

Tyre makers move up the value chain—via TN

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Over the few years—especially in FY26—Tamil Nadu has witnessed a dynamic phase in tyre manufacturing, cementing its position as a key production hub for both domestic and global players. What began as additional capacity to serve OEM and replacement demand has evolved into flagship facilities within global networks, driving innovation, premiumisation, and export growth. The state now accounts for about one-fourth of India's tyre exports.

While TN has long been home to tyre makers such as MRF and TVS Srichakra (Eurogrip), other leading domestic players—including Apollo Tyres, JK Tyre, and CEAT—have made substantial investments in manufacturing facilities near Chennai. Together, these three companies have invested close to ₹12,000 crore, with CEAT currently undertaking a fresh expansion worth ₹1,314 crore.

Global players are also strengthening their footprint. France-based Michelin has positioned Chennai as a strategic production hub, investing around ₹3,400 crore in its Thervoy Kandigai facility. In recent quarters, factories around Chennai have expanded not only in scale, but also in sophistication, steadily enhancing capabilities alongside capacity.

“Our Oragadam plant has emerged as a flagship facility, producing premium, high-performance radial tyres for passenger vehicles as well as truck and bus segments. Equipped with advanced automation and manufacturing technologies, the plant enables the company to move up the value chain into higher-margin, technologically advanced tyres, which are increasingly in demand from both domestic and global automobile manufacturers,” said Neeraj Kanwar, VC & MD of Apollo Tyres.

Apollo Tyres has so far invested around ₹5,500 crore in its Chennai operations, with an annual capacity of 5.4



QUALITY FOCUS: TN is a top-tier exporter

million passenger car radial tyres and 4.4 million commercial vehicle tyres. The company is now sharpening its focus on R&D, particularly in Chennai.

According to Anshuman Singhania, MD of JK Tyre, the company's Chennai facility plays a critical role in its portfolio, contributing about 26% to overall

production and revenue. It has invested more than ₹2,600 crore in the plant, which has a capacity of 350 tonnes per day for passenger car and truck and bus radial tyres. In recent years, JK Tyre has upgraded the facility to focus on premium products while also advancing sustainability initiatives, including tyres made with up to 80% sustainable and recycled materials.

Mumbai-headquartered CEAT is expanding its Chennai operations with a ₹1,314 crore capex plan approved earlier this year. The expansion, to be completed in phases by the second half of FY28, will add capacity for 3.5 million passenger car tyres. The plant has also introduced a new production line for truck and bus radial tyres and adopted AI and IoT-driven manufacturing practices. Its production capabilities have expanded significantly, from about 100 types of tyres in 2020 to nearly 350 currently.

Premiumisation has emerged as a key trend in the automotive sector, driven by

rising safety awareness and increasing demand for larger rim sizes, higher-performance tyres, and lower rolling resistance. Also, growing acceptance of Indian tyres in overseas markets has prompted manufacturers to build dedicated export capacities, particularly for premium products, which offer better realisations and higher margins, said K Srikumar, Sr VP & Co-Group Head, Icara.

Homegrown leaders such as MRF and TVS Srichakra continue to reinforce Tamil Nadu's manufacturing base. MRF is preparing to set up a new facility in the state, while TVS Srichakra, after completing a ₹1,000 crore capacity expansion, is pursuing further brownfield expansions and planning its entry into the tractor tyre segment.

Meanwhile, Michelin has transformed its Chennai plant into a key global manufacturing hub, producing around 54,000 tonnes of tyres annually across multiple segments, including truck, bus, and passenger vehicles.