TEMPSENS INSTRUMENTS (INDIA) LIMITED

SMC Ranking

★★½☆☆ (2.5/5)

Issue Highlights

Industry	Engineering
Offer for sale (Shares)	18,500,000
Fresh Issue (Shares)	31,66,666
Net Offer to the Public	21,666,666
Issue Size (Rs. Cr.)	617-650
Price Band (Rs.)	285-300
Offer Date	20-Aug-26
Close Date	24-Aug-26
Face Value	4
Lot Size	50 Shares

Issue Composition

	In shares
Total Issue for Sale	21,666,666
QIB	10,833,333
NIB	3,250,000
Retail	7,583,333

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	80.51%	65.67%
QIB	19.49%	21.41%
NIB	0.00%	3.88%
Retail	0.00%	9.05%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding certain capital expenditure of the Company towards the (i) electrical heating solutions (ii) specialized cable solutions
2. Pre-payment or scheduled re-payment, in full or in part, of certain outstanding borrowings availed by the Company
3. General Corporate Purposes

Book Running Lead Manager

- ICICI Securities Limited
- JM Financial Limited

Name of the registrar

- KFin Technologies Limited

About the company

Incorporated in 1990, Tempsens Instruments (India) Limited is a thermal engineering and specialised cable manufacturer engaged in designing and manufacturing customised temperature sensing solutions, electrical heating solutions and specialised cables. The company offers a comprehensive product portfolio catering to diverse industrial applications. Tempsens is one of the leading manufacturers of contact and non-contact temperature sensors in India, with an estimated 10.5% market share by revenue in the temperature sensor segment in FY2026. Between April 1, 2023 and March 31, 2026, the company served more than 1,000 unique customers. It also has a strong international presence, exporting its products to more than 80 countries, including the UAE, Germany and Poland, across Asia-Pacific, Africa, the Middle East and North Africa, Europe, and North and South America.

Product Portfolio

- **Temperature Sensing Solutions:** Thermocouples, resistance temperature detectors (RTDs), infrared pyrometers, online thermal imagers and furnace monitoring cameras.
- **Electrical Heating Solutions:** Immersion heaters, process heaters, skid heaters, cartridge heaters, band heaters, tubular heaters and flexible heaters.
- **Specialised Cables:** Low-voltage control and power wires/cables, instrumentation cables, thermocouple and RTD cables, and nickel-alloy conductors for thermocouple and heating applications.

Strength

Largest Manufacturer of Contact and Non-Contact Temperature Sensors in India and One of the Largest Manufacturers of Electrical Heaters: Tempsens Instruments (India) Limited is the largest Indian manufacturer of contact and non-contact temperature sensors by revenue, with an estimated 10.5% market share in FY2026. It is also the only Indian manufacturer of non-contact temperature sensors, with an estimated 21.3% market share. The company provides customised, make-to-order thermal engineering solutions for complex and mission-critical applications. High customer qualification requirements, extensive testing and field trials create significant entry barriers and support long-term relationships. Its ability to cross-sell products, combined with backward integration, indigenous manufacturing, proprietary expertise and local sourcing, strengthens quality, supply reliability, cost control and overall competitive positioning.

Diversified Business Model with Broad Product Portfolio, Wide Industry Coverage and Balanced Project and MRO Revenue: Tempsens

Instruments (India) Limited has built a diversified business model with 13 product categories across temperature sensing, electrical heating and specialised cables. Its products cater to a wide range of industries, including power, steel, oil and gas, cement, chemicals, automotive, defence, aerospace and renewable energy, reducing dependence on any single segment. The company serves direct customers, OEMs, distributors and industrial enterprises, with customised solutions supporting repeat business and customer stickiness. Its products are sold across more than 80 countries, providing geographic diversification. The combination of project, OEM and recurring MRO business strengthens revenue visibility and supports sustainable growth.

