



# INDIAN CEMENT SECTOR

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**Cement volumes higher by 11% YoY  
in H1 FY2024**

**NOVEMBER 2023**



## 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



Cement volumes in September 2023 stood at 31.8 million MT, higher by 5% YoY.

In H1 FY2024, the volumes increased by 11% YoY to 208.3 MT.



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



- **Cement volumes higher by 5% YoY in September 2023:** In September 2023, cement volumes were higher by 5% YoY at 31.8 million MT. Overall, in H1 FY2024, the volumes increased by 11% YoY to 208.3 million MT. In FY2024, the volumes are expected to grow by 9-10% to around 425-430 million MT, supported by demand from the urban housing and infrastructure sectors.



- **Average cement prices increased by 2% YoY in October 2023:** In October 2023, the average cement prices increased by 2% YoY at Rs. 385/bag. In 7M FY2024, the average cement prices were at around Rs. 370/bag compared to Rs. 375/bag in 7M FY2023.



- **Coal and pet coke prices lower in November 2023 on a YoY basis; diesel remains stable:** Coal prices in November 2023 declined by 55% YoY to \$140/MT and pet coke prices were lower by 25% YoY at Rs. 14,180/MT. The diesel prices in November 2023 remained largely similar on a YoY basis and MoM basis at Rs. 90/litre. In 8M FY2024, the prices of coal, pet coke and diesel were lower by 42%, 34% 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 260-310 bps YoY to 16.0%-16.5% in FY2024 from 13.4% in FY2023.



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# Analytical Contact Details

Name	Designation	Email	Contact Number
Rajeshwar Burla	Group Head	<a href="mailto:rajeshwar.burla@icraindia.com">rajeshwar.burla@icraindia.com</a>	040 – 4547 4829
Anupama Reddy	Co Group Head	<a href="mailto:anupama.reddy@icraindia.com">anupama.reddy@icraindia.com</a>	040 – 4547 4829
Abhishek Lahoti	Sector Head	<a href="mailto:abhishek.lahoti@icraindia.com">abhishek.lahoti@icraindia.com</a>	040 – 4547 4829
Hemanth Vasishtha Attaluri	Senior Analyst	<a href="mailto:vasishtha.attaluri@icraindia.com">vasishtha.attaluri@icraindia.com</a>	040 – 4547 4829





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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
Vipin Saboo	Head Business Development – Corporate Sector - West & East	<a href="mailto:vipin.saboo@icraindia.com">vipin.saboo@icraindia.com</a>	022-61693348
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 – Media & Communications	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





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