APRIL 04, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF TEMPSENS INSTRUMENTS (INDIA) PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long term Bank Facilities	30.93 (reduced from 32.17)	**CARE BBB- (Triple B Minus)**	Reaffirmed
Short term Bank Facilities	16.50	**CARE A3 (A Three)**	Reaffirmed
Total Facilities	**47.43 (Rupees Forty Seven crore and Forty Three lakh only)**		

Rating Rationale

The ratings continue to take comfort from the wide experience of the promoters of Tempsens Instruments (India) Private Limited (TIPL) in the temperature measurement equipment business, its long track record of operations having reputed and diversified customer base with offerings of customized products to diversified industries and its financial risk profile marked by healthy profitability margins and favourable capital structure. The ratings, further, continue to derive strength from its technical tie-up with the global suppliers and moderate order book position.

The ratings, however, continue to remain constrained on account of its elongated operating cycle and high level of competition due to the fragmented nature of the industry. The ratings, further, constrained due to ongoing debt-funded capex.

Increase the presence in the thermal instruments market with broadening of product portfolio, better working capital management as well as stabilization of project capacities after completion of the same with improvement in overall financial risk profile would be the key rating sensitivities.

Background

Initially established as a partnership firm in 1985 by Mr C P Talesara, Mr P S Talesara, Mr V P Rathi and Mr N K Pande, TIPL was converted into a private limited company in 1990. It is a part of Pyrotech Group of Udaipur and is engaged in the manufacturing of temperature measurement & control equipment and solutions for industrial applications catering to a wide range of industries. The products find application in new setups as well as regular replacements in temperature controlled processes. It also manufactures cables for temperature sensors and instrumentation at its manufacturing facilities at Udaipur (Rajasthan) which is ISO 9001:2008 certified and National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratory.

Mr V P Rathi (Chairman and Managing Director of TIPL) was awarded with “MSME National Award, 2010” for outstanding entrepreneurship in manufacturing segment of MSE’s. Furthermore, TIPL was presented an award with “Rajiv Gandhi National Quality Award” in 2005 in recognition of their efforts and commitment to quality in the field of Electrical & Electronic industry.

During FY15 (refers to the period April 1 to March 31), TIPL reported a total operating income of Rs.66.10 crore (FY14: Rs.54.08 crore) with a PAT of Rs.4.09 crore (FY14: Rs.3.70 crore). As per the provisional result for 9MFY16, TIPL has reported TOI of Rs.53.67 crore.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*



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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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