



# INDIAN CEMENT SECTOR

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**Cement volumes increased marginally by 1% YoY in Q1 FY2025**

**AUGUST 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 June 2024, cement volumes stood at 37.8 million MT, an increase of 2% YoY.*

*In Q1 FY2025, the volumes increased by 1% to 111.0 million MT on a YoY basis.*

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



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



- **Cement volumes higher by 2% YoY in June 2024:** In June 2024, cement volumes were 37.8 million metric tonnes (MT), up 2% YoY. In Q1 FY2025, the volumes increased by 1% YoY to 111.0 million MT. In FY2024, volumes increased by 9% YoY to 426 million MT. In FY2025, the 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 July 2024:** In July 2024, the average cement prices decreased by 12% YoY to Rs. 320/bag. In 4M FY2025, they declined by 10% YoY to Rs. 330/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 August 2024 on YoY basis:** In August 2024, coal prices declined by 36% YoY to \$115/MT, and pet coke prices were down 11% YoY to Rs. 11,360/MT. Diesel prices also declined by 2% YoY to Rs. 88/litre. In 5M FY2025, the prices of coal, pet coke and diesel were lower by 42%, 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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# Analytical Contact Details

Name	Designation	Email	Contact Number
Rajeshwar Burla	Senior Vice President & Group Head	<a href="mailto:rajeshwar.burla@icraindia.com">rajeshwar.burla@icraindia.com</a>	040 – 6939 6443
Anupama Reddy	Vice President & Co Group Head	<a href="mailto:anupama.reddy@icraindia.com">anupama.reddy@icraindia.com</a>	040 – 6939 6427
Tushar Bharambe	Assistant Vice President & Sector Head	<a href="mailto:tushar.bharambe@icraindia.com">tushar.bharambe@icraindia.com</a>	040 – 6169 3347
Hemanth Vasishta Attaluri	Senior Analyst	<a href="mailto:vasishta.attaluri@icraindia.com">vasishta.attaluri@icraindia.com</a>	040 – 6939 6419





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# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Neha Agarwal	Head – Research Sales	<a href="mailto:neha.agarwal@icraindia.com">neha.agarwal@icraindia.com</a>	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	<a href="mailto:rohitg@icraindia.com">rohitg@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	<a href="mailto:vinita.baid@icraindia.com">vinita.baid@icraindia.com</a>	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Naznin Prodhani	Head - Group Corporate Communications & Media Relations, ICRA Ltd	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





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