

# INDIAN CEMENT SECTOR

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**Cement prices declined by 1% YoY in  
FY2024**

**MARCH 2024**



## 1 Trends in cement production



## 2 Region-wise trends in cement prices



## 3 Trends in input cost



## 4 Outlook



## 5 ICRA ratings in the sector





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*Cement volumes in January 2024 stood at 37.3 million MT, higher by 6% YoY.*

*In 10M FY2024, the volumes increased by 9% YoY to 346 million MT.*



- **Outlook:** ICRA continues to have a Stable outlook on the Indian cement sector.



- **Cement volumes higher by 6% YoY in January 2024:** In January 2024, cement volumes were higher by 6% YoY at 37.3 million MT. Overall, in 10M FY2024, the volumes increased by 9% YoY to 346 million MT. In FY2024, the volumes are likely to grow by 9-10% to around 425-430 million MT, supported by demand from the urban housing and infrastructure sectors. In FY2025, ICRA expects the volumes to grow by 8-9% to around 460-465 million MT.



- **Average cement prices declined by 6% YoY in February 2024:** In February 2024, the average cement prices decreased by 6% YoY to Rs. 350/bag. In 11M FY2024, the average prices were at around Rs. 365/bag compared to Rs. 375/bag in 11M FY2023.



- **Coal and pet coke prices lower in March 2024 on a YoY basis; diesel remains stable:** Coal prices in March 2024 declined by 60% YoY to \$110/MT and pet coke prices were lower by 31% YoY at Rs. 12,010/MT. Diesel remained largely similar on a YoY and MoM basis in March 2024 at Rs. 90/litre. In FY2024, the prices of coal, pet coke and diesel were lower by 47%, 33% and 1%, respectively, on a YoY basis, resulting in lower input costs.



- **Easing of input costs to improve operating margins:** With the expected easing of cost-side pressures, the operating margins are likely to improve by 290-340 bps YoY to 16.3–16.8% in FY2024 and further by 80-100 bps to around 16.8-17.3% in FY2025 from 13.4% in FY2023.



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