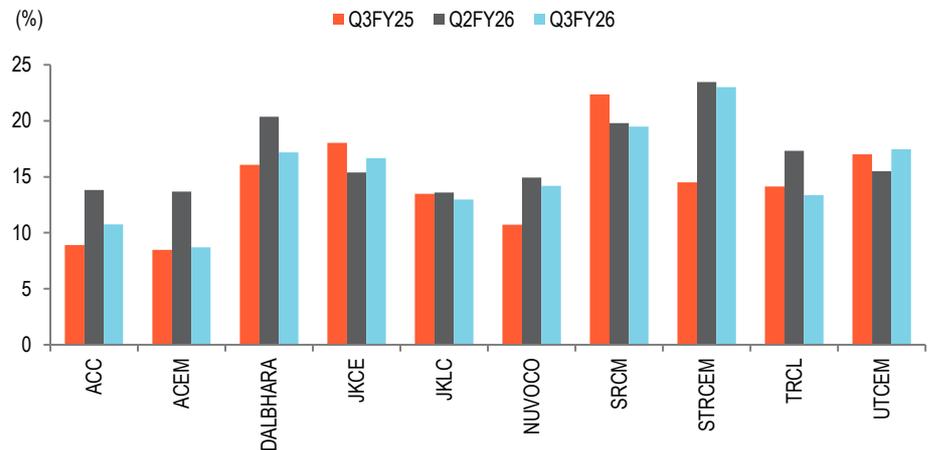


Source: Company, BOBCAPS Research

Average EBITDAM remained resilient at 15.3% up ~40bps YoY primarily supported by power/fuel cost relief and higher volume.

STRCEM and NUVOCO reported significant expansion of ~850bps YoY and ~350bps YoY respectively

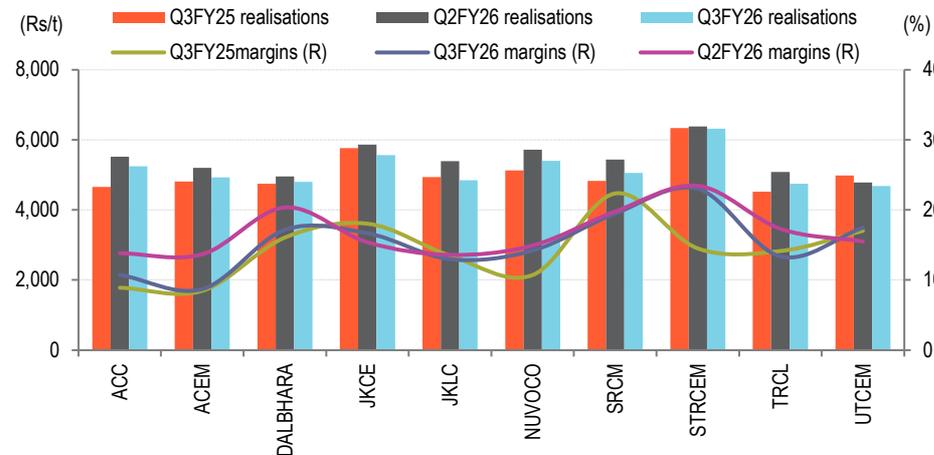
Fig 10 – EBITDA margin



Source: Company, BOBCAPS Research

Margin improvement in Q3 FY26 was primarily correlated with strong operating leverage from robust volume growth, fuel/power cost relief, higher green energy penetration, and premiumisation benefits, rather than price hikes.

