

# INDIAN CEMENT SECTOR

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Volumes up by 8.4% YoY in May  
2026

June 2026

#35YearsofUnwaveringCredibility



## 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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Production volumes increased by 8.3% YoY in 2M FY2027 to 85.3 million MT. In FY2026, the same rose by 8.6% YoY to 491.4 million MT.



- **Cement production volumes increased by 8.4% year-on-year (YoY) in May 2026** to 42.9 million metric tonnes (MT). In FY2026, volumes were 8.6% higher than FY2025. ICRA expects cement volume growth to moderate to 6-7% in FY2027, as it remains exposed to downside risks with GDP growth expected to be softer compared to the earlier estimates.



- **Average cement prices decreased by ~1% in May 2026** to Rs. 350/bag on a month-on-month (MoM) basis. In FY2026, the prices increased by 2% to Rs. 345/bag YoY.



- **Coal prices remained largely flat YoY in Q1 FY2027 but increased by ~10% MoM** to around \$125/MT in June 2026. Similarly, petcoke prices rose by ~39% YoY to Rs. 16,130/MT in Q1 FY2027, while average diesel prices increased by ~6% YoY to Rs. 93/litre during the quarter and by ~9% YoY to Rs. 95/litre in June 2026. Going ahead, petcoke, diesel and coal prices are expected to remain high, supported by volatility in Brent crude amid evolving geopolitical developments, which are likely to keep the overall fuel costs at elevated levels.



- **The operating margins for ICRA's sample set of companies are likely to decline by 1.5-2.5% in FY2027** on account of a likely increase in input costs, with further downside risk from volatility in petcoke/diesel prices due to uncertainty in West Asia region, which would impact crude prices. ICRA maintains a Stable outlook on the Indian cement sector.



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