



INDIAN CEMENT SECTOR

**Cement prices declined by 10% YoY
in H1 FY2025**

OCTOBER 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





[Click to see full report](#)

In August 2024, cement volumes stood at 33.5 million MT, a drop of 3% YoY.

In 5M FY2025, the volumes increased by 1% to 178.0 million MT on a YoY basis.



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



- **Cement volumes lower by 3% YoY in August 2024:** In August 2024, cement volumes were 33.5 million metric tonnes (MT), down 3% YoY. In 5M FY2025, the volumes increased by 1% YoY to 178.0 million MT. In FY2024, volumes increased by 9% YoY to 426 million MT and 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 11% YoY in September 2024:** In September 2024, the average cement prices decreased by 11% YoY to Rs. 330/bag. However, they increased by 2% on a MoM basis. In H1 FY2025, they declined by 10% YoY to Rs. 330/bag. In FY2024, the average prices stood at ~Rs. 365/bag over Rs. 375/bag in FY2023.



- **Coal prices stable; petcoke and diesel prices lower in October 2024 on YoY basis:** In October 2024, coal prices remained stable on a YoY basis at \$125/MT and petcoke prices were down 26% YoY to Rs. 10,180/MT. Diesel prices also declined by 2% YoY to Rs. 88/litre. In 7M FY2025, the prices of coal, petcoke and diesel were lower by 34%, 15% 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.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Ashish Modani	Senior Vice President & Group Head	ashish.modani@icraindia.com	020 – 6606 9912
Anupama Reddy	Vice President & Co Group Head	anupama.reddy@icraindia.com	040 – 6939 6427
Tushar Bharambe	Assistant Vice President & Sector Head	tushar.bharambe@icraindia.com	040 – 6169 3347
Hemanth Vasishta Attaluri	Senior Analyst	vasishta.attaluri@icraindia.com	040 – 6939 6419





ICRA

Business Development/Media Contact Details

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





© Copyright, 2024 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!