

November 27, 2025

Tempsens Instruments (India) Limited: Rating reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Cash credit	42.00	83.00	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount
Long term – Non-fund based - Bank guarantee	20.00	32.40	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount
Long Term – Fund based – Term Loan	-	8.11	[ICRA]A (Stable); assigned
Long term - Unallocated limits	38.00	1.49	[ICRA]A (Stable); reaffirmed
Total	100.00	125.00	

**Instrument details are provided in Annexure I*

Rationale

The reaffirmation of Tempsens Instruments (India) Limited's (TIIL/company) long-term rating reflects its strong market position in heat-resistant devices and a healthy financial risk profile. TIIL maintains a well-established presence across key sectors such as glass, cement, steel and power, supported by stable relationships with reputed customers. The rating also benefits from the company's broad client base, which ensures a diversified revenue stream across multiple end-user industries, thereby mitigating customer concentration risk.

TIIL's revenues grew ~38% YoY in FY2025, increasing to ~Rs. 379 crore in FY2025 from ~Rs. 275 crore in FY2024. This growth was primarily driven by the recent amalgamation of its group entity, Marathon Heaters (India) Private Limited (MHIPL), which contributed Rs. 70–75 crore in FY2025, along with volume expansion in existing product segments such as cables, thermocouples, pyrometers, sensors and heaters. The company's entry into new segments such as defence also supported the revenue increase. The revenues are likely to further increase in FY2026 on the back of an expected growth in the existing product segments. Further, low dependence on external debt and healthy accruals are expected to maintain the company's robust financial risk profile. The rating also draws comfort from the experience of TIIL's promoters of more than 40 years in thermal engineering solutions.

The rating is, however, constrained by intense competition in the export market, which has resulted in a modest growth in exports. To address this challenge, TIIL's management has devised strategies to expand globally. TIIL already has units in the UAE, Indonesia and South Korea. Similarly, the management plans to establish assembly units in the other international markets and pursue acquisitions as part of their growth strategy. ICRA also factors in the high working capital intensity in the business on account of the elongated receivables and the high inventory holding requirement. However, ICRA notes that the company's healthy cash accruals will support its working capital requirements.

The Stable outlook on the long-term rating reflects ICRA's expectation that TIIL is likely to sustain its operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex/acquisitions, aimed at expanding the product portfolio, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Strong market position for heat-resistant devices – Over the years, TIIL has served as a qualified vendor for heat-resistant devices for various clients and continues to get repeat business. The company has an established track record of over four decades in manufacturing a broad range of thermal engineering products, which find application across industries like glass, chemicals, power, nuclear etc. It draws support from a professional and technically qualified management that has considerable experience in the field. This is evident from a healthy revenue growth in the last four-year period ended FY2025, driven by robust demand from various end-user industries as well as strong replacement demand for such products.

Low geographic and customer concentration risks – TIIL has a large client base that ensures a diversified revenue stream across multiple end-user industries, resulting in low customer concentration risk. The top 10 customers contributed ~25% of the revenues in FY2025. TIIL and its promoters have entered into several joint venture arrangements in foreign countries and are focusing on similar JVs/acquisitions abroad in order to increase their presence in the international markets. TIIL already has JVs in Indonesia, South Korea and Germany as well as a subsidiary in the UAE.

Healthy financial risk profile – TIIL has maintained healthy operating margins and accruals in the past. In FY2025, the operating margins improved to 24.1% vis-à-vis 20.1% in FY2024. The company's absolute OPBDITA achieved a healthy growth of ~66% in FY2025 compared to the previous year, primarily due to the increase in scale backed by the recent amalgamation. The company's financial risk profile remains healthy, backed by the limited reliance on long-term debt. These factors contribute to comfortable leverage and healthy debt coverage indicators, reflected in interest coverage of 32.9 times, TD/OPBDITA of 0.8 times and DSCR of 28.2 times in FY2025. The financial risk profile is expected to remain comfortable over the medium term.

