

India HVAC Market Size, Share and Growth Analysis Report - Forecast Trends and Outlook (2025-2034)

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Report description:

The India HVAC market was valued at USD 9.18 Billion in 2024. The industry is expected to grow at a CAGR of 8.90% during the forecast period of 2025-2034. Increasing extreme temperature events caused by climate change push up demand for HVAC systems, particularly in places that are seeing extreme heat climates with unpredictable summers. In turn, all these factors have resulted in the market attaining a valuation of USD 21.53 Billion by 2034.

India HVAC Market Market Report Summary

Description

Value

Base Year

USD Billion

2024

Historical Period

USD Billion

2018-2024

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Forecast Period

USD Billion

2025-2034

Market Size 2024

USD Billion

9.18

Market Size 2034

USD Billion

21.53

CAGR 2018-2024

Percentage

XX%

CAGR 2025-2034

Percentage

8.90%

CAGR 2025-2034 - Market by Region

South India

10.1%

CAGR 2025-2034 - Market by Region

North India

9.5%

CAGR 2025-2034 - Market by Construction Type

New Constructions

9.4%

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CAGR 2025-2034 - Market by Implementation Type

Residential

9.6%

2024 Market Share by Region

North India

21.3%

India HVAC Market Overview

The India HVAC market is booming in demand owing to high temperatures, people willing to invest more in energy-efficient solutions, and a strong surge for energy-efficient solutions. Some of the trends witnessed are employing sustainable, eco-friendly HVAC systems with refrigerants least affecting the environment and extreme emphasis on automation and AI-driven systems. Other aspects of growth in the market evolve around retail, hospitality, healthcare, and industrial. Voltas, Blue Star, and Daikin are the leading players, continuing to innovate in energy-efficient technologies while expanding both product portfolios and service capabilities to target the residential and commercial segments.

India HVAC Market Growth

The demand for smart IoT-enabled HVAC systems is gaining momentum across India, owing to the strong desire of buyers and companies for efficient management and mechanization of energy. Smart HVAC products solar with software and hardware enable applications such as remote operation systems, energy saving systems, and predictive maintenance systems have boosted the India HVAC market growth to a great extent. Further demand for green HVAC solutions has been growing as a result of growing environmental consciousness and government incentives for energy-efficient systems. Start-ups and established companies are increasingly focusing on eco-friendly refrigerants and energy-efficient units or systems wherein green building sustainability trends and regulations in India could be incorporated.

Key Trends and Recent Developments

The key trends of the India HVAC market include developments in energy efficiency, smart technologies, commercial demand, and improved indoor air quality.

March 2025

SHARP Business Systems (India) Pvt. Ltd. announced the release of its newest air conditioning inventions, the Reiryō, Seiyō, and Plasma Chill series. These cutting-edge air conditioners, which are designed to satisfy the various demands of Indian consumers, offer unmatched cooling performance, energy economy, and sophisticated filters for improved air purification.

February 2025

During ACREX India 2025, Grundfos introduced MXIT, a revolutionary HVAC solution. Energy efficiency in heating and cooling systems is expected to be revolutionized by this next-generation technology.

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April 2024

At the ACREX India 2024 in Noida, Voltas unveiled its new line of commercial air conditioning products for commercial areas. The new Inverter Scroll Chillers use environmentally benign refrigerants and have cooling capacities between 12 and 72 TR. The product is BMS compliant, IoT enabled, silent, and user-friendly because it can be controlled via a mobile app.

March 2024

With the help of 6th Sense IntelliCool Technology, Whirlpool of India unveiled their new 2024 AC line, which offers the ideal cooling experience at the touch of a button. Customers' everyday moments can be made truly pleasurable by this technology, which recognizes and adjusts to their demands instinctively.

Energy Efficiency and Sustainability

Due to the rise in their emphasis on environmental matters and regulatory conformity, HVAC technologies are needed at present. For instance, Daikin and Blue Star are working on designing and producing systems with refrigerants that are not harmful to the environment and have energy-saving features, thereby boosting the growth of India HVAC market. India's focus on the implementation of energy-efficient technologies in both the residential and commercial sectors spurs the growth of the HVAC industry in the country.

Integrated HVAC systems of the Internet of Things (IoT):

The burgeoning application of IoT technology within a space capable of monitoring remotely, predicting maintenance, and energy management are reshaping the India HVAC market dynamics. Players like Honeywell and Johnson Controls have made impressive strides in the direction of smart HVAC systems by allowing users to control energy consumption and further the performance of their commissions via smartphone apps or some automated controls designed to improve the ease of use and efficiency in such buildings most often found commercial.

