

Tempsens Instruments (India) Ltd.

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Nifty: 24,155 | Sensex: 77,235

IPO Note | 19th August 2026

Sector: Capital Goods

Price Range: ₹285 - ₹300

A Global Play on Industrial Temperature Solutions

Tempsens Instruments (India) Ltd (Tempsens), incorporated in 1990, is a thermal engineering and specialized cable manufacturer engaged in designing and manufacturing customized temperature sensing solutions, electrical heating solutions, and specialized cables. The company is one of India's leading manufacturers of contact and non-contact temperature sensors and has served over 1,000 unique customers and exported products to more than 80 countries, including the UAE, Germany, and Poland. Its portfolio comprises temperature sensing solutions, electrical heating solutions, and specialized cables catering to diverse industrial applications worldwide.

- The global market for temperature sensors and allied products is valued at approximately \$4 billion in CY25 and is expected to grow at a CAGR of around 8%, reaching approximately \$6 billion by CY30E. This growth is being driven by increased industrial automation and the adoption of advanced temperature monitoring and process control solutions. *(Source: Frost & Sullivan Analysis)*
- Tempsens' topline grew at a CAGR of approximately 27%, while adjusted PAT grew at a CAGR of around 35% from FY24 to FY26, reaching ₹445cr and ₹69cr, respectively. This growth was driven by strong demand for its core products, the inorganic growth, and a diversified customer base.
- As of FY26, the company generated approximately 29% of its revenue from exports, which grew at a CAGR of around 47%. This growth was primarily driven by strong demand for contact sensors and process heaters.
- Tempsens is expanding globally through a mix of partnerships and acquisitions, including Pyrosens (with Micro-Epsilon), Tempsens Korea, Tempsens Instruments GmbH (Germany), Tempsens Polska (Poland), Techin Gauges (India), and Victura Tempsens Technologies. These initiatives strengthen its technology expertise, manufacturing footprint, and access to new customers across international markets.
- Marathon Heater (India) Pvt. Ltd was amalgamated with Tempsens in FY25 adding industrial/process heating business thereby diversifying the product range.
- At the upper price band of ₹300, Tempsens is valued at ~37x FY26 P/E on a post-issue basis. The company demonstrates strong operational efficiency, generating healthy profit margins. This performance is anchored by expanding high-margin international operations and a loyal, long-term customer base. Debt repayment will leave the balance sheet virtually debt-free, setting up the business for sustained growth. We assign a "SUBSCRIBE" rating for medium to long-term investors.

Purpose of IPO

The offer consists of Fresh Issue of ₹95cr and Offer for Sale (OFS) of ₹555cr. The net proceeds from the fresh issue will be primarily utilized to i) fund capex towards electrical heating solutions (₹18cr), ii) debt repayment (₹55cr) while the remaining proceeds will be used for general corporate purposes.

Key Risks

- High dependence on the metal and petrochemical sectors (41% of FY26 revenue) exposes the company to industry-specific demand and profitability risks.
- Volatility in raw material prices and supply, including metals and specialty materials, could adversely impact margins, operations, and execution of custom orders.

Issue Details	
Date of opening	August 20, 2026
Date of closing	August 24, 2026
Total No. of shares offered (cr.)	2.17
Post Issue No. of shares (cr)	8.4
Face Value	₹4
Bid Lot	50 Shares
Minimum application for retail (upper price band for 1 lot)	₹15,000
Maximum application for retail (upper price band for 13 lot)	₹1,95,000
Listing	BSE,NSE
Lead Managers	ICICI Securities Ltd & JM Financial Ltd.
Registrar	Kfin Technologies Ltd.

