

INDIAN CEMENT SECTOR

Cement volumes up by 12% YoY in Q4 FY2025

APRIL 2025



Agenda





Trends in cement production



Region-wise trends in cement prices



Trends in input cost



Outlook







Overview

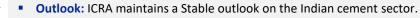


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In March 2025, cement volumes stood at 46.5 million MT, an increase of 12% YoY.

In FY2025, the volumes increased by 6.3% to 453.0 million MT on a YoY basis.



Cement volumes higher by 12% YoY in March 2025: In March 2025, cement volumes were 46.5 million metric tonnes (MT), up by 12% YoY. In FY2025, the volumes increased by 6.3% YoY to 453.0 million MT. ICRA expects cement volumes to grow by 6-7% YoY to 480-485 million MT in FY2026, backed by sustained demand from the housing and infrastructure sectors.



- Average cement prices increased by 3% YoY in March 2025: In March 2025, the average cement prices grew by 3% YoY to Rs. 350/bag. In FY2025, cement prices declined by 7% YoY to Rs. 340/bag. In FY2024, the average prices stood at ~Rs. 365/bag over Rs. 375/bag in FY2023.
- Increase in petcoke prices; coal and diesel prices stable in April 2025 on YoY basis: In April 2025, coal prices increased by 1% YoY to \$122/MT and petcoke prices were higher by 12% YoY at Rs. 12,960/MT. The petcoke prices were stable on a MoM basis. Diesel prices were stable at Rs. 88/litre on a YoY basis. In FY2025, the prices of coal, petcoke and diesel were lower by 23%, 13% and 2%, respectively, on a YoY basis, leading to reduced input costs.
- Improvement in operating margins: The operating margins for ICRA's sample set of companies are likely to improve by 70-120 bps to 16.3-16.8% in FY2026, on account of marginal hike in cement prices and stable input costs.

ICRA's sample includes ACC Limited (ACC), Ambuja Cements Limited (ACL), JK Cements Limited (JKCL), JK Lakshmi Cement Limited (JKLC), The India Cements Limited (ICL), The Ramco Cements Limited (RCL), UltraTech Cement Limited (UCL), Dalmia Bharat Limited (DBL), Birla Corporation Limited (BCL), Shree Cement Limited (SC), Sagar Cements Limited (SCL), and Heidelberg Cement India Limited (HCL) WWW.icra.in



ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Ashish Modani	Senior Vice-President and Group Head	ashish.modani@icraindia.com	022 – 6169 3300
Anupama Reddy	Vice President and Co-Group Head	anupama.reddy@icraindia.com	040 – 6939 6427
Abhishek Lahoti	Sector Head and Assistant Vice-President	abhishek.lahoti@icraindia.com	040 – 6939 6433
Hemanth Vasishta Attaluri	Senior Analyst	vasishta.attaluri@icraindia.com	040 – 6939 6419





Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<u>shivakumar@icraindia.com</u>	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	<u>communications@icraindia.com</u>	0124-4545860







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