Banco Products (India) Limited

July 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	25.00	CARE AA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation of ratings for bank facilities of Banco Products (India) Limited (BPIL) derive strength from its established position in the radiator segment, diversified business profile with a strong presence across automotive, industrial, agricultural, and other end-user segments, high level of operational integration, long-standing relationships with leading original equipment manufacturers (OEMs), and an extensive distribution network. Ratings also continue to derive comfort from the company’s strong financial risk profile, characterised by healthy profitability, comfortable leverage and debt coverage metrics, robust cash accrual generation, and a strong liquidity position, supported by adequate cash & liquid investments and low fund-based working capital limit utilisation.

However, ratings remain constrained by the company's exposure to cyclical end-user industries, particularly the automobile segment and industrial & earth-moving equipment segment, the demand for which is linked to economic activity. Ratings are also tempered by susceptibility to raw material price volatility, foreign exchange fluctuations arising from global operations, relatively high working capital intensity, and continued high dividend payouts.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in its scale of operations while maintaining operating margins above 19% on sustained basis and net debt free at consolidated level.
- Improvement in operating cycle below 100 days.

Negative factors

- Decline in its scale of operations with TOI of less than ₹2,500 crore and operating margins of less than 12% on a sustained basis
- Any significant debt-funded capex or acquisition, adversely impacting its Total Debt/PBILDT above 1.5x
- Moderation in cash position due to elevated dividend distribution

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view on BPIL and its subsidiaries due to strong management, business and financial linkages among them. Entities considered are listed under Annexure-6.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that BPIL will continue to benefit from its established position in radiators and strong clientele relationship resulting into sustained growth leading to improved business risk profile while maintaining a strong financial and liquidity profile.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and well-established track record of operations

Mehul K Patel is BPIL’s main promoter and brings over 40 years of experience in the automobile and auto-ancillary industry. His sons, Sharan Patel and Shivam Patel, contribute to the business in leadership roles. Sharan Patel supervises the operations of BPIL, while Shivam Patel is in charge of the subsidiary Banco Gaskets (India) Limited (BGIL). Supported by a team of experienced

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited’s publications.

professionals, promoters collectively drive the company's strategic decisions. The board comprises seven directors, including four independent directors, providing adequate oversight and governance.

Improved operational performance in FY26

The company recorded a revenue compounded annual growth rate (CAGR) of ~19% in the last five years, with TOI increasing by 21.8% y-o-y to ₹3,927.96 crore in FY26 (PY: ₹3,224.83 crore), supported by healthy demand across domestic and export markets, higher sales volumes, improved sales realisations, and higher capacity utilisation. Standalone capacity utilisation improved to 80.43% in FY26 from 76.50% in FY25. However, despite the benefit of lower raw material costs, the PBILDT margin moderated marginally to 18.21% in FY26 from 19.33% in FY25, primarily considering inventory movements. The company continued to generate healthy internal cash accruals, reflecting its healthy operating performance.

Strong market presence supported by integrated manufacturing facility and distribution network

BPIL is a fully integrated manufacturer of engine cooling systems with an annual installed capacity of 3.33 million radiators across five manufacturing facilities in India. The company continues to be the market leader in the domestic radiator segment with an estimated market share of ~21.84%. It caters to OEMs and the aftermarket through its integrated manufacturing capabilities and extensive distribution network. The Bil (Vadodara) facility manufactures radiator cores and key components in-house, while the Ankhi plant, operated through BGIL, manufactures over 100 million engine gaskets annually. The company also benefits from a strong domestic warehousing and distribution network. Internationally, its subsidiary, Nederlandse Radiateuren Fabriek B.V. (NRF), has an established presence across Europe and Asia through multiple manufacturing facilities and warehouses, supplying products to customers in over 80 countries, strengthening BPIL's global reach and diversified revenue profile.