Issue size (upper price)	Rs.cr
Fresh Issue	95.0
OFS	555.0
Total Issue	650.0

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	80.5	65.7
Public & others	19.5	34.3
Total	100.0	100.0

Issue structure	Allocation (%)	Size Rs.cr
QIB	50	325.0
Non-Institutional	15	97.5
Retail	35	227.5
Total	100	650.0

Y.E March (Rs cr) Consol.	FY24	FY25	FY26
Sales	274.8	378.5	444.9
Growth YoY(%)		38	18
EBITDA	54.6	90.4	99.9
Margin(%)	19.9	23.9	22.5
PAT Adj.	37.7	59.6	68.8
Growth (%)		58	15
EPS	4.5	7.1	8.2
P/E (x)	66.8	42.2	36.6
EV/EBITDA (x)	46.3	27.8	25.6
P/Bv(x)	12.3	5.7	4.8



Business Description:

The company is a leading thermal engineering and specialised cable manufacturer that designs and manufactures customised temperature sensing solutions, electrical heating solutions, and specialised cables for diverse industrial applications. According to the F&S Report, it is India's largest manufacturer of contact and non-contact temperature sensors by revenue, holding a 10.5% market share in FY26. It is also the only Indian manufacturer of non-contact temperature sensors, fibre optic temperature sensors, thermal profiling systems, pyrometers, and online thermal imagers. Supported by strong Project/OEM and recurring MRO businesses, the company delivers innovative, reliable, and customer-centric solutions while maintaining a strong leadership position across key thermal management and cable segments.

Verticals	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of revenue from operations (excluding other operating revenue) ⁽¹⁾ (%)	Amount (₹ million)	Percentage of revenue from operations (excluding other operating revenue) ⁽¹⁾ (%)	Amount (₹ million)	Percentage of revenue from operations (excluding other operating revenue) ⁽¹⁾ (%)
Temperature sensing solutions	1,966.64	44.59	1,744.54	46.48	1,652.92	60.58
Electrical heating solutions	913.27	20.70	630.30	16.79	106.40	3.90
Specialised cables	1,531.13	34.71	1,378.61	36.73	968.95	35.52
Total revenue from operations (excluding other operating revenue)	4411.04	100.00	3,753.45	100.00	2,728.27	100.00

Source: Geojit research, RHP

Manufacturing Operations:

The company, along with its subsidiaries and joint ventures, operates 15 manufacturing units across India, the UAE, South Korea, Indonesia, Germany, and Poland. Its Indian facilities are backward integrated, covering design, machining, manufacturing, assembly, calibration, and testing. Supported by a NABL-accredited center in Udaipur, the manufacturing network ensures high-quality standards, efficient lead times, and effective new product development.

Detail of the Facility ⁽¹⁴⁾	Product Vertical	Units	Particulars and Fiscal								
			As of / For Fiscal 2026			As of / For Fiscal 2025			As of / For Fiscal 2024		
			Installed Capacity ⁽¹⁾	Actual Production ⁽²⁾	Capacity Utilization ⁽³⁾	Installed Capacity ⁽¹⁾	Actual Production ⁽²⁾	Capacity Utilization ⁽³⁾	Installed Capacity ⁽¹⁾	Actual Production ⁽²⁾	Capacity Utilization ⁽³⁾
Facilities Operated by our Company											
Tempsens Unit – I	Temperature sensing solution	In numbers	1,140,000 ⁽⁴⁾	6,67,314	58.14%	1,140,000 ⁽⁴⁾	682,765	59.89%	720,000	580,338	80.60%
Tempsens Unit – II	Temperature sensing solution	In numbers	40,000	28,060	70.15%	40,000	28,466	71.17%	40,000	26,444	66.11%
	Electrical Heating Solutions	In numbers	1,000	496	49.60%	1,000	722	72.20%	1000	372	37.20%
	Specialised cable	Metric tonnes ("MT")	100	96	96.00%	100	90.90	90.90%	100 ⁽⁵⁾	92.90	92.90%
Tempsens Unit – IV	Specialised cable	Km	10,000	9,057	90.57%	10,000	7,184.42	71.84%	10,000 ⁽⁶⁾	5,707.15	57.07%
Tempsens Unit – V	Specialised cable	Meter	200,000 ⁽⁷⁾	-	-	200,000 ⁽⁷⁾	-	-	-	-	-
		MT	300 ⁽⁷⁾	127	42.33%	300 ⁽⁷⁾	-	-	-	-	-
Tempsens Unit – VI	Electrical Heating Solutions	In number	15,000 ⁽⁷⁾	6,203	41.35%	15,000 ⁽⁷⁾	-	-	-	-	-
Tempsens Unit - VII	Electrical Heating Solutions	In number	300,000 ⁽⁸⁾	1,65,887	55.30%	300,000 ⁽⁸⁾	214,036	71.35%	-	-	-