Credit challenges

Exposure to competition in export market – The company operates in the niche segment of heat treatment and electrical heating. The steady demand, given the consumable nature of the product, has resulted in low entry barriers. Further, stiff competition and the prerequisite of having local presence in the export market have resulted in modest export growth. However, ICRA notes that the company registered a healthy growth of ~38% in FY2025, led by a change in the product mix towards value-added thermal heating products where the realisation was high and the increase in sales in the cable and conductor segment. Further, the company is in the process of increasing its cable capacity and set up a new unit in the cable segment in Udaipur. This expansion, along with the expected increase in export sales, is likely to scale up the company's revenues. The margin remains exposed to commodity price fluctuation risk, though the management tries to mitigate the risk by procuring order-backed inputs.

High working capital intensity – The working capital intensity of the business was high at ~29.8% in FY2024 and 35.4% in FY2025 on account of high inventory holding requirement. However, ICRA notes that the company's healthy accruals along with the short-term working capital borrowings have helped fund its working capital requirements.

Liquidity position: Adequate

The liquidity position of TIIL is adequate on account of healthy cash generation and nominal long-term repayment obligations of ~Rs. 1.45 crore in FY2026 and ~Rs. 1.99 crore in FY2027. Besides, the company has cushion available in the working capital limits with average utilisation of ~56% over the last 12 months ended June 2025 and cash and bank balance of Rs. 84.4 crore as on March 31, 2025.

Rating sensitivities

Positive factors – ICRA could upgrade TIIL's rating if the company is able to increase its scale while maintaining healthy profitability and debt protection metrics and a strong liquidity profile.

Negative factors – A substantial decline in the scale of operations or weakening in profitability, leading to a deterioration in the key credit metrics, may a downgrade. Any large debt-funded capex/acquisition or a stretch in the working capital cycle adversely impacting the liquidity profile and other key credit metrics may also result in a downgrade. A specific trigger that may lead to a downgrade is TOL/TNW of 1.2 times or above on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the consolidated financials of TIIL along with its group entities, which are listed in Annexure II

About the company

TIIL offers solutions for thermal engineering by manufacturing temperature sensors, such as thermowells, thermocouples, control and instrumentation cables, heaters etc. for process equipment in various industrial applications. The company was established in 1990. The products find application in various industries like cement, power, steel, pharmaceuticals, glass, chemicals and fertilisers, petrochemicals and auto industries. TIIL caters to the requirements of more than 3,500 customers in India and abroad.

Marathon Heater (India) Private Limited (MHIPL) was a group entity which was merged with TIIL w.e.f April 01.2024. MHIPL was into the business of production of heaters since 2008. The major products for MHIPL include process heaters (circulation heater, duct heater, screw plug heater etc.), component heaters (cartridge heater, coil heater, strip heater etc.) and furnace heaters etc.

In FY2024, MHIPL bought a 50.01% stake in another group company, named Pyrosens Technologies India Private Limited {erstwhile Accurate Sensors Technologies (I) Private Limited}. It was founded in 2009 for non-contact temperature measurement solutions for aluminium surfaces with low, unstable and variable emissivity characteristics. The product portfolio includes infrared pyrometers, thermal imagers, furnace monitoring systems and black body furnaces for process industries such as steel, aluminium, cement, glass, and non-metals and various R&D applications. Accurate Optoelectronics Private Limited is a subsidiary of Pyrosens (100% share) and is engaged in manufacturing infrared sensors.