Increased Demand Stemming from Construction Activities

Coinciding with the growing demand for HVAC systems in India are the increasing numbers of commercial establishments, including from offices to shopping malls, hotels, and various other commercial establishments. Companies like Voltas provide customized energy-friendly HVAC systems specifically designed for large commercial spaces. The increasing attention given to such aspects of the working environment as air purity and temperature control has thus climbed on the list of significant inducing factors for expediting this passage.

Focus on Indoor Air Quality (IAQ)

Sustaining the association of indoor air quality with health issues, it has gained further momentum owing to the COVID-19 scenario has further resulted in an ever-increasing demand for upgrading HVAC systems into those with advanced filtration technologies. For example, companies like Mitsubishi Electric and LG have integrated air purifiers and UV light systems into their HVAC units to enhance air quality. This particular India HVAC market trend is likely to grow as increasingly consumers and enterprising feet cheer for proper health-guided living and working environments.

India HVAC Market Opportunities

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As smaller cities in India experience rapid urbanization across them, there is an increased growth in demand for HVAC systems are in demand. HVAC companies can seize the opportunity in these new markets by providing low-cost, energy-efficient solutions to meet the requirements and expectations from smaller cities and rural areas, where the concept of HVAC is very new. Moreover, the development initiatives taken by the Indian government by promoting the Green Building Certification and Energy Efficiency Programs hold great opportunities. Companies can develop advanced HVAC systems that comply with green building standards. Growing demand for these types of systems stands as an opportunity.

India HVAC Market Trends

With rising incomes, there is growing demand among Indian states for residential HVAC systems since there are now higher expectations for comfort and convenience. This in turn leads to the development of new air conditioning and heating solutions, as the quality of life is being improved for middle-class populations, thereby boosting the overall India HVAC market value. The rapid infrastructure development going on in India, including commercial buildings, malls, hospitals, and hotels, is one of the key growth drivers for the HVAC market expansion. The increased demand caused by the ongoing boom in real estate from both public and private investment is for more advanced HVAC systems, especially in urban centers and smart cities.

India HVAC Market Restraints

- HVAC systems have high initial costs which thereby hinders the penetration of advanced solutions in the developing and underdeveloped parts. This factor poses a significant challenge to the India HVAC market growth.
- DEA systems are energy-intensive components; hence their demand has increased. However, enhancing energy tariffs or introduction of the concepts of green alternatives that sustainably align with government regulations has limited the scope for market expansion.

India HVAC Industry Segmentation

The EMR's report titled "India HVAC Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

Market Breakup by Equipment

- Heating

??- Breakup by Type Heat Pump Furnaces Boilers

- Ventilation

??- Breakup by Type Air ? Handling Units Air Filters and Purifiers Ventilation Fans Dehumidifiers and Humidifiers Others

- Cooling

??- Breakup by Type Unitary Air Conditioners VRF Systems Ductable AC Cassette AC Chillers Coolers Cooling Towers Others

Market Breakup by Construction Type

- New Constructions

- Retrofits

Market Breakup by Implementation Type

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- Residential
- Commercial
- Industrial

Market Breakup by Region

- East India
- West and Central India
- North India
- South India

India HVAC Market Share

Market Insights by Equipment

Due to rising temperatures, urbanization, and an increasing focus on indoor air quality, HVAC systems are gaining popularity in India. Rising demand for HVAC systems in India is being driven by the cooling segment in light of the fact the country experiences hot summers, leading to a fast-growing air conditioning industry. Ventilation solutions have become mandatory for residential and commercial settings to ensure quality air, especially after the COVID-19 pandemic. The heating segment is also growing in cold areas and newer buildings alike, leading energy-efficient, eco-friendly systems to become a requirement throughout the country.

Market Analysis by Construction Type

As per the India HVAC market analysis, the rapid urbanization and infrastructure systems is pulled forward by new construction activities, for residential, commercial, and industrial sectors that increasingly require advanced air cooler solutions. The segment is expected to grow at a CAGR of 9.4% over the forecast period. Designed around ecologically compatible, energy-efficient standards to match the community objectives, builders are now concentrating more heavily on sustainable solutions. Alongside new construction, interest for retrofits is being fanned by old constructions making work to pierce ahead on efficiency air quality improvement. Urban areas with antiquated buildings that require rising green building certifications and the burgeoning popularity of government incentives on energy-efficient systems are backing up the retrofit market onto firmer ground.