Established R&D Capabilities Enabling Customized, Critical Solutions and Innovation: Tempsens Instruments (India) Limited has established strong R&D capabilities focused on developing customised, technologically advanced solutions for specialised industrial applications. As of March 31, 2026, its R&D team comprised 83 employees working on new product development, technology enhancement and customer-specific requirements. The company's innovation capabilities are supported by a growing intellectual property portfolio, including 12 Indian patents, eight trademarks, one copyright and 39 overseas trademarks. Recent developments include fibre-optic temperature sensors, aerospace-grade cables and catalyst-bed heaters for space applications. Its engineering-led approach and specialised expertise support product differentiation and expansion across industrial, automotive, aerospace, defence and energy applications.

Global Presence Through Strategic Alliances, Diverse Customer Base, Export Sales and Strong Long- Standing Customer Relationships: Tempsens Instruments (India) Limited has established a diversified global presence through subsidiaries, joint ventures, strategic alliances and a growing export network. Its operations across the UAE, Germany, Poland, Indonesia and South Korea provide proximity to customers and enable it to address local market, regulatory and technical requirements. The company's revenue is geographically diversified, with India contributing 71.48% in FY2026, followed by Africa and MENA at 10.01%, Europe at 9.74% and Asia Pacific at 6.68%. Its customer base increased from over 2,600 in FY2024 to more than 3,800 in FY2026, while the top ten customers contributed only 18.59% of FY2026 revenue, indicating low concentration risk. This diversified international network, combined with strategic acquisitions and cross-selling opportunities, strengthens customer relationships, supports recurring business and provides a platform for sustainable global growth.

Geography	FY26	FY25	FY24
India	71.48%	73.30%	78.51%
Europe	9.74%	10.16%	10.42%
Asia Pacific	6.68%	7.65%	3.95%
Africa and MENA (Middle East and North Africa)	10.01%	6.60%	5.04%
North America	1.58%	1.71%	1.78%
South America	0.51%	0.57%	0.31%

Operations Led by the Promoters and Supported by an Experienced Management Team Driving Long-Term Business Growth: Tempsens Instruments (India) Limited is led by an experienced promoter group comprising Virendra Prakash Rathi, Chairman and Executive Director; Vinay Rathi, Managing Director; and Pratap Singh Talesara, Non-Executive Director. The company follows a multigenerational leadership model, with the second generation actively involved in strategic management and the third generation contributing to global sales and business development. The management team possesses extensive experience in thermal engineering, temperature sensing and specialised cables. Many key managerial personnel and senior management members have been associated with the company for an average of around 15 years, providing strong institutional knowledge and operational continuity. This combination of promoter experience, technical expertise and a skilled workforce supports customer relationships, strategic execution and long-term business growth.

Strategy

Expanding and Commercialising New Products: Tempsens Instruments (India) Limited is leveraging its R&D capabilities and technology partnerships to develop and commercialise advanced thermal solutions. With an 83-member R&D team, the company is developing specialised thermocouples, heaters, infrared pyrometers and thermal imagers. Its focus on emerging sectors such as battery storage, green hydrogen, fuel cells, defence, aerospace, nuclear power and decarbonisation provides opportunities for future growth. Technology partnerships, including Pyrosens with Micro-Epsilon, further support innovation, product localisation and access to global markets.

Scaling Established Product Lines: The company continues to expand its established product portfolio, including specialised cables, process heating systems, conductors and infrared solutions. Increasing demand for electric heaters driven by decarbonisation and electrification provides an attractive growth opportunity. Capacity expansion, manufacturing automation, stronger distribution and enhanced after-sales support are expected to improve operational efficiency, product availability and customer engagement.

Expanding Global Presence: Tempsens is focused on increasing exports and strengthening its presence across Europe, the Middle East, North America and South America. The company aims to build relationships with global end-users, EPC companies and OEMs, obtain relevant certifications and strengthen local partnerships. Expansion into sectors such as green hydrogen, fuel cells, thermal storage, metal recycling and space is expected to broaden its international opportunity set.

