

July 07, 2026

## BMR HVAC Limited: [ICRA]BBB+ (Stable)/[ICRA]A2; assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Working Capital limits	55.00	[ICRA]BBB+ (Stable); assigned
Short-term – Non fund based – Working Capital limits	5.00	[ICRA]A2; assigned
<b>Total</b>	<b>60.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The ratings assigned for the bank limits of BMR HVAC Limited (BHL) factor in its established presence in the refrigeration and heating, ventilation and air conditioning (HVAC) components industry, and its long relationships with reputed original equipment manufacturers (OEMs), which ensure repeat businesses. The ratings also factor in the extensive experience of promoters and technical competencies, enabling it to cater to diverse client segments. The company has a considerable market share in the domestic market in evaporator and condenser manufacturing for reputed refrigerator OEMs. The same has enabled it to generate a significant portion of its revenues from the repeat clientele, supporting operational stability over the years. These strengths, coupled with sustained demand have enabled BHL to scale up its operating income (OI) to Rs. 463.4 crore in FY2026 (provisional), reflecting a healthy compounded annual growth rate (CAGR) of 21.6% over the past five years. However, the operating profit margin (OPM) moderated marginally to around 9% in FY2026 (provisional) from 9.6% in FY2025 and 12.9% in FY2024, primarily due to an increase in raw material prices and gestation phase of the newly commissioned Greater Noida manufacturing plant in FY2024 and FY2025. Nevertheless, its OPM is expected to improve gradually over the medium term with stabilisation of operational efficiencies at the recently added manufacturing units and increase in revenue from the higher-margin frost free condenser or evaporators. The ratings also consider BHL's comfortable capital structure, as reflected by a gearing of 0.5 times and TOL/TNW of 0.8 times as on March 31, 2026, while the debt coverage metrics remained healthy, characterised by an interest coverage of 7.0 times and Total Debt/OPBDITA of 1.9 times in FY2026.

The ratings are, however, constrained by BHL's moderate scale of operations., despite a steady improvement in revenues in the recent years. The company's operations remain working capital intensive, with NWC/OI at around 25% in FY2026, driven by elongated receivables and inventory holding requirements. Further, BHL's profitability remains susceptible to fluctuations in commodity prices and low value additive nature of manufacturing. The company also faces stiff competition from other key players in the HVAC segment, which could exert pressure on the margins.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company is likely to improve its earnings and coverage metrics, supported by incremental revenues from the planned capex. Further, the outlook underlines ICRA's expectation that the entity's incremental capex will be funded in a manner that it is able to maintain its debt protection metrics commensurate with the existing ratings.

### Key rating drivers and their description

#### Credit strengths

**Established presence in HVAC components industry** – BHL has an established track record with about two decades in HVAC component industry in supplying products such as wire-on-tube condensers, roll bond evaporators, frost-free evaporators, filter driers, heat exchangers and back panel assemblies, among others. Further, extensive experience of the promoters in the industry and technical competencies aid in repeat orders from key customers.

**Established relationships with reputed customers ensure repeat orders** – BHL has established relationships with leading domestic and international consumer durable OEMs, which reflect its good product quality, leading to repeat orders from them. Besides, a healthy presence in the household refrigeration segment has enabled BHL to add new customers, leading to diversification in the customer base. The key brands include Whirlpool, LG Electronics, Godrej, Haier, Samsung, IFB and Dixon among others. Repeat orders from existing customers and continuous addition of new customers supported consistent growth in sales volumes and helped scale up its operating revenues to Rs. 463.4 crore in FY2026 from Rs. 211.8 crore in FY2022.

**Comfortable debt coverage metrics** – BHL's financial profile is characterised by a conservative capital structure with TOL/TNW of 0.8 times as on March 31, 2026, on account of relatively limited reliance on external debt. Further, given the steady earnings, its debt protection metrics remained adequate, characterised by Total Debt/OPBDITA of around 1.9 times as on March 31, 2026, and interest coverage of 7.0 times in FY2026, which is projected to remain comfortable over the medium term.

### Credit challenges

**Moderate scale of operations in an intensely competitive industry, although improving over the years** – BHL's scale of operations is moderate with revenues of around Rs. 463.4 crore in FY2026 (Rs. 409.1 crore in FY2025), which limits the benefits arising from economies of scale. Nonetheless, the company has posted steady revenue growth in the past few years. ICRA expects a steady growth in the company's revenue in the near-to-medium term, supported by repeat business from its key customers and proposed expansion of product portfolio.