Fig 11 – Realisations vs Margins



Source: Company, BOBCAPS Research

Fig 12 – Ongoing expansion projects

Company	Projects
ACC	Cement Jodhpur Penna IU - 2 mnt by Q4FY26 Salai Banwa - 2.4 mnt by Q4FY26 Bathinda - 1.2 mnt by Q4FY26 Warishaliganj - 2.4 mnt by Q4FY26 Dahej Line 2 - 1.2 mnt by Q4FY26 Kalamboli - 1.0 mnt by Q4FY26
	Clinker Maratha Line 2 - 4 mnt by Q1FY27 Jodhpur Penna IU - 3 mnt by Q4FY26
	ACEM has planned growth capex for FY26 stays stable at ~Rs 90bn with ~Rs 30bn expected to be spent in Q4FY26
	Cement Belgaum - 3mnt by FY27
	Clinker Belgaum - 3.6mnt by FY27 Pune - 3mnt by FY27
Dalmia Bharat	Captive Energy Lanka, Assam - 2.2mw solar power plant Group Captive - 13mw RE capacity
	Capex guidance for FY26 is at 27bn and FY27 and FY28 the same will be ~ Rs40bn each year
Heidelberg Cement	-
India Cement	-
JK Cement	Cement 3mnt Buxar Grinding Unit in Q4FY26 3 mnt Grinding Unit at Jaisalmer by H1FY28
	Clinker 4 mnt Clinker Capacity at Jaisalmer by H1FY28
	Putty 0.6mnt capacity at Nathdwara by Q2FY27
	Capex guidance for FY26 is Rs 25-28bn. Expansion plans for grinding unit in Rajasthan and Punjab are planned to commence from Q4FY26 and commissioning by H1FY28.
JK Lakshmi	Cement Durg, Chattisgarh -4.6 mnt (Q4FY27) Prayagraj(FY27), Madhubani(FY27), Patratu(FY28) - 3.4 mnt. Nagaur, Rajasthan - 3mnt (FY29-30) Kutch, Gujrat - (FY29-30)
	Clinker Durg, Chattisgarh -2.3 mnt (Q3FY27) Nagaur, Rajasthan - 2 mnt (FY29-30) Kutch, Gujrat - 2 mnt (FY29-30) Assam- 2-2.5mnt (FY29-30)
	Capex spend guidance for FY26 is ~Rs 6.5bn while for FY27 it will be ~Rs16-17bn. Conveyor belt project is in final stages with approval from Ministry of Steel pending.
Nuvoco Vistas	Cement Vadraj, Gujarat - 2.5 mnt (FY27) Surat, Gujrat - 6 mnt (FY27)

Company	Projects
	<p>Clinker Vadraj, Gujrat - 3.5 mnt (FY27)</p> <p>Capex for FY26 is guided to be ~Rs 6.5bn and for FY27, it increased to ~Rs10.5bn and for FY28 at ~Rs7bn.</p>
The Ramco cement	<p>The management targets to achieve cement capacity of 31MTPA by Mar'27 with the commissioning of 2nd line in Kolimigundla along with de-bottlenecking of existing facilities / adding grinding capacities in existing locations with minimal capex.</p> <p>59% of total mining lands and 13% of total factory lands have been acquired for Karnataka Green Field project</p> <p>The 10mw WHRS plant at Ramasamy Raja Nagar was commissioned in Sep'25 and another 15mw of WHRS in Kolimigundla is anticipated to be put into service, together with Kiln Line-2 in FY27.</p> <p>Capex guidance for FY26 is Rs 11bn.</p>
	<p>Cement Kodla, Karnataka - 3mnt by Q4FY26</p>
Shree Cement	<p>Clinker 7.3mn tonnes of clinker capacity will be added, bringing the total clinker capacity to 44mn tonnes by the end of FY26</p> <p>20 RMC plant addition by Q2FY27 Management has guided Rs 20bn capex for FY26.</p>
	<p>Cement Silchar GU, Assam - 2mnt (Q4FY26) Nimbol GU, Rajasthan - 3mnt (H1FY27) Haryana GU - 2mnt (H1FY27) Jorhat GU, Assam - 2mnt (Q4FY27) Begusarai GU, Bihar - 2mnt (H1FY28)</p>
Star Cement	<p>Clinker Nimbol, Rajasthan - 3mnt (H1FY27)</p> <p>Capex target for FY26 is set at ~Rs 5.8bn with a pipeline of Rs48bn set with phased commissioning by FY29.</p>
	<p>Cement Patratu, Jharkhand - 2.5 mnt by FY26 Maihar, Madhya Pradesh (Phase 2) - 1.8mnt by F26 Shahjahanpur, Uttar Pradesh - 1.8 mnt by FY26 Visakhapatnam, Andhra Pradesh - 3.3 mnt by FY26 Parli, Maharashtra- 1.2 mnt by FY26</p> <p>Aligarh, Uttar Pradesh - 2.7 mnt by FY27 Bhagalpur, Bihar - 3.3 mnt by FY27 West Bengal - 3.3 mnt by FY27 APCW, Andhra Pradesh - 3.6 mnt by FY27 Jharsuguda, Odisha - 2.3 mnt by FY27 Dankuni, West Bengal - 1.0 mnt by FY27 Chennai, Tamil Nadu - 1.8 mnt by FY27 Dalavoi, Tamil Nadu - 0.4 mnt by FY27 Vapi, Gujarat - 1.2 mnt by FY27 Mandya, Karnataka - 1.2 mnt by FY27 Guwahati, Assam - 1.2 mnt by FY27 Kolkata, West Bengal - 1.0 mnt by FY27 Panvel, Maharashtra - 1.0 mnt by FY27</p>
Ultratech Cement	
Sanghi Industries	-

Source: Company, BOBCAPS Research | GU: Grinding Unit; IU: Integrated Unit; WHRS: Waste heat recovery systems, mnt: million tonnes

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

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