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INDUSTRY ANALYSIS

TYRE SCRAP IMPORT IN INDIA

A comprehensive analysis of uses, cost structures, and profitability for importers and recycling entrepreneurs

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INDIA'S GROWING APPETITE FOR TYRE SCRAP

India ranks amongst the world's largest consumers of rubber and rubber-based products. As demand surges for reclaimed rubber, crumb rubber, and alternative industrial fuels, imported tyre scrap has emerged as a critical raw material powering the nation's recycling and processing sectors.

This imported material feeds diverse industries including crumb rubber manufacturing, rubber reclaim units, retreading facilities, and advanced pyrolysis plants across the country.

PRIMARY SOURCE MARKETS

- United Kingdom
- European Union nations
- United States
- Middle Eastern countries
- Japan

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UNDERSTANDING TYRE SCRAP CLASSIFICATIONS

Definition & Sources

Tyre scrap encompasses used and worn-out vehicle tyres, end-of-life tyres (ELTs), and various processed forms including cut pieces, baled tyres, and shredded materials.

COMMON IMPORT FORMS

- Whole used tyres (cut or baled)
- Tyre chips (50–150 mm)
- Shredded tyre materials
- Pre-processed crumb rubber

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Five Major Uses of Imported Tyre Scrap



Crumb Rubber Production

Tyres undergo shredding and granulation to create versatile crumb rubber for playground flooring, sports tracks, rubber tiles, mats, and rubberised asphalt roads.



Reclaimed Rubber Manufacturing

Through devulcanisation, rubber gains new life in retreaded tyres, footwear soles, conveyor belts, automotive parts, hoses, and industrial gaskets.



Pyrolysis Processing

Thermal decomposition in oxygen-free chambers yields valuable pyrolysis oil for industrial fuel, recovered carbon black, and extracted steel wire.

Steel Recovery Operations

Embedded steel wire is systematically separated and sold as valuable scrap metal, creating an additional revenue stream.

Industrial Fuel Alternative

Tyre chips serve as high-energy substitute fuel in cement kilns and industrial boilers, reducing conventional fuel costs.

Navigating India's Regulatory Framework

- ❏ **Critical Warning:** Import without valid authorisation can result in cargo seizure, significant financial penalties, and legal action. Regulatory compliance is non-negotiable.



Governing Bodies

- Hazardous & Other Wastes Management Rules
- CPCB guidelines
- State Pollution Control Boards
- EPR regulations



Essential Permits

- Import permission documents
- CPCB/State PCB recycling authorisation
- EPR registration for recyclers
- Environmental clearance (pyrolysis units)
- Pollution control systems certification

IMPORT LOGISTICS OVERVIEW

40'

CONTAINER SIZE

High cube containers (HC) are standard for tyre scrap shipments

26

Average Load (MT)

Typical capacity per container ranges from 25–27 metric tonnes

15-45

Transit Days

Shipping duration varies by origin country and routing

Major Indian Ports: Nhava Sheva, Mundra, Chennai, and Tuticorin handle the bulk of tyre scrap imports, with established infrastructure for efficient clearance.

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DETAILED IMPORT COST BREAKDOWN

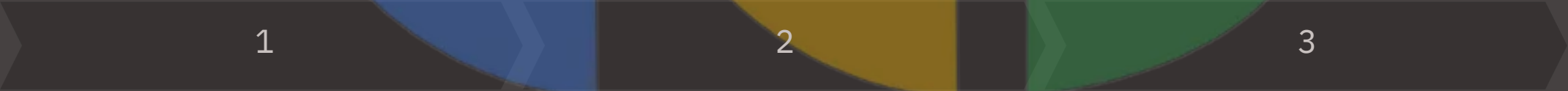
Working example based on one 40' HC container with 26 MT load from international supplier

Base Assumptions

Supplier Price	USD 45/MT
Container Load	26 MT
Ocean Freight	USD 3,000
Insurance & Misc	USD 100
Exchange Rate	₹91/USD

Duty & Tax Structure

Basic Customs Duty: 10% on CIF value
Social Welfare Surcharge: 10% of basic duty
IGST: 18% on CIF + duties



