

India Carpet Tiles Market at 10.2% CAGR to Grow from USD 1.26 Billion in 2026 to USD 3.02 Billion by 2035

North India led domestic zonal output with 31.0% share, anchored by the Bhadohi-Mirzapur and Panipat clusters

MAHARASHTRA, INDIA, September 4, 2026 /EINPresswire.com/ -- The [India Carpet Tiles Market](#) is entering a high-growth phase as commercial real estate, textile manufacturing capacity, and sustainable building practices reshape demand across the country. According to the latest Market

Research Future India Carpet Tiles Market report, the market reached USD 1.15 billion in 2025, opens the forecast period at USD 1.26 billion in 2026, and is projected to reach USD 3.02 billion by 2035, expanding at a 10.2% CAGR from 2026 to 2035.

The market is benefiting from increasing adoption of [modular flooring](#) in commercial buildings, expansion of Grade-A office space, growth in domestic textile manufacturing, and stronger demand for recyclable and certified flooring products. Government-backed initiatives such as the Production Linked Incentive scheme for textiles and PM MITRA textile parks are also supporting investment in organized manufacturing capacity.

Commercial Fit-Out Expansion Drives Market Growth

The expansion of Grade-A commercial real estate is one of the strongest growth catalysts for carpet tiles in India. Modern offices increasingly require flooring systems that can accommodate frequent workspace reconfiguration, maintenance, and refurbishment.

The MRFR report identifies Grade-A commercial fit-out expansion as the leading market driver, with an estimated 1.6 percentage-point impact on CAGR. Major office markets including Bengaluru, Hyderabad, and Pune are increasingly incorporating acoustic, recyclability, and performance requirements into flooring specifications.



The expansion of technology companies, global capability centers, coworking spaces, and corporate campuses is therefore creating a larger addressable market for modular flooring solutions.

Modular Flooring Gains Over Roll Goods

Carpet tiles are gaining ground against traditional broadloom and roll-format flooring because individual modules can be replaced without removing an entire floor covering.

This modular characteristic is particularly valuable in high-traffic commercial environments. Damaged or heavily worn sections can be replaced selectively, reducing disruption during refurbishment and supporting longer-term maintenance efficiency.

The shift toward modular formats is also encouraging Indian manufacturers to invest in automated tufting, precision cutting, improved backing systems, and standardized commercial tile dimensions.

PM MITRA and PLI Strengthen Manufacturing Capacity

Government initiatives are playing an increasingly important role in developing India's organized textile manufacturing ecosystem.

The textile Production Linked Incentive scheme has an outlay of approximately INR 10,683 crore, supporting investment in textile production capacity. Meanwhile, seven PM MITRA mega parks approved in 2023 are designed to integrate spinning, processing, backing, finishing, and related textile operations.

For carpet-tile producers, greater integration can improve supply reliability and shorten production lead times. It can also make it easier for manufacturers to scale automated production and meet the consistency requirements of international commercial buyers.

Machine-Tufted Carpet Tiles Represent the Fastest-Growing Product Type

Hand-knotted products retained the largest product-type share at 37.5% in 2025, supported by premium hospitality and export demand. However, the fastest-growing category is machine-tufted carpet tiles, which are projected to expand at an 11.9% CAGR through 2035.

Machine tufting enables higher-volume production and greater consistency, making it well suited to commercial flooring applications.

Hand-tufted products generated approximately USD 0.24 billion in 2025, while needle-punched and other specialty formats generated USD 0.09 billion. Specialty formats are particularly

relevant to exhibition, transit, and temporary installations.

The contrast between hand-crafted value leadership and machine-made volume growth illustrates the dual structure of India's carpet industry.

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Wool Maintains Material Leadership

Wool accounted for 42.8% of the market in 2025, making it the leading material category. Wool continues to benefit from premium specifications, durability, and inherent flame-performance characteristics.

However, synthetic materials are gaining momentum because of their cost advantages and suitability for large-scale commercial applications.

Polypropylene is projected to grow at a 10.9% CAGR, supported by cost-sensitive commercial and residential demand. Polyester, including recycled PET, is expected to grow even faster at 11.4% CAGR, driven partly by increasing demand for recycled-content flooring.

Nylon remains important in heavy-contract environments where durability and extended wear performance are major purchasing considerations.