Source: Geojit research, RHP

Key strengths

- Largest manufacturer of contact and non-contact temperature sensors in India in terms of revenue and one of the largest manufacturers of electrical heaters in India (Source: F&S Report) with a focus on indigenisation resulting in high entry barriers.
- Diversified business model with broad product portfolio, wide industry coverage, and balanced mix of projects and MRO revenue.
- Established research and development capabilities enabling customized, critical solutions and innovation.
- Global presence through strategic alliances, diverse customer base, export sales and strong long-standing customer relationships.
- Integrated global operations featuring backward integration, digital traceability, and stringent quality control.
- Operations led by the promoters and supported by an experienced management team driving long-term business growth.

Key strategies:

- Expanding and commercialising new products by leveraging R&D capabilities and technological partnerships.
- Scaling established product lines: process heating, conductor solutions and infrared technology.
- Maintaining and expanding global presence and export sales.
- Continuing to focus on growth through organic and inorganic initiatives, including joint ventures and subsidiaries.
- Continue to focus on improving operational efficiency and expanding manufacturing capacity.
- Expanding replacement business and diversifying industry presence to drive resilient, annuity-style growth.

Industry Outlook:

The global temperature sensors and allied products market has experienced strong growth, expanding from approximately \$3.0 billion in 2020 to \$4.3 billion in 2025 at a CAGR of 7.3%, driven by industrial automation, digitalization, and process optimization. The market is projected to reach around \$6.3 billion by 2030, growing at 8.1% CAGR, supported by Industry 4.0, IIoT, predictive maintenance, and smart manufacturing. Key growth drivers include stricter safety regulations, EV and clean energy expansion, semiconductor manufacturing, and infrastructure modernization. While contact sensors dominate the market, non-contact sensors such as infrared sensors and pyrometers are the fastest-growing segment, driven by demand for precise, real-time, and contactless thermal monitoring. (Source: Frost & Sullivan Analysis)

Exhibit 2.2: Global market size for Temperature Sensors and Allied Products (Value in USD Bn), CY2020 – CY2030E



Source: Geojit research, RHP

Promoter and promoter group

The Promoters of the company are Virendra Praksh Rathi, Vinay Rathi and Pratap Singh Talesara.

Brief Biographies of directors

- **Virendra Prakash Rathi**, Chairman & Executive Director. B.E. (Electrical), Bhopal University. Over 36 years in engineering. Recipient of Distinguished Alumnus Award (2024), MSME National Award (2010), and Lifetime Achievement Award (2026). Leads technology, manufacturing infrastructure, and global partnerships.
- **Vinay Rathi**, Managing Director. B.E. (Electrical & Electronics), Mangalore University; PG Diploma in Management & Entrepreneurship, TAPMI. Over 29 years in engineering. Joined company in 2003. Oversees marketing, sales, market research, and product development. Award-winning entrepreneur and innovator.
- **Ankit Talesara**, Non-Executive Director. M.Sc. from University of Cincinnati, USA. Over 27 years of engineering experience. Director since 2019. Associated with multiple Pyrotech group companies and hospitality ventures.
- **Pratap Singh Talesara**, Non-Executive Director. B.E. (Hons.), BITS Pilani; Doctor of Professional Entrepreneurship. Chartered Engineer and Professional Engineer (India). Over 36 years in engineering. Recipient of multiple excellence and leadership awards. Director since 1992.
- **Deepak Kabra**, Independent Director since June 2025. Chartered Accountant (ICAI). Over 16 years of banking experience. CEO of TrustEdge Capital Limited. Also serves on the boards of Azad Engineering Limited and Vishal Nirmiti Limited.
- **Rishabh Verdia**, Independent Director since June 2025. Chartered Accountant and certified Information Systems Auditor. Over 24 years of accounting experience. Holds directorships across several companies in investment, technology, infrastructure, and materials sectors.
- **Bhagwat Singh Babel**, Independent Director since June 2025. B.Tech. (Electrical Engineering), BHU. Over 19 years in the electrical industry. Former National Executive Council member of IEEMA. Associated with Secure Meters and serves on boards including RR Kabel Limited.
- **Ruchika Godha**, Independent Director since June 2025. Master's degree in Management Science from Devi Ahilya Vishwavidyalaya. Over 18 years in IT consultancy services. Director on the boards of Advaiya Solutions and other organizations.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY24	FY25	FY26
Sales	274.8	378.5	444.9
% change	0.0%	37.7%	17.5%
EBITDA	54.6	90.4	99.9
% change	-	65.5%	10.5%
Depreciation	5.3	12.1	13.8
EBIT	49.3	78.3	86.1
Interest	1.6	2.1	5.2
Other Income	3.2	3.9	11.0
Exceptional items	0.0	0.0	0.0
PBT	50.9	80.2	91.8
% change	-	57.4%	14.5%
Tax	13.3	20.6	23.1
Tax Rate (%)	26%	26%	25%
Reported PAT	40.9	62.6	71.1
Adj	-3.3	-3.0	-2.3
Adj. PAT	37.7	59.6	68.8
% change	-	58.2%	15.4%
Post issue No. of shares (cr)	8.4	8.4	8.4
Adj EPS (Rs)	4.5	7.1	8.2
% change	0.0%	58.2%	15.4%