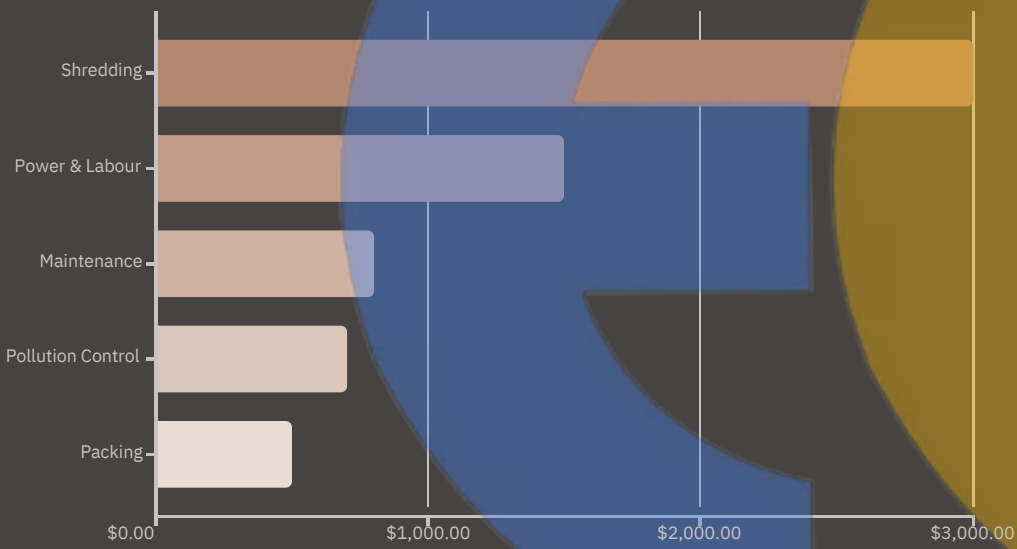
CIF Value
USD 4,270

Total Duties
USD 1,315

Landed Cost
₹19,550/MT

Processing & Total Cost Structure

India-Side Processing Costs



Total processing adds ₹6,500 per MT to landed costs.

₹19,550

Import Landed Cost

Per metric tonne

₹6,500

Processing Cost

Per metric tonne

₹26,050

Total Cost

Final cost per MT

This comprehensive cost forms the baseline for profitability calculations across different product grades and market segments.

MARKET PRICES & PROFIT SCENARIOS

CURRENT MARKET SELLING PRICES

Low-Grade Crumb Rubber	₹20,000 – 25,000/MT
Mid-Grade Crumb Rubber	₹28,000 – 35,000/MT
High-Grade Crumb Rubber	₹38,000 – 45,000/MT
Reclaimed Rubber	₹45,000 – 70,000/MT
Pyrolysis Oil Equivalent	₹30,000 – 45,000/MT

Scenario A: Low Grade

Selling: ₹22,000/MT | Cost: ₹26,050/MT

Loss: ₹4,050/MT ✗

Scenario C: High Grade

Selling: ₹42,000/MT | Cost: ₹26,050/MT

Profit: ₹15,950/MT = ₹4,14,700 per container ✓✓

Scenario B: Mid Grade

Selling: ₹32,000/MT | Cost: ₹26,050/MT

Profit: ₹5,950/MT = ₹1,54,700 per container ✓

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Strategic Success Factors



QUALITY SOURCING

Secure high-quality scrap from reliable international suppliers to ensure optimal processing yields and premium product grades.



PROCESSING EXCELLENCE

Invest in efficient machinery and skilled operators to maximise recovery rates and minimise operational expenses.



FULL COMPLIANCE

Maintain rigorous adherence to environmental regulations and import requirements to avoid penalties and operational disruptions.



FREIGHT OPTIMISATION

Maintain tight control over logistics costs through strategic shipping partnerships and efficient container utilisation.



PREMIUM MARKETS

Focus on higher-value products like mid/high-grade crumb rubber or reclaimed rubber to achieve sustainable margins.



REVENUE DIVERSIFICATION

Capture additional value through steel wire recovery (₹1,000–2,000/MT), carbon black from pyrolysis (₹5,000–10,000/MT), and tyre chip sales to cement plants.

KEY BUSINESS RISKS TO MONITOR

- Import policy changes
- Environmental compliance failures
- Freight rate volatility
- Low-quality scrap supply
- Weak local selling prices
- Regulatory enforcement actions

❏ **Bottom Line:** Tyre scrap import into India is commercially viable when combining quality sourcing, efficient processing, regulatory compliance, and targeting premium product segments. Mid to high-grade outputs can generate ₹1.5–4 lakh profit per container, whilst low-grade production typically results in losses.



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