**Working capital intensive nature of business, high funding requirement during peak season** – BHL's working capital intensity is around 25% in FY2026 owing to extended receivable days and inventory holding requirements amid seasonal nature of operations. To cater to higher demand during peak seasons (January to June), the company is required to maintain elevated inventory levels and incur higher working capital investment in advance. This results in increased reliance on external borrowings and higher funding requirements during the peak period.

**Susceptibility of profit margins to fluctuations in raw material prices** – BHL's profitability remains susceptible to any fluctuation in the input prices such as aluminium, steel, copper and painting powder prices, driven by global/local demand-supply conditions and other geo-political events. Thus, the company's profitability is also exposed to the fluctuation in the raw material prices. Further, competition in the HVAC components industry is moderately high with the presence of large domestic players, limiting the company's pricing flexibility.

### Liquidity position: Adequate

The liquidity is expected to remain Adequate, driven by steady cash generation from business and adequate buffer in working capital limits. The average working capital utilisation stood at around 78% of the sanctioned limit of Rs. 55 crore over the 12-month period ending in April 2026. Additionally, the company has free cash and bank balances of Rs. 13.5 crore as on March 31, 2026. The company is projected to generate cash flow from operations in the range of Rs. 20-24 crore in FY2027 against the repayment obligations of Rs. 9.5 crore. Further, the company has capex plans of around Rs. 15-20 crore, which are planned to be funded through term loans and the balance through internal accruals. Overall, ICRA expects BHL to be able to meet its near-term commitments through internal cash flow generation comfortably.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the company demonstrates a healthy growth in its revenues and earnings, leading to an improvement in the liquidity position while maintaining comfortable debt coverage metrics on a sustained basis.

**Negative factors** – The ratings could be downgraded if there is a substantial decline in revenue and earnings or if it undertakes any large debt-funded capex, or elongation of working capital cycle, which would adversely impact the liquidity position and debt protection metrics. Specific credit metrics that could trigger ratings downgrade include total debt/ OPBITDA exceeding 2.5 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on BHL's consolidated financial statements and the list of the companies considered for consolidation have been mentioned in Annexure-III

## About the company

BMR HVAC Limited (BHL) was incorporated in December 2007. The company manufactures components used in the refrigeration and HVAC industry, catering to both domestic and commercial refrigeration segments. Its product portfolio includes wire-on-tube condensers, roll bond evaporators, frost-free evaporators, filter driers, heat exchangers and back panel assemblies, with evaporators and condensers. BMR operates manufacturing facilities in Faridabad, Greater Noida and Pune. The company supplies to leading OEMs such as Whirlpool, LG Electronics, Godrej, Haier, Samsung and IFB. BHL is closely held by promoter group entities and individuals, led by the Bagla Group and Marshall Group.

## Key financial indicators (audited)

BHL – Consolidated	FY2025	FY2026*
Operating income	409.1	463.4
PAT	14.3	14.9
OPBDITA/OI	9.6%	9.0%
PAT/OI	3.5%	3.2%
Total outside liabilities/Tangible net worth (times)	0.9	0.8
Total debt/OPBDITA (times)	2.1	1.9
Interest coverage (times)	8.0	7.0

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; \* Provisional numbers

## Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

Instruments	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 7, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund based – Working capital limits</b>	Long-term	55.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-
<b>Non fund based – Working capital limits</b>	Short-term	5.00	[ICRA]A2	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) )	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)

9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based – Working Capital limits	Simple
Short-term – Non fund based – Working Capital limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

## Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term – Fund based – Working Capital limits	NA	NA	NA	55.00	[ICRA]BBB+(Stable)
NA	Short-term – Non fund based – Working Capital limits	NA	NA	NA	5.00	[ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
BMR HVAC Limited	Parent entity	Full consolidation
BMR Refrigeration Technologies Private Limited	100.00%	Full consolidation

Source: Company

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Uday Kumar**

+91 124 4545 867

[uday.kumar@icraindia.com](mailto:uday.kumar@icraindia.com)

**Vilasagaram Nandakishore**

+91 40 6939 6407

[vilasagaram.nandakishore@icraindia.com](mailto:vilasagaram.nandakishore@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While 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 may have provided services other than rating to the issuer rated. 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.