TEMPSENS INSTRUMENTS (INDIA) LIMITED

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IPO Report

20th Aug 26

Snapshot

Company is a thermal engineering and specialised cable manufacturer, engaged in the design and manufacture of customized temperature sensing solutions, electrical heating solutions and specialised cables. Company's offerings are tailored to address each customer's technical requirements. By combining company's technical expertise with a collaborative approach to customer relationships, company deliver solutions that address complex thermal management and cable challenges across diverse industries. With company's strong sales and operations teams, company is able to respond quickly to client needs, ensuring timely and effective delivery of company's customised solutions. Company is the largest manufacturer of contact and non-contact temperature sensors in India in terms of revenue as of March 31, 2026, with a market share of approximately 10.5% in the temperature sensor segment in Fiscal 2026. Company is also the only Indian manufacturer of non-contact temperature sensors as of March 31, 2026, and held approximately 21.3% of the non-contact temperature sensor market share in Fiscal 2026

VALUATION

Company is bringing the issue at price band of Rs 285-300 per share at p/e multiple of 35x on post issue FY26 basis.

Company is the largest manufacturer of contact and non-contact temperature sensors in India have diversified business model with broad product portfolio, wide industry coverage, and balanced mix of projects and MRO revenue & have established research and development capabilities enabling customized, critical solutions and innovation with global presence through strategic alliances, diverse customer base, export sales and strong longstanding customer relationships Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**285-300**
Opening date of the issue	**20th Aug '2026**
Closing Date of the issue	**24th Aug '2026**
No of shares pre issue	8,06,66,025 Eq Shares
Issue Size	Rs 622-650 Cr
Fresh Issue	Rs 95 Cr
OFS	1,85,00,000 Eq Shares
Face Value (Rs/ share)	Rs 4/share
Bid Lot	50
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 1,08,08,332 eq Shares)
Non-Institutional	15% of the offer (Approx 32,42,5000 eq Shares)
Retail	35% of the offer (Approx 75,65,834 eq Shares)
Emp Reservation	50,000 Eq Shares
Lead managers	ICICI Securities, JM Financial
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

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 with a Focus on Indigenisation resulting in High Entry Barriers

Company's products are niche and customized to meet specific customer requirements. Company offer one of the most extensive portfolios of bespoke thermal engineering solutions in India and globally. Each manufacturing job operates on a make-to-order basis, i.e., customer requirements are translated into detailed engineering and design workflows, resulting in precise production drawings

Diversified Business Model with Broad Product Portfolio, Wide Industry Coverage, and Balanced Mix of Projects and MRO Revenue

Company operate a diversified business model anchored by a broad portfolio of products, including temperature sensing solutions, electrical heating solutions and specialised cables. Company's product offering has expanded from seven categories in Fiscal 2020 to 13 categories in three verticals during Fiscal 2026

Global Presence Through Strategic Alliances, Diverse Customer Base, Export Sales and Strong Long- Standing Customer Relationship

Company have established a broad global presence through a combination of collaborations, joint ventures,subsidiaries, a diverse customer base and a steadily growing export business. These collaborations and international operations have enabled company to expand its product categories, create cross-sel ing opportunities, and efficiently enter new markets by leveraging local insights and networks.

COMPANY BACKGROUND

By indigenising non-contact temperature sensor development, company have reduced reliance on foreign suppliers and established a strong leadership position Company's technical expertise extends to advanced conductor solutions, and company is among the very few specialist manufacturers of these products in India as of March 31, 2026. Furthermore, company is one of the largest manufacturers of electrical heaters in India in terms of installed capacity as of March 31, 2026, and are also one of the few players with the capability to manufacture low-voltage process heaters, with ongoing R&D on medium-voltage heaters . Company is also the only manufacturer of fibre optic temperature sensors and thermal profiling systems in India as of March 31, 2026, and the only manufacturer of pyrometers and online thermal imagers in India in Fiscal 2026. Company offer a diverse product portfolio structured around three core verticals: temperature sensing solutions electrical heating solutions and specialised cables.

