

South erases East India gains

We expect the cement industry to report further QoQ recovery in Q4FY25, followed by a sequential improvement in Q3FY25. Q4 recovery is likely to be driven by higher volume, better cement prices, and operating leverage benefit. However, the recent uptick in petcoke prices coupled with likely revision on royalty for limestone would result in margin peaking in Q4FY25 in the absence of any price hike.

Pan-India average price down INR 1 per 50kg bag in March: As per our interactions with dealers, sales executives and C&F agents, the cement industry failed to show broad-based positive uptick in cement prices in March as price hikes in most pockets had to be rolled back due to increased competitive pricing and year-end volume push. Thus, all-India average retail price dropped INR 1 per 50 kg bag MoM to INR 366 in March. South India reported the highest price cut of INR 7 per bag, followed by INR 4 per bag each in Central and West India. East India was the only region, which reported a price increase of INR 9 per bag. Prices in North India were largely stable MoM.

Price hike announcement likely in April: On the demand side, market intermediaries indicate current month demand is better than the previous month in most pockets and year-end volume push by cement firms in the remaining days of the month would lead to further pickup in cement volume for the industry. While overall demand trend is healthy, limited labor availability post *Holi* in select markets and liquidity constraints due to delayed payments for government projects have posed challenges. Market intermediaries expect cement firms to announce price hikes in April, with South India likely to see the sharpest hike announcement. However, market intermediaries are of the view that most of the announced price hike may be rolled back due to competition.

All-India Q4FY25 average price up ~3% QoQ but flat YoY: As per our channel checks, all-India average cement price is up ~3% QoQ but largely flat YoY in Q4FY25. The highest QoQ rise of ~4% each was seen in East, North and West India, followed by ~3% increase in Central India. South India was broadly flat QoQ.

East outperforms, Central India mixed; North India steady: Prices in East India and a few pockets of Central India have risen in March. In contrast, prices remain stable MoM in North India. In East India, Jharkhand saw the highest price rise of INR 15/bag, followed by an INR 10/bag each increase in Bihar, Chhattisgarh and West Bengal while Odisha was flat MoM. In Central India, prices in East Uttar Pradesh rose INR 5/bag while West Uttar Pradesh was flat MoM. On the other hand, prices in Madhya Pradesh were down by INR 10/bag. In North India, the early-March price hike attempt did not materialize, resulting in flat prices MoM across Delhi, Rajasthan, and Punjab.

Price cuts in South India: After witnessing a stable trend in the past two months, March was a disappointing month for the region as cement prices came under pressure. Tamil Nadu, Andhra Pradesh, and Telangana saw a price fall of INR 10/bag each, followed by a price cut of INR 5/bag in Kerala. Prices in Karnataka were flat MoM.

In West India, Gujarat softens, Maharashtra largely steady: After witnessing a price uptick for the past three months, cement prices in Gujarat have fallen by INR 10/bag in March. On the other hand, Maharashtra continues to witness a stable price trend for the second consecutive month.

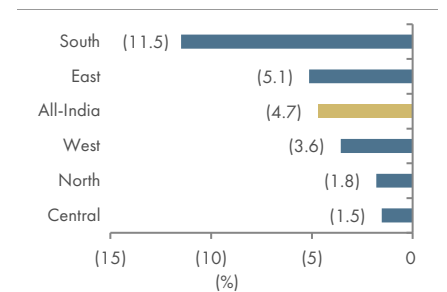
All-India average price largely flat MoM in March

	Mar-25 (INR/bag)	YoY (%)	MoM (%)
Central			
Allahabad	5	7.3	1.1
Meerut	0	6.4	0.0
Sagar	(10)	3.2	(3.0)
Bhopal	(10)	4.5	(2.8)
East			
Patna	10	2.9	2.9
Raipur	10	1.7	3.5
Ranchi	15	8.7	4.2
Bhubaneswar	0	2.9	0.0
Kolkata	10	11.8	2.7
North			
Delhi	0	(1.4)	0.0
Jaipur	0	11.3	0.0
Amritsar	0	3.7	0.0
Chandigarh	0	3.8	0.0
South			
Bengaluru	0	(3.8)	0.0
Chennai	(10)	(6.7)	(3.4)
Hyderabad	(10)	(7.5)	(3.1)
Trissur	(5)	(5.4)	(1.4)
Vizag	(10)	(8.8)	(3.1)
West			
Ahmedabad	(10)	1.3	(2.6)
Surat	(10)	2.7	(2.6)
Mumbai	0	7.8	0.0
Nagpur	0	1.5	0.0
Nashik	0	2.9	0.0
All India	(1.2)	2.5	(0.3)

Note: MoM movement in retail prices as on 24 March 2025;
Source: Elara Securities Research



All-India average cement price down ~5% in FY25



Source: Elara Securities Research

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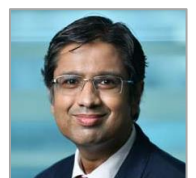
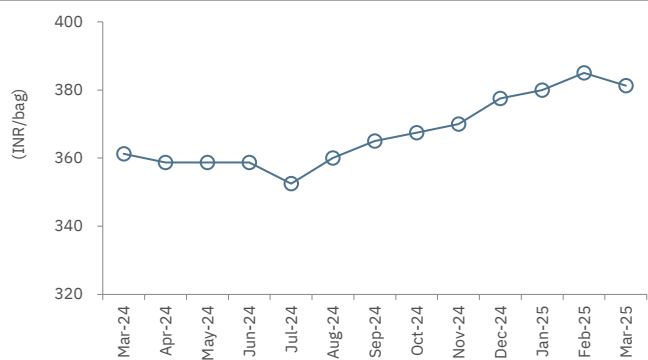


