Tempsens Instrument Ltd.

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IPO Note **19th Aug 2026**

Company Overview

Tempsens Instruments (India) Limited is a thermal engineering and specialised cable manufacturer with over three decades of experience, designing and manufacturing customised temperature sensing solutions, electrical heating solutions, and specialised cables. Its product portfolio includes thermocouples, RTDs, infrared pyrometers, thermal imagers, thermowells, temperature transmitters, electrical heaters, furnaces, instrumentation cables and thermocouple cables, catering to end-user industries including metals, power, oil & gas, chemicals, cement, glass, automotive, pharmaceuticals, defence and renewables. The diversified product portfolio enables the company to address varied thermal management and industrial connectivity requirements, while reducing dependence on a single product category. In FY26, temperature sensing solutions, specialised cables and electrical heating solutions contributed 44.6%, 34.7% and 20.7%, respectively, to revenue from operations. The company, together with its subsidiaries and joint ventures, operates 15 manufacturing units, including 10 units in Udaipur, India and five overseas facilities across the UAE, South Korea, Indonesia, Germany and Poland, providing a geographically diversified manufacturing footprint and supporting local customer servicing. In FY26, revenue from operations stood at Rs. 4,448.8 million, while the company served more than 3,800 customers across multiple industries; its top 10 customers contributed only 18.6% of revenue, indicating low customer concentration. Export sales contributed 28.5% of revenue from operations, with the company having sold its products in more than 80 countries between FY24 and FY26. The company is focused on strengthening its backwards-integrated manufacturing capabilities, expanding its international presence, developing advanced thermal sensing and heating solutions and increasing cross-selling across its diversified customer base. Its in-house capabilities, including alloy melting, rolling, cable manufacturing, machining, assembly and calibration, along with strong R&D and product certifications, provide a foundation for customised solutions, quality control and continued product innovation.

Objects of the issue

The IPO comprises a Fresh Issue of up to Rs.95 crores and an Offer for Sale of up to Rs.555 crores. The Net Proceeds from the Fresh Issue are proposed to be utilized for the following purposes:
1. Funding capital expenditure towards electrical heating solutions and specialized cable solutions.
2. Pre-payment and/or scheduled repayment, in full or part, of certain outstanding borrowings
3. General corporate purposes.

Investment Rationale

Global manufacturing and distribution footprint supporting international market expansion

The company has established a strong international presence through a combination of subsidiaries, joint ventures, manufacturing facilities and distribution relationships across key markets. Together with its joint ventures, the company operates 15 manufacturing units globally, including 10 facilities in India and five overseas facilities across the UAE, South Korea, Indonesia, Germany and Poland. This geographically diversified manufacturing network enables the company to stay close to customers, meet local technical and regulatory requirements, and provide faster service and support across international markets. The company is further supported by a network of 28 distributors as of March 31, 2026, through which it distributed its products to more than 80 countries between April 2023 and March 2026. Its overseas subsidiaries and joint ventures provide local sales, technical support and assembly capabilities, allowing the company to leverage regional market knowledge and strengthen customer relationships. The company has also expanded its international capabilities through the acquisition of Tempsens Instruments GmbH, which became a subsidiary in January 2026, providing access to established operations in Germany and Poland. Further, the company is expanding its sales presence in Mexico, with the entity incorporation and registration process completed. The combination of a global manufacturing base, local market presence, an established distribution network, and strategic international partnerships provides the company with greater market access, improves delivery capabilities, and supports its ability to capture growth opportunities across international markets.

Integrated R&D and manufacturing capabilities enabling customised, high-value solutions

The company has developed integrated R&D and manufacturing capabilities across temperature sensing solutions, electrical heating solutions and specialised cables, enabling it to provide customised products for technically demanding applications. As of March 31, 2026, the company had a dedicated R&D team of 83 employees, with R&D expenditure increasing to Rs. 5.56 crores in FY26 from

Issue Details

Offer Period	20th Aug 2026 - 24th Aug 2026
Price Band	Rs. 285 to Rs. 300
Bid Lot	50
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	2.2
Issue Size (Rs. in Cr.)	650
Face Value (Rs.)	4

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	JM Financial Ltd., ICICI Securities Ltd.
Registrar	KFin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	80.5%	65.7%
Public	19.5%	34.3%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Rs. 3.40 crore in FY25 and Rs. 1.54 crores in FY24. Its multidisciplinary R&D capabilities span mechanical, electrical and thermal engineering. Advanced testing infrastructure and accredited laboratories support these capabilities, enabling the company to design and validate products in line with stringent customer and international standards. The company has developed specialised products such as fibre optic temperature sensors, aerospace-grade cables and catalyst bed heaters for space applications, while its ongoing product pipeline includes mid-voltage heaters, slot resistance temperature detectors, high-precision infrared pyrometers and online thermal imagers. Its R&D capabilities are further complemented by backward integration across critical manufacturing processes, including alloy melting, rolling, drawing, heat treatment, cable manufacturing and precision machining. This integrated manufacturing approach provides greater control over product quality, enables customised solutions and supports shorter lead times. 12 patents in India reinforce the company's technical capabilities, along with eight registered trademarks in India and 39 trademark registrations across overseas jurisdictions; its products also hold certifications such as ATEX, IECEx, UL, CE, BIS, and PESO, which are often required for participation in regulated and specialised industries. The combination of in-house R&D, backward integration, technical know-how and product certifications creates meaningful entry barriers. It strengthens the company's ability to develop differentiated solutions for customers across critical industrial, defence, aerospace and energy applications.

