

INDIAN CEMENT SECTOR

**Cement volumes up by 7% YoY in
April 2025**

MAY 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 April 2025, cement volumes stood at 39.2 million MT, an increase of 7% YoY

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



- **Outlook:** ICRA maintains a Stable outlook on the Indian cement sector.



- **Cement volumes higher by 7% YoY in April 2025** at 39.2 million metric tonnes (MT). 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 6% YoY in April 2025** to Rs. 360/bag. In FY2025, cement prices declined by 7% YoY to Rs. 340/bag.



- **In May 2025, coal prices increased by 1% YoY to \$116/MT** and petcoke prices were lower by 6% YoY at Rs. 10,880/MT. Diesel prices were stable at Rs. 88/litre on a YoY basis. In 2M FY2026, the prices of coal and petcoke were higher by 1% and 3%, respectively, and diesel prices were stable on a YoY basis .



- **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 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	Assistant Vice-President and Sector Head	abhishek.lahoti@icraindia.com	040 – 6939 6433
Hemanth Vasishta Attaluri	Senior Analyst	vasishta.attaluri@icraindia.com	040 – 6939 6419





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	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 – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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