

INDIAN CEMENT SECTOR

**Cement volumes up by 9% YoY in
4M FY2026**

AUGUST 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 4M FY2026, the volumes increased by 9% to 157.3 million MT on a YoY basis.



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



- **Cement volumes higher by 12% YoY in July 2025** at 37.5 million metric tonne (MT). In 4M FY2026, the volumes increased by 9% YoY to 157.3 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 9% YoY in July 2025** to Rs. 350/bag. In 4M FY2026, the prices were up 7% YoY at Rs. 355/bag on account of price hikes undertaken by the cement companies amid healthy demand. In FY2025, cement prices declined by 7% YoY to Rs. 340/bag.



- **In Aug 2025, coal prices declined by 12% YoY to \$101/MT** and petcoke prices were lower by 1% YoY at Rs. 11,217/MT. Diesel prices were stable at Rs. 88/litre on a YoY basis. In 5M 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 90-180 bps to 16.5-17.5% in FY2026, on account of expected hike in cement prices and stable input costs.



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