Valuation

Tempsens Instruments (India) Limited is an established thermal engineering and specialised cable manufacturer, offering customised temperature sensing solutions, electrical heating solutions and specialised cables. The company has a diversified product portfolio catering to customers across metals, oil & gas, power, automotive, chemicals, defence, renewables and other end-user industries. Its strong market position, customised product capabilities, established customer relationships and global presence provide a solid foundation for long-term growth. The Indian industrial automation, manufacturing and engineering sectors offer structural growth opportunities, supported by rising industrial capex, increasing automation, localisation and growing demand for specialised sensing and heating solutions, which could benefit organised players such as Tempsens. On the financial front, the company has demonstrated strong operating performance, with Revenue/EBITDA/PAT increasing from Rs.275 Cr/Rs.55 Cr/Rs.41 Cr in FY24 to Rs.445 Cr/Rs.100 Cr/Rs.71 Cr in FY26, translating into CAGRs of approximately 27.2%/34.9%/31.7%, respectively. The company has also maintained healthy profitability, with EBITDA margin improving from 20.0% in FY24 to 22.5% in FY26. At the upper price band of Rs.300, the issue is valued at approximately 36.0x FY26 diluted EPS of Rs.8.3. While the strong earnings growth and favourable industry outlook provide some support to the premium valuation, the multiple remains relatively demanding. **Considering the company's strong growth prospects, we recommend a "SUBSCRIBE" rating with a long-term investment horizon.**

Key Risks:

⇒ The company's business depends on the availability and pricing of key raw materials. Any price volatility, shortages or supply delays could increase costs and adversely impact margins and profitability.

⇒ The company relies on a limited group of suppliers and primarily procures raw materials through purchase orders. Any supplier disruption or delay could impact production, costs and cash flows.

⇒ The company operates in a highly competitive industry. Intense competition, pricing pressure and the need for continuous technological innovation could affect market share, margins and future growth.

Tempsen Industrial Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Revenue:			
Revenue from operations	275	379	445
Total revenue	**275**	**379**	**445**
Expenses:			
Cost of material consumed	172	199	248
Changes in inventories of finished goods and work-in-progress	-4	2	-8
Employee benefits expense	30	50	64
Other expenses	23	37	41
Total expenses	**220**	**288**	**345**
EBITDA	**55**	**90**	**100**
Depreciation & amortization	5	12	14
EBIT	**49**	**78**	**86**
Finance costs	2	2	5
Other Income	3	4	11
PBT before are of net profits of investments	**51**	**80**	**92**
Share of net profit of joint venture accounted for using the equity method	3	3	2
PBT	**54**	**83**	**94**
Current Tax	13	17	21
Deferred tax	0	4	2
Total tax	**13**	**21**	**23**
Net profit	**41**	**63**	**71**
Diluted EPS	**8.1**	**7.5**	**8.3**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	37	54	42
Cash flow from investing activities	-27	-93	-26
Cash flow from financing activities	2	36	-6
Net increase/(decrease) in cash and cash equivalents	**12**	**-3**	**10**
Cash and cash equivalents at the beginning of the period	**1**	**14**	**13**
Cash equivalents on account of scheme of amalgamation	0	2	0
Cash equivalents on account of acquisition during the year	0	0	6
Exchange differences on cash and cash equivalents	0	0	0
Cash and cash equivalents at the end of the period	**14**	**13**	**28**

Source: RHP, BP Equities Research

Tempsen Industrial Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant and equipment	75	106	114
Capital work-in-progress	2	0	1
Right-of-use assets	25	29	31
Goodwill	0	106	108
Other intangible assets	0	45	46
Investments	40	13	13
Other financial assets	3	10	54
Non current tax assets (net)	0	3	0
Deferred tax assets (net)	0	0	0
Other non current assets	5	3	4
Total Non Current assets	**150**	**315**	**371**
Current Assets			
Inventories	57	86	112
Financial Assets	0	0	0
(i) Investments	0	4	26
(ii) Trade receivables	46	64	86
(iii) Cash and cash equivalents	14	13	28
(iv) Other bank balances	0	58	6
(v) Other financial assets	0	1	17
Current tax assets (net)	0	0	4
Other current assets	4	9	11
Total Current Assets	**121**	**237**	**290**
Total Assets	**271**	**551**	**661**
Equity and Liabilities			
Equity Share Capital	2	3	32
Other equity	203	427	465
Equity attributable to owners of the parent	**205**	**430**	**497**
Non-controlling interests	0	12	28
Total Equity	**205**	**442**	**525**
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowing	9	6	8
Deferred tax liabilities (net)	10	8	11
Total Non-Current Liabilities	**19**	**13**	**19**
Current Liabilities			
Financial Liabilities			
(i) Borrowing	21	66	70
(ii) Trade Payables	16	14	20
(iii) Other financial liabiliies	4	5	9
Other current liabilities	5	9	14
Provisions	1	2	2
Current tax liabilities (net)	1	0	1
Total Current Liabilities	**47**	**97**	**117**
Total Liabilities	**66**	**110**	**136**
Total Equity and Liabilities	**271**	**551**	**661**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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