

INDIAN CEMENT SECTOR

Cement volumes up by 9.3% YoY in 10M FY2026

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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 10M FY2026, the volumes increased by 9.3% to 397.7 million MT on a YoY basis.



- **Cement volumes increased by 10.7% year over year (YoY) in January 2026** to 47.3 million metric tonnes (MT). For 10M FY2026, the volumes were 9.3% higher than the corresponding period of FY2025. ICRA expects cement volumes to grow by 7-8% in FY2027, followed by anticipated 8-9% growth in FY2026, supported by sustained demand from the housing and infrastructure sectors.



- **Average cement prices grew by 4% in January 2026** to Rs. 340/bag month-on-month (MoM). In 10M FY2026, the prices were up by 3% 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 \$105/MT in February 2026 and by 13% during 11M FY2026. However, petcoke prices increased by 4% YoY to Rs. 12,500/MT in February 2026 and by 6% during 11M 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 margins are expected to moderate by 100-300 basis points (bps) in FY2027 on account of a likely increase in input costs. ICRA maintains a Stable outlook on the Indian cement sector.



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