



# INDIAN TRACTOR INDUSTRY

---

Healthy crop production to support  
industry demand

MARCH 2025



## 1 Industry Outlook – Stable



## 2 Agricultural Production Update



## 3 Key Takeaway from ICRA's Channel Check



## 4 Financing Environment



## 5 Industry Volume Trends



## 6 Tractor Sales – Region-wise Trends



## 7 Domestic Market Share Trends of OEMs



## 8 Peer Comparison





[Click to see full report](#)

*Industry volumes are estimated to grow at a moderate pace of 5-6% in FY2025, followed by a moderate growth rate of 4-7% in FY2026. Demand is expected to sustain over the near term aided by healthy crop production.*



- **Tractor volumes expected to report moderate growth in FY2026:** Industry volumes have grown by ~6% in April-February FY2025 on a YoY basis on account of healthy monsoon season and positive farmer sentiments. ICRA expects the domestic tractor industry's volumes to grow at 5-6% in FY2025, followed by a moderate growth rate of 4-7% in FY2026, basis early indications of a normal monsoon.



- **Reservoir levels across most regions higher than decadal average:** Aided by above normal precipitation across most regions, the reservoir levels remain healthy and are higher than last year as well as the decadal average. As a result, the overall area sown under rabi crops represented a growth of 1.5% compared to the last AY\* till February 4, 2025, as per the data by MA&FW#. Even as the rainfall during winter remained deficient, adequate reservoir storage is likely to support rabi output and consequently farm cash flows.



- **Kharif Advance Estimates indicate rise in production:** The second Advance Estimates for kharif crop for AY2024-25\*, released by MA&FW# on March 10, 2025, indicate a healthy YoY growth in the output of rice, oilseeds and coarse cereals over the final estimates for AY2023-24. Overall, the kharif foodgrain output is anticipated to rise by ~7% YoY to a record-high of 1,663.9 lakh tonnes in AY2024-25.



- **Inventory at normal levels:** ICRA's channel check indicates that inventory levels across dealerships remain normal; financing availability for the industry continues to remain healthy, with delinquency at moderate levels.



- **Tractor original equipment manufacturers (OEMs) maintain strong credit profiles:** The margins of tractor manufacturers are likely to continue to be healthy, aided by expected rise in volumes, favourable product mix and operating leverage. The credit profiles of the OEMs remain robust.

\*AY: Agricultural Year – July to June; #MA&FW: Ministry of Agriculture and Farmers' Welfare



# ICRA Analytical Contact Details

| Name           | Designation                           | Email  | Contact Number  |
|----------------|---------------------------------------|--|-----------------|
| Shamsher Dewan | Senior Vice President & Group Head    | <a href="mailto:shamsherd@icraindia.com">shamsherd@icraindia.com</a>       | 0124 – 4545 328 |
| K. Srikumar    | Senior Vice President & Co-Group Head | <a href="mailto:ksrikumar@icraindia.com">ksrikumar@icraindia.com</a>       | 044 – 4596 4318 |
| Rohan Gupta    | Vice President & Sector Head          | <a href="mailto:rohan.kanwar@icraindia.com">rohan.kanwar@icraindia.com</a> | 0124 – 4545 808 |
| Astha Bansal   | Senior Analyst                        | <a href="mailto:astha.bansal@icraindia.com">astha.bansal@icraindia.com</a> | 0124-4545342    |





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   |
| Neha Agarwal    | Head – Research Sales  | <a href="mailto:neha.agarwal@icraindia.com">neha.agarwal@icraindia.com</a>     | 022-61693338   |
| 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 – Corporate Sector - West & East   | <a href="mailto:vinita.baid@icraindia.com">vinita.baid@icraindia.com</a>       | 033-71501131   |
| Shivam Bhatia   | Head Business Development – Corporate Sector - North & South | <a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>   | 0124-4545803   |
| Naznin Prodhani | Head – Group Corporate Communications & Media Relations      | <a href="mailto:communications@icraindia.com">communications@icraindia.com</a> | 0124-4545860   |





***© Copyright, 2025 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.



ICRA

**Thank You!**