

INDIAN CEMENT SECTOR

**Cement volumes up by 9.1% YoY in
9M FY2026**

JANUARY 2026



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 9M FY2026, the volumes increased by 9.1% to 350.4 million MT on a YoY basis.



- **Cement volumes increased by 13.5% year over year (YoY) in December 2025** to 44.7 million metric tonnes (MT). In 9M FY2026, the volumes rose by 9.1% YoY to 350.4 million MT. ICRA expects cement volumes to grow by 6-7% in FY2027, following an anticipated 6.5-7.5% growth in FY2026, supported by sustained demand from the housing and infrastructure sectors.



- **Average cement prices decreased by 1% in December 2025** to Rs. 330/bag. In 9M FY2026, the prices were up by 4% at Rs. 345/bag. In FY2025, cement prices declined by 7% YoY to Rs. 340/bag.



- **Coal prices remain under pressure**, declining by 16% YoY to \$104/MT in January 2026 and by 13% during 10M FY2026. However, petcoke prices increased by 10% YoY to Rs. 12,280/MT in January 2026 and by 7% during 10M FY2026. Diesel prices remained steady.



- **Moderation in operating margins:** The operating margins for ICRA's sample set of companies are likely to increase to 16.5-17.5% in FY2026. The same is expected to moderate by 100-200 basis points (bps) in FY2027 on account of increased input costs. ICRA maintains a Stable outlook on the Indian cement sector.

ICRA's sample set includes ACC Limited (ACC), Ambuja Cements Limited (ACL), JK Cements Limited (JKCL), JK Lakshmi Cement Limited (JKLC), The Ramco Cements Limited (RCL), UltraTech Cement Limited (UCL), Dalmia Bharat Limited (DBL), Birla Corporation Limited (BCL), Shree Cement Limited (SC), Sagar Cements Limited (SCL) and Heidelberg Cement India Limited (HCL), which account for 74% of total installed capacities.



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