Post amalgamation, MHIPL has been merged with TIIL and as such Pyrosens Technologies has become a 50.01% subsidiary of TIIL and Accurate Optoelectronics as a 50.01% step-down subsidiary of TIIL.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	274.8	378.5
PAT*	37.7	59.6
OPBDIT/OI	20.1%	24.1%
PAT/OI	13.7%	15.7%
Total outside liabilities/Tangible net worth (times)	0.3	0.2
Total debt/OPBDIT (times)	0.5	0.8
Interest coverage (times)	25.7	32.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *PAT: Profit after tax (does not include share of net profit from JVs/associates); OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Nov 27, 2025	Date	Rating	Date	Date	Date	Rating
Cash credit	Long term	83.00	[ICRA]A (Stable)	Aug 07, 2024	[ICRA]A (Stable)	Jun 06, 2023	[ICRA]A- (Positive)	Aug 23, 2022	[ICRA]A- (Positive)
Bank guarantee	Long term	32.40	[ICRA]A (Stable)	Aug 07, 2024	[ICRA]A (Stable)	Jun 06, 2023	[ICRA]A- (Positive)	Aug 23, 2022	[ICRA]A- (Positive)
Term loan	Long term	8.11	[ICRA]A (Stable)	-	-	-	-	-	-
Unallocated limits	Long term	1.49	[ICRA]A (Stable)	Aug 07, 2024	[ICRA]A (Stable)	Jun 06, 2023	[ICRA]A- (Positive)	Aug 23, 2022	[ICRA]A- (Positive)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund based - Cash credit	Simple
Long term – Non-fund based - Bank guarantee	Very Simple
Long Term – Fund based – Term Loan	Simple
Long term - Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based - Cash credit	NA	NA	NA	83.00	[ICRA]A (Stable)
NA	Long term – Non-fund based - Bank guarantee	NA	NA	NA	32.40	[ICRA]A (Stable)
NA	Long term – Fund based – Term loan	Oct 2024	NA	Sep 2030	8.11	[ICRA]A (Stable)
NA	Long term - Unallocated limits	NA	NA	NA	1.49	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Pyrosens Technologies India Private Limited (erstwhile Accurate Sensors Technologies)	50.01%	Full consolidation
Tempsens Gulf LLC (Ajman, UAE)	75%	Full consolidation
PT Tempsens Asia Jaya (Jakarta, Indonesia)	50%	Equity method
Tempsens Korea Co. Limited	50%	Equity method

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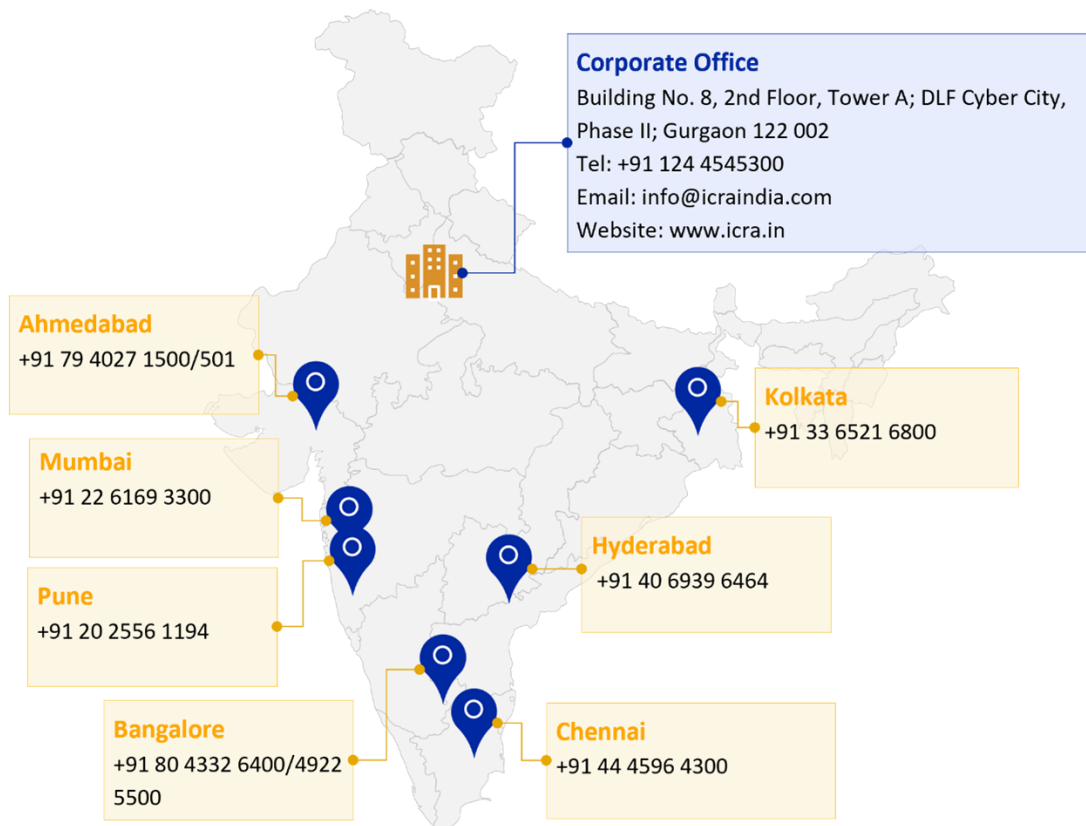
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