

# INDIAN CEMENT SECTOR

---

**Cement volumes higher by 9% YoY in  
9M FY2024**

**FEBRUARY 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**

*Cement volumes in December 2023 stood at 35.7 million MT, higher by 1% YoY.*

*In 9M FY2024, the volumes increased by 9% YoY to 309 million MT.*



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



- **Cement volumes higher by 1% YoY in December 2023:** In December 2023, cement volumes were higher by 1% YoY at 35.7 million MT. Overall, in 9M FY2024, the volumes increased by 9% YoY to 309 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. In FY2025, ICRA expects the volumes to grow by 8-9% to around 460-465 million MT.



- **Average cement prices declined by 5% YoY in January 2024:** In January 2024, the average cement prices decreased by 5% YoY at Rs. 355/bag. In 10M FY2024, the average cement prices were at around Rs. 370/bag compared to Rs. 375/bag in 10M FY2023.



- **Coal and pet coke prices lower in February 2024 on a YoY basis; diesel remains stable:** Coal prices in February 2024 declined by 55% YoY to \$125/MT and pet coke prices were lower by 32% YoY at Rs. 11,670/MT. Diesel prices in February 2024 remained largely similar on a YoY and MoM basis at Rs. 90/litre. In 11M FY2024, the prices of coal, pet coke and diesel were lower by 46%, 33% 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 and further by 80-100 bps to around 16.8-17.3% in FY2025 from 13.4% in FY2023.



ICRA

# 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 – 6939 6443
Anupama Reddy	Co Group Head	<a href="mailto:anupama.reddy@icraindia.com">anupama.reddy@icraindia.com</a>	040 – 6939 6427
Abhishek Lahoti	Sector Head	<a href="mailto:abhishek.lahoti@icraindia.com">abhishek.lahoti@icraindia.com</a>	040 – 6939 6433
Hemanth Vasishta Attaluri	Senior Analyst	<a href="mailto:vasishta.attaluri@icraindia.com">vasishta.attaluri@icraindia.com</a>	040 – 6939 6419





ICRA

## 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





***© 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!**