Organic and Inorganic Growth: The company is pursuing a balanced strategy of organic expansion and inorganic initiatives through joint ventures, subsidiaries, acquisitions and technology partnerships. Its focus remains on expanding manufacturing capabilities, entering new markets, accessing advanced technologies and broadening its customer base. Recent initiatives include Tempsens Korea, international subsidiaries and acquisitions in Germany and Poland, as well as strategic joint ventures in India. These initiatives are expected to enhance geographic reach, product capabilities, cross-selling opportunities and long-term growth.

Improving Operational Efficiency and Expanding Manufacturing Capacity: Tempsens Instruments (India) Limited is focused on improving operational efficiency through process optimisation, automation, digital systems and energy-efficient practices. These initiatives are aimed at enhancing productivity, controlling costs, improving resource utilisation and maintaining consistent quality standards. To meet increasing demand, the company plans to expand manufacturing capacity across key product segments, including the proposed expansion of Unit VI for electrical heating solutions. Additional land has also been acquired to support future capacity expansion. The company is further strengthening backward integration to improve control over critical inputs, enhance product consistency, reduce supplier dependence and support reliable, cost-efficient operations.

Expanding Replacement Business and Diversifying Industry Presence: Tempsens Instruments (India) Limited is focused on expanding its MRO and replacement business to build stable, recurring revenue streams. The company serves diverse industries, including metals, petrochemicals, defence, nuclear, manufacturing, power, glass and plastics, reducing dependence on any single sector and enhancing business resilience. Recurring demand is supported by the replacement and upgradation of temperature sensors, cables and heating solutions required across process industries to maintain operational efficiency, safety and regulatory compliance. By strengthening after-sales support, lifecycle management and customer engagement, the company aims to increase repeat business, deepen customer relationships and build a more predictable, annuity-style revenue profile.

Peer Comparison

As per RHP, there are no peer group companies listed in India which are in the same line of business as the Company.

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.300, the stock is priced at pre issue P/E of 34.05x on FY2026 EPS of Rs.8.81. Post issue, the stock is priced at a P/E of 35.39x on its EPS of Rs. 8.48. Looking at the P/B ratio at Rs.300 pre issue, book value of Rs.65.14 of P/Bvx 4.61x. Post issue, book value of Rs.74.01 of P/Bvx 4.05x.

Considering the P/E valuation, on the lower end of the price band of Rs. 285, the stock is priced at pre issue P/E of 32.35x on FY 2026 EPS of Rs. 8.81. Post issue, the stock is priced at a P/E of 33.62x on its EPS of Rs. 8.48. Looking at the P/B ratio at Rs. 285 pre issue, book value of Rs. 65.14 of P/Bvx 4.38x. Post issue, book value of Rs.74.01 of P/Bvx 3.85x.

Industry Overview

India's temperature sensor and allied products market was valued at approximately Rs. 18.8 billion in FY26 and is projected to reach Rs. 28.8 billion by FY31, growing at a CAGR of 8.9%, driven by rising automation, energy efficiency mandates, and government support for domestic manufacturing under "Make in India". Contact sensors (thermocouples, RTDs) dominate with 69.4% market share, while non-contact sensors are the fastest-growing segment at 11–12% CAGR, fueled by demand from EVs, semiconductors, and cleanroom applications. Key end-use industries include chemicals & petrochemicals (21.3%), metals (20.5%), power

generation (16.0%), and oil & gas (15.4%), though the sector remains cyclical and sensitive to commodity prices, global demand fluctuations, and import competition. Environmental regulations, trade barriers, and macroeconomic factors like inflation can further impact profitability and cost structures across the value chain.

