

INDIAN CEMENT SECTOR

**Cement volumes up by 8% YoY in
H1 FY2026**

OCTOBER 2025



1 Trends in cement production



2 Region-wise trends in cement prices



3 Trends in input cost



4 Outlook



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In H1 FY2026, the volumes increased by 8% to 228.9 million MT on a YoY basis.



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



- **Cement volumes increased by 5% YoY in September 2025** to 35.8 million metric tonnes (MT). In H1 FY2026, the volumes increased by 8% YoY to 228.9 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 2% YoY in September 2025** to Rs. 341/bag. In H1 FY2026, the prices were up 6% YoY at Rs. 346/bag, while it declined by 3% on a QoQ basis on account of monsoons and festive disruptions. In FY2025, cement prices declined by 7% YoY to Rs. 338/bag.



- **In October 2025, coal prices declined by 17% YoY to \$108/MT** and petcoke prices increased by 18% YoY at Rs. 12,000/MT. Diesel prices were stable at Rs. 88/litre on a YoY basis. In 7M FY2026, coal prices were lower by 12% YoY, while petcoke prices increased by 3%. Diesel prices remained 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 an expected hike in cement prices and range-bound input costs.



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