Cash Flow

Y.E March (Rs cr)	FY24	FY25	FY26
PBT Adj.	54.2	83.2	94.1
Non-operating & non cash adj.	3.0	9.0	9.8
Changes in W.C	9.0	-17.3	-40.5
C.F. Operating	37.1	54.2	42.0
Capital expenditure	-26.8	-30.9	-14.0
Change in investment	-0.6	-65.2	-21.6
Sale of investment	-	-	0.1
Other invest.CF	0.6	2.6	9.2
C.F - investing	-26.9	-93.5	-26.2
Issue of equity	-	-	-
Issue/repay debt	3.7	39.0	1.1
Dividends paid	-	-0.6	-2.7
Other finance.CF	-1.6	-2.2	-4.7
C.F - Financing	2.1	36.2	-6.3
Change. in cash	12.3	-3.1	9.5
Opening Cash	1.3	13.7	13.0
Closing cash	13.7	13.0	28.5

BALANCE SHEET

Y.E March (Rs cr)	FY24	FY25	FY26
Cash	13.7	71.4	34.2
Accounts Receivable	45.6	64.2	85.7
Inventories	57.1	86.4	111.9
Other Cur. Assets	4.8	10.2	31.5
Investments	40.3	17.0	39.8
Deff. Tax Assets	-	0.2	0.1
Net Fixed Assets	74.6	105.5	113.5
CWIP	2.1	0.1	0.6
Intangible Assets	0.1	151.5	154.7
Other Assets	32.9	44.7	89.0
Total Assets	271.1	551.3	661.1
Current Liabilities	22.0	23.2	35.2
Provisions	0.9	1.8	2.1
Debt Funds	30.1	71.8	77.9
Other Fin. Liabilities	3.7	5.3	9.3
Deferred Tax liability	9.7	7.5	11.1
Equity Capital	1.8	2.9	32.3
Reserves & Surplus	203.0	427.2	465.2
Shareholder's Fund	204.8	441.7	525.5
Total Liabilities	271.1	551.3	661.1
BVPS (Rs)	24.4	52.7	62.7

RATIOS

Y.E March	FY24	FY25	FY26
Profitab. & Return			
EBITDA margin (%)	19.9	23.9	22.5
EBIT margin (%)	17.9	20.7	19.3
Net profit mgn.(%)	13.7	15.7	15.5
ROE (%)	18.4	18.4	14.2
ROCE (%)	21.0	20.9	15.4
W.C & Liquidity			
Receivables (days)	60.5	52.9	61.5
Inventory (days)	124.6	130.4	150.8
Payables (days)	34.1	29.8	28.5
Current ratio (x)	7.1	10.0	8.1
Quick ratio (x)	2.7	5.8	3.4
Turnover & Levq.			
Net asset T.O (x)	3.7	4.2	4.1
Total asset T.O (x)	1.0	0.9	0.7
Int. covge. ratio (x)	30.9	37.6	16.5
Adj. debt/equity (x)	0.1	0.2	0.1
Valuation ratios			
EV/Sales (x)	9.2	6.6	5.8
EV/EBITDA (x)	46.3	27.8	25.6
P/E (x)	66.8	42.2	36.6
P/BV (x)	12.3	5.7	4.8

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