Established relationship with key customers

The company has established strong and long-standing relationships with several leading OEMs and industrial equipment manufacturers, reflecting its strong market position and execution capabilities. In FY26, BPIL generated ₹473.89 crore of revenue from its top 10 customers, accounting for ~38% of its standalone sales. Its key customers include JCB India Limited, Mahindra & Mahindra Limited, Cummins India Limited, Tractors and Farm Equipment Limited (TAFE), John Deere India Private Limited, Kirloskar Oil Engines Limited, and Ashok Leyland Limited. Long-standing relationships with these reputed customers provide healthy revenue visibility while demonstrating BPIL's ability to consistently meet stringent quality, technology, and delivery requirements.

Strong financial risk profile

The company continues to maintain a strong financial risk profile, characterised by comfortable leverage and debt coverage indicators. Despite an increase in total debt to ₹618.37 crore as on March 31, 2026 (PY: ₹573.35 crore), primarily considering higher working capital borrowings to support the increased scale of operations, the overall gearing improved to 0.37x (PY: 0.44x), supported by healthy accretion to reserves, resulting in a tangible net worth of ₹1,677.06 crore as on March 31, 2026 (PY: ₹1,299.39 crore). The company's debt coverage metrics remained comfortable, with total debt to gross cash accruals (TD/GCA)improving to 1.01x (PY: 1.13x) and Net Debt/PBILDT improving to 0.67x (PY: 0.82x), driven by healthy profitability and robust cash accrual generation.

Liquidity: Strong

The company maintains a strong liquidity position, with cash & liquid investments of ₹140.54 crore as on March 31, 2026. The standalone fund-based working capital limit utilisation remained low at 2.09% for 12 months, reflecting adequate availability of liquidity, while non-fund-based limit utilisation stood at 79.40%, in line with the company's business requirements. The company generated GCA of ₹612.20 crore in FY26, which remain over adequate to meet its scheduled debt repayment obligations of ₹2.08 crore in the next four quarters.

Key weaknesses

Susceptibility to raw material price volatility and foreign exchange rates

BPIL remains vulnerable to volatility in key raw material prices, particularly aluminium and copper, owing to its dependence on imported complex aluminium alloy strips, which constitute a significant portion of its raw material imports. Aluminium prices have remained volatile in the last few years, increasing from ~₹2.04 lakh/tonne in May 2021 to a peak of ₹2.94 lakh/tonne in March 2022, before moderating in FY23 and FY24. Prices witnessed another upcycle in FY26, increasing from ₹2.39 lakh/tonne in April 2025 to ₹3.35 lakh/tonne in March 2026, and further to ₹3.63 lakh/tonne in April 2026. Despite such volatility, the company has largely been able to pass on increases in raw material costs to customers with a lag, supporting its operating margins. BPIL's profitability also remains exposed to foreign exchange fluctuations as exports contributed ~78% of consolidated sales in FY26 through its overseas subsidiary, NRF. However, the company benefits from a natural hedge arising from imports of raw materials, which partially mitigates the foreign currency risk.

Dependency on the cyclical automobile industry and industrial segment

BPIL continues to derive a significant proportion of its standalone revenue from the cyclical automobile and industrial & earth-moving equipment segments, which together accounted for 61% of sales in FY26 (automobile: 31%; industrial & earth-moving: 30%). Consequently, the company's performance remains linked to overall economic activity and capital expenditure cycles. BPIL has diversified its product applications across agricultural equipment (24%), rail locomotives (3%), and other radiator and cooling solutions (12%). The company caters to a wide range of end-use industries, including commercial vehicles, passenger vehicles, tractors, industrial machinery, power generation equipment, motorcycles, railways, and wind turbines. Its strong engineering and R&D capabilities enable it to develop customised cooling solutions, reducing dependence on a single customer or end-use segment.

Large working capital cycle
The company continues to operate with a long working capital cycle of 170 days in FY26 (PY: 164 days), primarily considering a high inventory holding period of 174 days (PY: 172 days). Higher inventory levels are attributable to strategic procurement of specialised aluminium and maintenance of a wider product portfolio to ensure uninterrupted supplies to customers. Average collection period remained largely stable at 62 days (PY: 61 days), while creditor days moderated to 66 days (PY: 70 days). Although the company's procurement strategy supports operational efficiency and customer servicing, it results in relatively high working capital intensity and exposes the company to fluctuations in raw material prices and foreign exchange movements.