Outlook

Tempsens Instruments (India) Limited is well positioned for long-term growth, supported by its leadership in temperature sensors, diversified product portfolio, strong R&D capabilities and expanding global presence. Rising industrial automation, electrification, decarbonisation and investments in power, metals, defence, aerospace, renewable energy and green hydrogen should support demand. Expansion of manufacturing capacity, MRO and replacement business, new product commercialisation and international operations could further improve revenue visibility and recurring revenues. However, the outlook remains subject to risks including dependence on industrial and capital expenditure cycles, fluctuations in raw material prices, execution risks from capacity expansion and acquisitions, foreign exchange movements, intense competition, technology changes and delays in new product commercialisation. Effective execution and cost management will therefore remain critical.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Thu, Aug 20, 2026
IPO Close Date	Mon, Aug 24, 2026
Tentative Allotment	Tue, Aug 25, 2026
Initiation of Refunds	Thu, Aug 27, 2026
Credit of Shares to Demat	Thu, Aug 27, 2026
Tentative Listing Date	Fri, Aug 28, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	444.88	378.53	274.81
Total expenditure	344.99	288.14	220.18
Operating Profit	**99.89**	**90.39**	**54.63**
OPM%	22.45	23.88	19.88
Other Income	10.98	3.94	3.23
Total Net Income	**110.86**	**94.33**	**57.86**
Interest	5.22	2.08	1.60
PBDT	**105.64**	**92.25**	**56.27**
Depreciation	13.83	12.08	5.35
Profit before share of net profits of investments accounted for using equity method and tax	91.82	80.17	50.92
Share of net profit of joint venture accounted for using the equity method	2.31	2.99	3.26
PBT	94.13	83.16	54.18
Tax	**23.06**	**20.61**	**13.27**
Profit & Loss	**71.07**	**62.56**	**40.92**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, plant and equipment	113.50	105.53	74.55
Right-of-use assets	31.24	29.11	24.81
Capital works-in-progress	0.61	0.13	2.10
Goodwill	108.28	106.13	0.00
Other intangible assets	46.41	45.37	0.11
Financial assets			
Investments	13.38	12.69	40.34
Other financial assets	53.93	9.96	3.03
Non-current tax assets (net)	0.21	2.81	0.00
Deferred tax assets (net)	0.05	0.15	0.00
Other non-current assets	3.61	2.87	5.09
Total non-current assets	**371.22**	**314.73**	**150.03**
Current assets			
Inventories	111.94	86.42	57.07
Financial assets			
Investments	26.43	4.28	0.00
Trade receivables	85.74	64.24	45.56
Cash and cash equivalents	28.48	13.02	13.70
Bank balances other than cash & cash equivalents	5.76	58.36	0.00
Other financial assets	16.54	1.02	0.37
Current tax assets (net)	4.01	0.00	0.00
Other current assets	10.93	9.22	4.41
Total current assets	**289.83**	**236.55**	**121.11**
Total Assets	**661.05**	**551.28**	**271.14**
LIABILITIES			
Financial Liabilities			
Borrowings	7.60	5.53	9.30
Deferred tax liabilities (net)	11.05	7.54	9.66
Total Finacial liabilities	**18.65**	**13.07**	**18.96**
Financial Liabilities			
Borrowings	70.35	66.30	20.83
Trade payables			
Total outstanding dues of M&SE	7.14	2.77	4.46
Total outstanding dues of creditors other than M@SE	12.88	11.64	11.19
Other financial liabilities	9.29	5.25	3.70
Other current liabilities	14.01	8.73	5.37
Provisions	2.06	1.78	0.90
Current tax liabilities (net)	1.21	0.05	0.94
Total - Current Liabilities	**116.92**	**96.53**	**47.38**
Total Liabilities	**135.58**	**109.60**	**66.34**
Net worth represented by:			
Equity share capital	32.27	2.93	1.85
Other equity	465.16	427.25	202.98
Non-controlling interest	28.05	11.50	-0.02
Total Equity	**525.48**	**441.68**	**204.81**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

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