Analysis by Implementation Type

Increased residential demand from disposable income growth and urbanization in the India HVAC market has forced homeowners to invest in energy-efficient cooling and heating systems. Commercial HVAC demand is expected to grow, driven mainly by the developing office space, malls, and hospitality sectors, which require advanced systems for comfort and air quality. The industrial segment is also catching on, as industries are putting more focus on keeping process temperatures right while also ensuring worker comfort. Owing to the growing need of energy efficiency and compliance with regulatory compliance, all segments are poised to grow, with enterprises looking for more sustainable solutions to minimize energy consumption and operation costs.

India HVAC Market Regional Analysis

East India HVAC Market Outlook

The East India HVAC market is gaining momentum due to green light of increasing industrialization, urbanization, and rising infrastructure projects in Kolkata and Bhubaneswar. Increased demand for air conditioning solutions through retail and hospitality

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sectors and growing concern with a focus on sustainability and energy efficiency in the region are the top drivers of growth.

West India HVAC Market Growth

The major commercial centers such as in Mumbai, Pune, and Ahmedabad are marked by an increase in uptake for both residential and commercial HVACs in West and Central India. The rise in necessity for cooling in this region is attributed to raising temperatures, urban expansion, and the advancement of industries such as IT, retail, and hospitality.

CAGR 2025-2034 - Market by

Region

South India

10.1%

North India

9.5%

West and Central India

XX%

East India

XX%

North India HVAC Market Opportunities

The HVAC market of North India has witnessed a steady growth landscape, with factors such as urbanization, rising industrialization, and a surge in disposable income contributing towards it. Increased market demand as a result of the growing popularity of energy-efficient cooling systems and improved air quality in cities of Delhi and Chandigarh are the main propellers for growth. Extreme weather conditions further boost demand for reliable HVACs-from residential to commercial.

South India HVAC Market Insights

The demand for HVAC systems in South India largely stems from hot humid climatic conditions that compel the need for air conditioning in residential, commercial, and office spaces. The market is expected to grow at a CAGR of 10.1% over the forecast period. Rapid urbanization in cities such as Bangalore, Chennai, and Hyderabad is creating the necessity for energy-efficient HVAC solutions backed up by increasing construction activities.

Competitive Landscape

India HVAC market players are increasingly focusing on innovation in energy-efficient sustainable solutions. Most of the India HVAC companies are working to align and be compliant with the ever-changing regulations that tend to match growing awareness and anxiety with relations to health.

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Voltas Limited

Founded in 1954, headquartered in Mumbai, India, Voltas Limited has grown to be a leading player in the India HVAC market, specializing in air conditioning and cooling solutions for the residential and commercial sectors with focus on energy efficiency.

Blue Star Limited

Founded in 1943 and headquartered in Mumbai, India, Blue Star Limited has been a major player that provides air conditioning, refrigeration, and cooling solutions for residential, commercial, and industrial applications with sustainability and energy efficiency as the core values of the company.

Carrier Global Corporation

Founded in 1915 and based in Florida, United States, Carrier Global Corporation is one of the major players in the HVAC market providing innovative air conditioning systems, refrigeration solutions, and smart HVAC technologies suited to the needs of the Indian market.

Daikin Industries, Ltd

The headquarters of the Japanese multinational conglomerate Daikin Industries, Ltd. are located in Osaka. The biggest manufacturer of air conditioners in the world is Daikin. With a range of piston pumps, vane pumps, manual pumps, solenoid valves, and flow and control valves, Daikin Hydraulics claims that its pump technology is 50-70% more energy efficient than traditional technology.

Other key players in the India HVAC market report are Samsung Electronics Co Ltd., LG Corporation, Mitsubishi Motors Corporation, and Trane Technologies Company, LLC, among others.

Startup Scenario in the India HVAC Market

New entrants in the market are increasingly focusing on developing energy-efficient, eco-friendly solutions. They are employing cutting-edge technology such as smart controls and predictive maintenance. Most of the new players are aiming on affordability, customization for lower-tier cities, and improvement in air quality.

Chara

The Bangalore-based company Chara was established in 2019 and is renowned for creating a platform for designing, deploying, and managing intelligent, low-cost, high-performance, rare-earth-free reluctance motor systems (motor + controller drive + control software) for use in everything from industrial applications to HVAC systems to electric vehicles.

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