



INDIAN CEMENT SECTOR

**Cement volumes increased by 2%
YoY in H1 FY2025**

NOVEMBER 2024



1 Trends in cement production



2 Region-wise trends in cement prices



3 Trends in input cost



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In September 2024, cement volumes stood at 34.0 million MT, an increase of 7% YoY.

In H1 FY2025, the volumes increased by 2% to 212.0 million MT on a YoY basis.



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



- **Cement volumes higher by 7% YoY in September 2024:** In September 2024, cement volumes were 34.0 million metric tonnes (MT), up 7% YoY. In H1 FY2025, the volumes increased by 2% YoY to 212.0 million MT. In FY2024, the volumes increased by 9% YoY to 426 million MT and in FY2025 they are likely to grow by 4-5% to 445-450 million MT, supported by demand from the housing and infrastructure sectors.



- **Average cement prices declined by 11% YoY in October 2024:** In October 2024, the average cement prices decreased by 11% YoY to Rs. 340/bag. However, they increased by 3% on a MoM basis. In 7M FY2025, they declined by 11% YoY to Rs. 330/bag. In FY2024, the average prices stood at ~Rs. 365/bag over Rs. 375/bag in FY2023.



- **Coal, pet coke and diesel prices lower in November 2024 on YoY basis:** In November 2024, coal prices reduced by 18% YoY to \$114/MT and pet coke prices were down 28% YoY to Rs. 10,180/MT. Diesel prices also declined by 2% YoY to Rs. 88/litre. In 8M FY2025, the prices of coal, pet coke and diesel were lower by 32%, 17% and 2%, respectively, on a YoY basis, resulting in reduced input costs.



- **Moderation in operating margins:** The operating margins are likely to moderate by 130-180 bps to 15.6-16.1% in FY2025 due to decline in the cement prices.



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