

# INDIAN CEMENT SECTOR

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**Production volumes up by 9.2% on a YoY basis in 11M FY2026**

**MARCH 2026**



## 1 Trends in cement production



## 2 Region-wise trends in cement prices



## 3 Trends in input costs



## 4 Outlook



## 5 ICRA ratings in the sector





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*In 11M FY2026, production volumes increased by 9.2% to 443.2 million MT on a YoY basis.*



- **Cement production volumes increased by 9.3% on a year over year (YoY) basis in February 2026** to 45.9 million metric tonnes (MT). In 11M FY2026, the volumes were 9.2% higher than the corresponding period of FY2025. ICRA expects cement volumes to grow by 7-8% in FY2027, followed by an anticipated 8-9% growth in FY2026, supported by sustained demand from the housing and the infrastructure sectors.



- **Average cement prices grew by 1% in February 2026** to Rs. 340/bag on a month-on-month (MoM) basis. In 11M FY2026, prices increased by 2% to Rs. 345/bag. In FY2025, cement prices declined by 7% (YoY) to Rs. 340/bag.



- **Coal prices** declined by 17% (YoY) to \$103/MT in March 2026 and by 14% in FY2026. Petcoke prices, on the other hand, increased by 7% on a MoM basis and by 3% on a YoY basis to Rs. 13,360/MT in March 2026\* and by 5% in FY2026. Diesel prices remained steady. The prices of coal, petcoke and diesel are expected to increase in FY2027 and remain exposed to geopolitical conditions.



- **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 200-400 basis points (bps) in FY2027 on account of a likely increase in input costs, with further downside risks due to the ongoing conflict in West Asia, which would impact the crude prices. ICRA maintains a Stable outlook on the Indian cement sector.



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