



# INDIAN CEMENT SECTOR

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**Cement prices declined by 4% QoQ  
in Q1 FY2025**

**JULY 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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*In May 2024, cement volumes stood at 36.3 million MT, a reduction of 1% YoY.*

*In 2M FY2025, the volumes remained stable at 73.0 million MT on a YoY basis.*

*In FY2024, volumes rose by 9% YoY to 426 million MT.*



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



- **Cement volumes lower by 1% YoY in May 2024:** In May 2024, cement volumes were 36.3 million metric tonnes (MT), down 1% YoY. In 2M FY2025, the volumes remained stable at 73.0 million MT on a YoY basis. In FY2024, volumes increased by 9% YoY to 426 million MT. In FY2025, volumes are likely to grow by 7-8% to 455-460 million MT, supported by demand from the housing and infrastructure sectors.



- **Average cement prices declined by 12% YoY in June 2024:** In June 2024, the average cement prices decreased by 12% YoY to Rs. 330/bag. In Q1 FY2025, they declined by 10% YoY to Rs. 335/bag. In FY2024, the average prices were at ~Rs. 365/bag compared to Rs. 375/bag in FY2023.



- **Coal, pet coke and diesel prices lower in July 2024 on YoY basis:** In July 2024, coal prices declined by 32% YoY to \$130/MT, and pet coke prices were down 4% YoY to Rs. 11,170/MT. Diesel prices also declined by 2% YoY to Rs. 88/litre. In 4M FY2025, the prices of coal, pet coke and diesel were lower by 43%, 11% and 2%, respectively, on a YoY basis, resulting in reduced input costs.



- **Easing of input costs to improve operating margins:** With the easing of cost-side pressures, the operating margins are likely to improve by 20-40 bps to 17.6-18.0% in FY2025.



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