

# INDIAN CEMENT SECTOR

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**Production volumes up by 8.6% YoY  
in FY2026**

**April 2026**

**#35YearsofUnwaveringCredibility**



## 1 Trends in cement production



## 2 Region-wise trends in cement prices



## 3 Trends in input costs



## 4 Outlook



## 5 ICRA ratings in the sector





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*In FY2026, production volumes increased by 8.6% to 491.4 million MT.*



- **Cement production volumes increased by 4.0% on a year over year (YoY) basis in March 2026** to 48.4 million metric tonnes (MT), on a high base. In FY2026, the volumes were 8.6% higher than the corresponding period of FY2025. ICRA expects cement volumes to grow by 7-8% in FY2027, supported by sustained demand from the housing and the infrastructure sectors.

- **Average cement prices remained flat in March 2026** at Rs. 340/bag on a month-on-month (MoM) basis. In FY2026, prices increased by 2% to Rs. 345/bag on year-on-year (YoY) basis.

- **Coal prices** declined by 17% (YoY) to \$102/MT in April 2026. Petcoke prices, however, increased sharply by 19% MoM and 22% YoY to ~Rs. 15,800/MT in April 2026. Petcoke prices were higher by ~5% YoY in FY2026. Diesel prices remained steady. Looking ahead, coal, petcoke and diesel prices are expected to trend higher in FY2027 and remain exposed to risks from ongoing West Asia conflict.

- **Operating margins** for ICRA's sample set of companies are estimated to moderate by 200-400 basis points (bps) in FY2027 on account of a likely increase in input costs, with further downside risks due to the ongoing conflict in West Asia, which would impact the crude prices. However, the debt protection metrics are projected to remain comfortable. ICRA maintains a Stable outlook on the Indian cement sector.



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