Company demonstrate its capabilities through a diverse portfolio of project/original equipment manufacturer ("**Project/OEM**") engagements and a steadily recurring maintenance, repair and operations ("**MRO**") replacement business. The Project/OEM segment represents a high-barrier, approval-driven market characterised by stringent qualification requirements, where winning large, competitive orders for instrumentation in greenfield or brownfield setups underscores company's technical credibility and customer trust. In parallel, company actively serve the replacement market, which consists of MRO orders that often stem from company's existing Project/OEM customers, while also allowing company to engage new customers who could eventually transition into project customers. MRO orders provide a stable, recurring revenue stream, less dependent on capital expenditure cycles and strongly linked to process uptime, regulatory compliance, and lifecycle management . This two-pronged approach has cascading benefits, i.e., securing project orders not only strengthens company's foothold in critical infrastructure but also increases the likelihood of repeat MRO orders, promoting customer retention and generating predictable revenue streams.

From April 1, 2023 until March 31, 2026, company have served more than 1,000 unique customers. For this purpose, "unique customers" means new customers served in the previous three Fiscals, excluding repeat customers. This customer base includes customers added through acquisitions and the expansion of company's business operations, including through its overseas subsidiaries across multiple industry endpoints which include power, steel, glass and oil and gas amongst others. This extensive customer base supports a diversified revenue stream, which mitigates risk from sector-specific economic downturns. Contributions from company's top 10 customers have shown a consistent downward trend, remaining consistently at or under 25.00% of company's revenue from operations. This underscores company's resilience and reduces dependency on any single customer. Company's high repeat business is a testament to the enduring relationships company have built, supported by company's inclusion on approved vendor lists.

OBJECTS OF OFFER

The Offer comprises a Fresh Issue of Equity Shares of face value of ₹2 each, aggregating up to ₹14,000.00 million by Company and an Offer for Sale of up to 19,137,602 Equity Shares of face value of ₹2 each, by the Selling Shareholders.

Fresh Issue

The net proceeds of the Fresh Issue, i.e., gross proceeds of the Fresh Issue less Company's share of the Offer related expenses ("Net Proceeds"), are proposed to be utilized towards funding of the following objects (collectively, the "Objects"):

1. Funding certain capital expenditure of Company towards company's (i) electrical heating solutions; and (ii) specialized cable solutions;
2. Pre-payment or scheduled re-payment, in full or in part, of certain outstanding borrowings availed by Company; and
3. General corporate purposes.

RISKS

Company's business is more dependent on Projects/OEM business which contributed 67.55%, 69.16%, and 63.99% of its revenue from operations (excluding scrap sale and export incentive) for Fiscals 2026, 2025, and 2024, respectively,with the remaining contributed by company's MRO business, and adverse changes in either category may materially and adversely affect company's business, financial condition, results of operations, and cash flows.

Source:RHP

Consolidated Financials (Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	2748.10	3785.26	4448.78
Total Expenditure (B)	2201.78	2881.37	3449.93
EBIDTA	546.32	903.89	998.85
EBIDTA Margin	19.88	23.88	22.45
Other Income	32.32	39.42	109.77
Depreciation	53.48	120.77	138.25
EBIT	525.16	822.54	970.37
Interest	15.95	20.84	52.21
PBT	509.21	801.70	918.16
Share of profit in Asso	32.63	29.91	23.11
PBIT	541.84	831.61	941.27
Exceptional	0.00	0.00	0.00
PBT	541.84	831.61	941.27
Tax	132.65	206.06	230.60
PAT	409.19	625.55	710.67
NPM	14.89	16.53	15.97
ROE%	22.70	14.06	13.55
EPS	8.06	7.51	8.35
Eq Cap	18.49	29.33	322.66
Net Worth	2,048.05	4,416.79	5,254.75

(Source: RHP)

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