

# INDIAN CEMENT SECTOR

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**Cement volumes up by 8% YoY in Q1  
FY2026**

**JULY 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 June 2025, cement volumes increased by 9% YoY to 41.3 million MT.*

*In Q1 FY2026, the volumes increased by 8% to 120.0 million MT on a YoY basis*



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



- **Cement volumes higher by 9% YoY in June 2025** at 41.3 million metric tonnes (MT). In Q1 FY2026, the volumes increased by 8% YoY to 120.0 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 7% YoY in June 2025** to Rs. 355/bag. In Q1 FY2026, the prices were up 7% YoY at Rs. 360/bag on account of price hikes undertaken by cement companies amid healthy demand. In FY2025, cement prices declined by 7% YoY to Rs. 340/bag.



- **In July 2025, coal prices declined by 21% YoY to \$103/MT** and petcoke prices were lower by 3% YoY at Rs. 10,860/MT. Diesel prices were stable at Rs. 88/litre on a YoY basis. In 4M FY2026, the prices of coal were lower by 10% YoY while petcoke 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 80-150 bps to 16.3-17.0% in FY2026 due to expected hike in cement prices and stable input costs.



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