Environment, social, and governance (ESG) risks

Particulars	Risk factors
Environmental	The company continued to focus on improving energy efficiency and sustainable manufacturing practices in FY26. Investments in rooftop solar power, wastewater recycling, and optimisation of raw material usage continued to reduce energy consumption, freshwater usage, and material wastage across manufacturing operations.
Social	BPIL continued to strengthen employee welfare through regular safety training, technical skill development programmes, health check-up initiatives, and employee insurance coverage. Under its CSR initiatives, the company continued to support education, healthcare, skill development, and community infrastructure development in nearby areas.
Governance	The company adheres to SEBI's corporate governance norms and regularly discloses financials and policies to maintain transparency. The board of directors comprises seven members, including four independent directors.

Applicable criteria
Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Auto Components & Equipments
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Auto components	Auto components and equipment

Incorporated in 1961, Vadodara-based BPIL is a prominent manufacturer of engine cooling modules and sealing systems, including radiators, charge air coolers, oil coolers, fuel coolers, gaskets, and heat shields. The company serves a diverse range of sectors, such as automotive, agriculture, construction equipment, railways, and industrial engines. It offers both copper-brass and aluminium radiators and currently has the capacity to produce 3.33 million radiators annually across five manufacturing locations.

In 2010, BPIL acquired the entire equity of NRF, the Netherlands, for €17.7 million. Established in 1927, NRF has a strong presence in the European aftermarket for radiators and cooling systems. In 2013, BPIL demerged its engine sealing (gaskets) division into its wholly owned subsidiary, BGIL, which specialises in sealing products. BPIL also incorporated Banco New Energy Cooling

Systems (India) Limited, a company focused on developing innovative cooling technologies tailored to the needs of emerging energy sectors.

Brief consolidated financials (₹ Crore)	FY25 (A)	FY26 (Prov.)
Total operating income	3224.83	3927.96
PBILDT	623.47	715.16
PAT	391.80	481.68
Overall gearing (times)	0.44	0.37
Interest coverage (times)	24.32	28.60

A: Audited Prov.: Provisional; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: CRISIL Ratings has conducted the review based on best available information and has revised the rating of BPIL from CRISIL BB+/Stable (ISSUER NOT COOPERATING) to CRISIL BB/Stable (ISSUER NOT COOPERATING) vide its press release dated June 25, 2026, due to non-sharing of information for review of ratings.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-LT/ST		-	-	-	23.00	CARE AA; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC		-	-	-	2.00	CARE AA; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based-LT/ST	LT/ST	23.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (01-Jul-25)	-	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	2.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (01-Jul-25)	-	-

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-LT/ST	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Banco Gaskets (India) Limited	Full	Wholly owned subsidiary
2	Banco New Energy Cooling Systems Limited	Full	Wholly owned subsidiary
3	Nederlandse Radiateuren Fabriek BV (NRF)	Full	Wholly owned subsidiary
4	NRF Thermal Engineering BV (Skopimax BV)	Full	Wholly owned subsidiary of NRF
5	NRF France SARL	Full	Wholly owned subsidiary of NRF
6	NRF Thermal Engineering Poland	Full	Wholly owned subsidiary of NRF
7	NRF Deutschland GMBH	Full	Wholly owned subsidiary of NRF
8	NRF Espana SA	Full	Wholly owned subsidiary of NRF
9	NRF Poland SP.z.o.o	Full	Wholly owned subsidiary of NRF
10	NRF Italia SRL	Full	Wholly owned subsidiary of NRF
11	NRF Switzerland AG	Full	Wholly owned subsidiary of NRF
12	NRF IND BV	Full	Wholly owned subsidiary of NRF
13	NRF AM BV	Full	Wholly owned subsidiary of NRF
14	DACH BNL BV	Full	Wholly owned subsidiary of NRF

15	NRF Thermal Engineering Spain S.L.	Full	Wholly owned subsidiary of NRF
16	EV Academy SP.z.o.o	Full	Subsidiary of NRF

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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