

# INDIAN TYRE INDUSTRY

---

**Sharp spike in crude prices to exert pressure on margins in FY2027**

**MARCH 2026**

## 1 Trend in quarterly performance



## 2 Tyre demand



## 3 Trend in exports and imports



## 4 Tyre supply



## 5 Raw material price trends



## 6 Financial forecasts



## 7 Peer comparison





[Click to see full report](#)

*Domestic tyre demand is estimated to grow by 5-7% in FY2027, with continued stable growth in replacement demand.*

*Tyre exports are under pressure as escalating West Asia conflict impacts shipping routes and results in increase in freight costs.*

*Operating margins to contract in FY2027, with likely spike in raw material costs owing to sharp increase in crude prices.*



- **Domestic tyre demand growth is estimated at 5-7% (in units) in FY2027**, driven by steady replacement demand (5-7%), while original OE# growth is expected to moderate to 4-6% (from 6-8% estimated for FY2026) owing to high base.



- **Industry revenues grew by 12.5%\*\* on a year-over-year (YoY) basis in 9M FY2026**, supported by healthy domestic and export volumes. Growth in realisations has been aided by better product mix and some price hikes.



- **ICRA expects revenue for its sample set of seven\* major tyre manufacturers to grow by 6-8% in FY2027**, driven by healthy growth in domestic volumes.



- **Tyre exports are likely to remain under pressure**, given the logistical challenges and increased freight costs owing to the West Asia conflict. Moreover, exports to West Asia, which account for 8-10% of India's tyre exports. While the ongoing geopolitical tensions remain an overhang, a likely diversification to other countries is expected to minimize the impact



- **Tyre import volumes declined YoY by 10% in FY2025 and 5% in 10M FY2026**. The share of imports in the total demand pie is less than 5% and is unlikely to materially affect domestic capacity utilisation.



- **Operating margins are expected to contract in FY2027** owing to the increase in raw material costs, given the sharp spike in crude prices since March 2026 as the West Asia conflict impacted the crude supply chain. Intense competition limits tyre manufacturers' ability to take timely and adequate price hikes.



- **Capex investments are projected to be range-bound at 7-10% of revenue in FY2027**, which would include spends on brownfield capacity expansions, de-bottlenecking, efficiency improvements, R&D, and maintenance.

\*The seven entities in the sample set are Apollo Tyres Limited, Bal Krishna Industries Limited, CEAT Limited, Goodyear India Limited, JK Tyre & Industries Limited, MRF Limited and TVS Srichakra Limited; #Original Equipment Manufacturers segment



ICRA

# Analytical Contact Details

Name	Designation	Email	Contact Number
Jitin Makkar	Senior Vice-President and Group Head	<a href="mailto:jitinm@icraindia.com">jitinm@icraindia.com</a>	0124- 4545 368
K. Srikumar	Senior Vice-President and Co-Group Head	<a href="mailto:ksrikumar@icraindia.com">ksrikumar@icraindia.com</a>	044 - 4596 4318
Nithya Debbadi	Assistant Vice-President and Sector Head	<a href="mailto:nithya.debbadi@icraindia.com">nithya.debbadi@icraindia.com</a>	040 – 6939 6416
Etikala Ravi Teja	Senior Analyst	<a href="mailto:etikala.teja@icraindia.com">etikala.teja@icraindia.com</a>	044 – 6939 6418





ICRA

# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Sai Krishna	Head – Research Sales and Investor connect	<a href="mailto:Sai.krishna1@icraindia.com">Sai.krishna1@icraindia.com</a>	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	<a href="mailto:rohitg@icraindia.com">rohitg@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vinita Baid	Head Business Development – East	<a href="mailto:vinita.baid@icraindia.com">vinita.baid@icraindia.com</a>	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	<a href="mailto:sanket.kulkarni@icraindia.com">sanket.kulkarni@icraindia.com</a>	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





***© Copyright, 2026 ICRA Limited. All Rights Reserved.***

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**#35YearsofUnwaveringCredibility**



ICRA

35  
Years of  
Unwavering  
Credibility

# Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public