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swastika

SUBSCRIBE

TEMPSENS

IPO NOTE

TEMPSENS INSTRUMENTS (INDIA) LIMITED

Rating:

SUBSCRIBE

Tempsens Instruments (India) Limited a thermal engineering and specialised cable manufacturer, engaged in the design and manufacture of customized temperature sensing solutions, electrical heating solutions and specialised cables.

OBJECTS OF THE ISSUE

- Capex for electrical heating and specialized cable solutions
- Pre-payment/re-payment of borrowings
- General Corporate Purposes

ISSUE OFFER

Issue Opens on	AUG 20, 2026
Issue Close on	AUG 24, 2026
Total IPO size (cr)	₹650 CR
Fresh issue (cr)	₹95 CR
Offer For Sale (cr)	₹555 CR
Price Band (INR)	₹285-300
Market Lot	50 SHARES
Face Value (INR)	₹4
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹2,514.98 CR.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	32.26	2.93	1.84
Net Worth	496.89	430.63	180.61
Revenue from operations	**444.87**	**378.52**	**274.81**
EBITDA Margin%	24.83	25.45	21.98
Net Profit/Loss of the year	**71.07**	**62.56**	**40.92**

FINANCIAL RATIOS OF FY26

ROCE	ROE	P/E (Pre IPO)
21.61%	13.54%	34.05x

MINIMUM INVESTMENT DETAILS

Number of Shares	2,16,66,666
Minimum Investment Amount	₹14,880
Small-HNI (Min)	₹2,10,000
Big-HNI (Min)	₹10,05,000

INDICATIVE TIMETABLE

Basis of Allotment	25-08-2026
Refunds/Unblocking ASBA Fund	27-08-2026
Credit of Share to Demat A/c	27-08-2026
Listing Date	28-08-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
NII Portion	15%
Retail Portion	35%

OUTLOOK & VALUATION

- Tempsens is a genuine category leader in a niche, high-entry-barrier segment
- Financials show healthy growth and margins, and the diversified revenue mix (Projects + MRO) adds resilience.
- Key risks include sector cyclicality, Udaipur manufacturing concentration, and rising working capital intensity.
- However, valuation is not cheap for an industrial niche manufacturer without direct listed comparables, and the business remains working-capital intensive with real customer/sector concentration risk.
- Fundamentally sound for long-term investors seeking exposure to India's industrial indigenisation theme and short-term listing gains, while keeping premium valuation in mind.

COMPANY PROFILE

- Incorporated 1990 (Rajasthan); converted to a public company in 2025; headquartered in Vadodara, Gujarat, with core manufacturing at Udaipur, Rajasthan
- Largest manufacturer of contact and non-contact temperature sensors in India by revenue (~10.5% market share in temperature sensors, ~21.3% in non-contact segment, FY26), and one of the largest electrical heater makers
- Three product verticals: temperature sensing solutions, electrical heating solutions, specialised cables — 13 product categories (up from 7 in FY20)
- Global footprint via subsidiaries/JVs in UAE, Germany, Poland, Indonesia, South Korea; exports to 80+ countries; ~28.5% of FY26 revenue from outside India
- FY26 revenue ₹4,449 mn (+17.5% YoY), PAT ₹711 mn, EBITDA margin ~24.8%

COMPETITIVE STRATEGIES

- Expand and commercialise new products through R&D and technology partnerships.
- Scale core businesses through capacity expansion and automation.
- Increase global presence and export sales across key international markets.
- Pursue organic and inorganic growth through JVs, subsidiaries, and M&A.
- Improve efficiency, backward integration, and manufacturing capacity.
- Grow the MRO/replacement business for stable recurring revenue.

KEY CONCERNS

- High dependence on cyclical Projects/OEM revenue.
- Exposure to metal and petrochemical industry cycles.
- Raw material price and supply volatility.
- Manufacturing operations concentrated in Udaipur.
- JV and international expansion execution risks.
- One-time goodwill impact from amalgamation.
- Lack of listed peers makes valuation comparison difficult.
- High working capital requirements.
- Forex risk from exports and imports.
- Company receives no proceeds from the OFS portion.

KEY STRENGTHS

- Market leader with high entry barriers and strong Make in India focus.
- Diversified revenue: Projects/OEM 68% and MRO 32%, with low customer concentration.
- Wide industry presence across metals, power, defence, nuclear, petrochemicals, and more.
- Strong R&D with 83 employees, 12 patents and 8 trademarks.
- Strong customer relationships, with top 20 customers averaging 10 years.
- Global expansion through strategic JVs and overseas acquisitions.

COMPARISON WITH LISTED INDUSTRY PEERS

Company is a player in thermal engineering and cable solutions. Given its business model and diversified product portfolio, there are no directly listed companies in India or outside India which operate across all the segments/product categories as ours theirs. Accordingly, there are no peer group companies listed in India which are in the same line of business as our Company.