Exhibit 1: Q4FY25 average prices ~3% above Q3FY25 average

(INR/bag)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Variance (%)*	Comments
Central region average	380	367	359	359	372	382	2.8	MoM recovery in demand visible in Uttar Pradesh post conclusion of <i>Maha Kumbh</i>
Eastern region average	369	342	335	320	331	345	4.2	Eastern states, barring Odisha, have seen a positive MoM uptick in cement prices in March
Northern region average	405	390	375	369	384	398	3.7	Volume loss due to <i>Holi</i> in March, which is likely to be offset by increased volume push in the remaining days
Southern region average	395	363	348	331	331	331	0.0	Market intermediaries expect announcement of a sharp price hike in April
Western region average	383	370	357	353	362	375	3.6	Some parts of Maharashtra may see an announcement of a sharp price hike of up to INR 40/bag while Gujarat pockets could witness an increase of INR 5/bag
All India average	386	366	355	347	356	366	2.9	

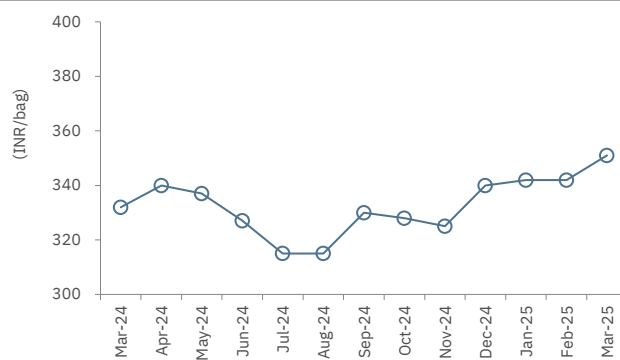
Note: *Variance between average of Q4FY25 and Q3FY25; Source: Elara Securities Research

Exhibit 2: Central India – Price down INR 4/bag MoM in March



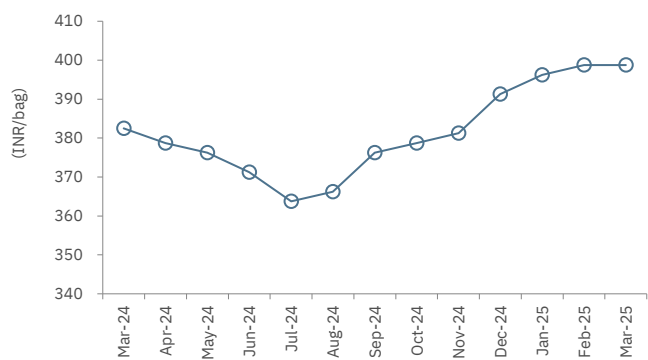
Source: Elara Securities Research

Exhibit 3: East India – Price up INR 9/bag MoM in March



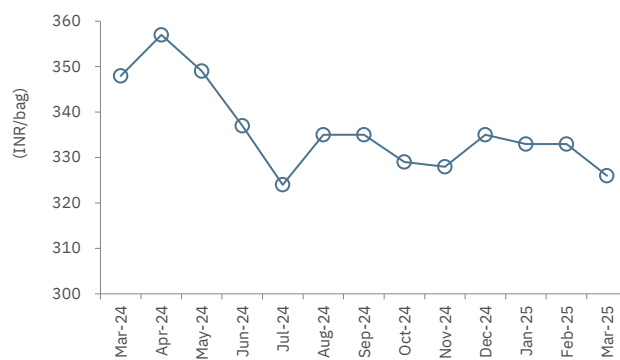
Source: Elara Securities Research

Exhibit 4: North India – Price flat MoM in March



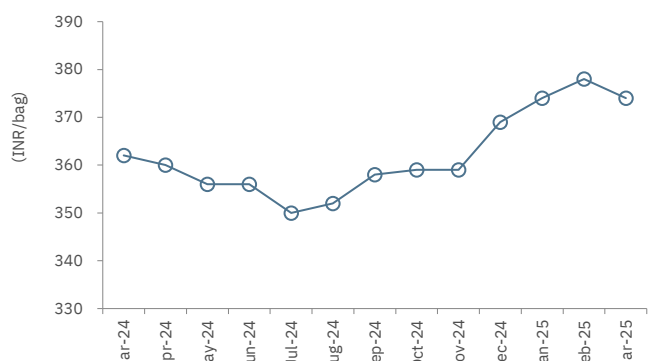
Source: Elara Securities Research

Exhibit 5: South India – Price down INR 7/bag MoM in March



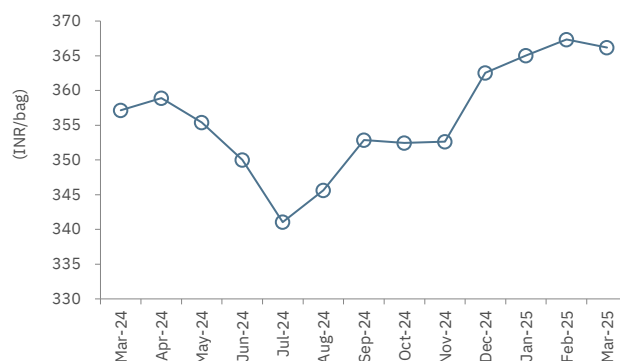
Source: Elara Securities Research

Exhibit 6: West India – Price down INR 4/bag MoM in March



Source: Elara Securities Research

Exhibit 7: Pan-India price down INR 1/bag MoM in March



Source: Elara Securities Research

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