Recycled PET Creates a Sustainability Opportunity

Sustainability is becoming a stronger purchasing criterion for carpet-tile customers, particularly international commercial buyers.

Recycled PET is gaining traction as manufacturers seek to incorporate recycled content into flooring systems and meet environmental specifications. The report identifies recycled-content and certification demand as a growth driver, with an estimated 0.8 percentage-point impact on CAGR.

Indian manufacturers that combine recycled materials with documented fibre sourcing, production information, and environmental certifications could gain greater access to export and premium commercial projects.

This trend also creates opportunities for take-back systems, recycling partnerships, and closed-loop flooring solutions.

Residential Demand Currently Dominates

The residential segment accounted for 65.6% of consumption in 2025, making it the largest end-user category. Urban housing completions, renovation activity, and demand for decorative flooring contribute to this position.

However, commercial installations are expanding much faster, with a projected 12.7% CAGR through 2035.

Commercial flooring projects typically require more stringent performance, acoustic, fire, durability, and environmental specifications. This creates opportunities for organized manufacturers that can provide technical documentation and consistent product quality.

Over time, commercial applications are therefore expected to become increasingly important to the overall value of the Indian carpet-tile industry.

B2B Direct Sales Reshape Distribution

B2C retail represented 77.2% of distribution-channel share in 2025, supported by showrooms, modern retail, and online consumer purchasing. However, B2B direct sales are projected to grow at a 10.2% CAGR through 2035.

The growth of direct contracting reflects the increasing role of architects, interior designers, project consultants, developers, and facility managers in flooring selection.

Manufacturers are increasingly engaging with specifiers earlier in the building-design process. Digital product catalogues, sample-request platforms, BIM information, and direct project procurement are helping suppliers establish stronger relationships with commercial customers.

North India Leads Manufacturing Output

North India accounted for 31.0% of domestic manufacturing output in 2025, supported by established carpet clusters such as Bhadohi-Mirzapur and Panipat.

These areas benefit from established textile expertise, skilled labor, supplier networks, and access to established export infrastructure.

North India's traditional strength in hand-crafted carpets is increasingly being complemented by investments in modern modular flooring production.

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West India Emerges as a High-Growth Manufacturing Zone

West India is projected to grow at a 12.3% CAGR through 2035, making it one of the fastest-growing manufacturing regions. Gujarat and Maharashtra offer advantages associated with industrial infrastructure, polymer feedstock availability, ports, and proximity to major commercial markets.

The combination of manufacturing infrastructure and logistics connectivity could encourage additional investments in automated carpet-tile production.

South India is also strengthening its position. The region generated approximately USD 0.26 billion in 2025, with Telangana and Karnataka becoming increasingly important for modular flooring capacity.

Asia-Pacific Remains the Largest Destination Region

Asia-Pacific represented 54.0% of demand attributable to Indian production in 2025, making it the largest destination region. Domestic consumption and regional re-export both contribute to this position.

The region benefits from expanding office construction, commercial real estate, hospitality development, and institutional infrastructure.

Indian producers can leverage existing textile manufacturing capabilities to serve regional buyers while competing on cost, product customization, and production flexibility.

Middle East and Africa Offer Fastest Export Growth

The Middle East and Africa region is projected to grow at a 12.4% CAGR through 2035, making it the fastest-growing destination cluster identified in the report.

Gulf hospitality development, commercial construction, office projects, and large-scale developments are creating opportunities for Indian flooring manufacturers.

Saudi Arabia represented 34.8% of the regional market, while the UAE generated approximately USD 0.021 billion in 2025. South Africa is projected to grow at 8.9% CAGR, while Egypt is expected to record a 13.6% CAGR.

India's proximity to Gulf markets and established textile export infrastructure provides manufacturers with an opportunity to expand their presence in these markets.

Tier-2 and Tier-3 Cities Create New Domestic Opportunities

The Indian commercial real-estate market is becoming more geographically diversified. While Mumbai, Bengaluru, Delhi-NCR, Hyderabad, and Pune remain major commercial centers,

growing office and institutional activity in Tier-2 and Tier-3 cities is expanding the potential market.

Cities such as Ahmedabad, Coimbatore, Indore, and Kochi are increasing their Grade-A commercial building stock, creating opportunities for carpet-tile suppliers outside the traditional metropolitan markets.

