



# INDIAN CEMENT SECTOR

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**Cement volumes higher by 3% YoY in  
9M FY2025**

**FEBRUARY 2025**



## 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 December 2024, cement volumes stood at 37.2 million MT, an increase of 4% YoY.*

*In 9M FY2025, the volumes increased by 3% to 319.0 million MT on a YoY basis.*



- **Outlook:** ICRA maintains a Stable outlook on the Indian cement sector.
- **Cement volumes higher by 4% YoY in December 2024:** In December 2024, cement volumes were 37.2 million metric tonnes (MT), up 4% YoY. In 9M FY2025, the volumes increased by 3% YoY to 319.0 million MT. ICRA expects cement volumes to grow by 4-5% YoY to 445-450 million MTPA in FY2025 and further by 6-7% YoY to 475-480 million MT in FY2026, backed by sustained demand from the housing and infrastructure sectors.
- **Average cement prices declined by 2% YoY in January 2025:** In January 2025, the average cement prices moderated by 2% YoY to Rs. 350/bag. However, they increased by 1% on a MoM basis. In 10M FY2025, they declined by 9% YoY to Rs. 335/bag. In FY2024, the average prices stood at ~Rs. 365/bag over Rs. 375/bag in FY2023.
- **Slight increase in petcoke prices; coal and diesel prices lower in February 2025 on YoY basis:** In February 2025, coal prices declined by 1% YoY to \$124/MT and petcoke prices were higher by 3% YoY at Rs. 11,970/MT. Diesel prices declined by 2% YoY to Rs. 88/litre. In 11M FY2025, the prices of coal, petcoke and diesel were lower by 25%, 15% 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 a decline in cement prices.



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