

EXTERNAL ENVIRONMENT

CAPITALISING ON ATTRACTIVE OPPORTUNITIES

India's economy continues to show a strong growth trajectory. Benefiting from this growth drive, the country's cement industry is also growing steadily, notwithstanding short-term challenges such as input cost inflation. India's cement industry, the second largest in the world, and accounting for over 7% of the global installed capacity of cement, is estimated to grow at a CAGR of 4.94% between 2023-28.

Evolving landscape

Growth in the cement industry in India is driven by the rapid execution of infrastructure projects, and strong traction in the housing, commercial and industrial segments.

GDP Growth

Despite the global downturn, the Indian economy grew by 7.2% in FY 2022-23, making it the fastest-growing major economy in the world. The trend is expected to continue with the Indian economy slated to become the third largest in the next few years.

Low per capita cement consumption

India's per capita consumption at 240-250 kg, against the world average of 500-550 kg, is one of the lowest in the world, even behind countries such as Brazil and Indonesia.

Favourable demographics

India's working-age population stood at 60.7% in 2011, steadily increasing to 65.1% by 2031. A growing population with disposable income is likely to create more demand for housing and infrastructure, and thereby greater demand for cement.

Growing urbanisation

Urban population is expected to be at 675 million by 2035, up from 483 million in 2020, creating needs for residential facilities and commercial construction.

Govt push for housing and infrastructure

The government's focus on affordable housing and infrastructure development contributes significantly to the increasing demand for cement and building materials.

Government schemes that provide impetus to the sector

PM Gati Shakti - National Master Plan (NMP)

This ongoing project focuses on multimodal connectivity, encompassing industrial corridors, electronics, pharma clusters, aviation expansion, railway projects, and DFCs, among others.

Urban planning

The government plans to implement urban planning to create sustainable cities for the future. For this, an Urban Infrastructure Development Fund will be established with an annual budget of ₹10,000 crore.

Sustainability and innovation

The government has allocated funds to support sustainability and innovation in the cement sector, including investment in research and development of low-carbon technologies and providing incentives for companies to adopt green practices.

National highway expansion

The government allocated ₹20,000 crore to expand the national highway network by 25,000 km, boosting the infrastructure segment.

Affordable housing

The allocation for PM Awas Yojana (PMAY) for building affordable houses in metropolitan, semi-urban urban and rural areas has been increased by 66% to over ₹79,000 crore in the Union Budget for 2023-24.

₹110 trillion

Worth of mega projects in the National Infra Pipeline to be monitored under PM Gati-Shakti

9.2%

Estimated CAGR growth of India's real estate market by 2028

How we intend to make use of the opportunities

Capacity Expansion

3x

Expansion between 2014 to 2023

PLANNED 3x

Expansion by 2030

Sustainability and Innovation

60%

Clean energy portfolio by 2030

30%

TSR by 2030

Digitalisation and Innovation

SAATHI APP

For sales

AIKYAM APP

For multiple business verticals of group