Manufacturers and distributors that establish local inventory, certified installation networks, and technical support in these cities could capture demand before the market becomes highly competitive.

Circular Tile Systems Open New Revenue Streams

Circularity is emerging as an important opportunity for the Indian carpet-tile industry. Take-back programs can allow manufacturers to recover used tiles, separate materials, and potentially redirect components into new products.

The report identifies circular tile systems and take-back programs as a major opportunity. Such programs can also strengthen relationships with commercial customers by providing a complete flooring lifecycle solution.

This model can shift manufacturers from one-time product sales toward recurring relationships involving replacement, maintenance, reclamation, and recycling.

Report Summary: <https://www.marketresearchfuture.com/reports/india-carpet-tiles-market-22220>

Flooring-as-a-Service Gains Attention

Another emerging opportunity is flooring-as-a-service contracting. Instead of purchasing flooring outright, commercial customers can potentially adopt lease or service-based models that combine installation, maintenance, replacement, and reclamation.

The report identifies this model as an opportunity because it can provide manufacturers with recurring revenue and greater visibility into future replacement requirements.

For large office portfolios, public-sector estates, hospitality chains, and other customers with multiple locations, service-based flooring could become increasingly attractive.

Digital Manufacturing Improves Product Consistency

The transition toward computer-controlled manufacturing is changing India's carpet-production landscape. Automated tufting heads, precision cutting, advanced backing systems, and digital

colour management can improve dimensional consistency and reduce production variation.

The report notes that manufacturers are moving toward processes capable of maintaining tight dimensional tolerances, supporting the quality requirements of modern modular flooring.

Digital manufacturing is especially important for export markets where buyers require consistent dimensions, colour matching, backing adhesion, and batch performance.

Export Markets Strengthen Growth Prospects

India's established reputation as a global carpet producer provides a foundation for expanding into machine-made and modular carpet tiles.

The report notes that India supplies a substantial share of global hand-crafted floor-covering exports. This established international network provides Indian manufacturers with relationships that can potentially be extended into modular commercial flooring.

Export diversification is particularly important because commercial carpet tiles can complement India's existing hand-crafted carpet portfolio and allow manufacturers to participate in larger-volume standardized flooring projects.

Raw Material Costs Remain a Major Challenge

Raw-material price volatility represents one of the largest restraints on market growth. Wool and polypropylene together account for a substantial proportion of tile production costs, exposing manufacturers to fluctuations in fibre and petrochemical prices.

MRFR estimates that raw-material volatility creates approximately 1.2 percentage points of negative impact on CAGR.

Larger integrated manufacturers may be better positioned to manage these fluctuations through purchasing scale, inventory management, supplier agreements, and diversified material portfolios.

Fragmentation and Quality Variance Create Risks

India's carpet industry includes both large organized manufacturers and thousands of smaller businesses. This fragmented structure can create differences in backing quality, dimensional accuracy, colour consistency, and production standards.

The report estimates approximately 0.9 percentage points of negative CAGR impact from supply fragmentation and quality variance.

For large commercial contracts, quality consistency is critical. This creates an opportunity for organized manufacturers with certified production processes and strong quality-control systems to gain market share.

Hard-Surface Flooring Remains a Competitive Threat

Carpet tiles also face competition from [luxury vinyl tile](#), vitrified products, and other hard-surface flooring solutions.

Hard surfaces can appeal to residential and retail customers because of perceived maintenance advantages. In some commercial environments, buyers are responding by combining hard flooring in high-circulation zones with carpet tiles in workspaces.

Consequently, carpet-tile manufacturers need to emphasize modular replacement, acoustic performance, design flexibility, comfort, sustainability, and lifecycle economics.

Competitive Landscape

The India Carpet Tiles Market includes major international flooring companies and Indian manufacturers competing across product innovation, manufacturing scale, sustainability, distribution, and commercial project capabilities.

Key players identified by MRFR include Welspun Living Ltd, Shaw Industries Group Inc., Interface Inc., Tarkett SA, Mohawk Industries Inc., and Surya Carpets Pvt. Ltd.

Other companies profiled in the report include Obeetee, Jaipur Rugs, Milliken & Company, and Responsive Industries.

Competitive strategies increasingly center on modular product development, recycled materials, commercial specifications, direct project sales, manufacturing automation, and circular take-back programs.

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