Tempsens Instruments (India) Private Limited

April 07, 2017

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	30.93	**CARE BBB-; ISSUER NOT COOPERATING (Triple B Minus; ISSUER NOT COOPERATING)**	**"Issuer not cooperating; based on best available information"**
Short-term Bank Facilities	16.50	**CARE A3; ISSUER NOT COOPERATING (A Three; ISSUER NOT COOPERATING)**	**"Issuer not cooperating; based on best available information"**
Total	**47.43 (Rupees Forty Seven crore and Forty Three lakh only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Tempsens Instruments (India) Private Limited (TIPL) to monitor the rating vide e-mail communications/letters November 22, 2016, December 08, 2016, January 04, 2017, February 01, 2017 and numerous phone calls. However, despite of our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Furthermore, Tempsens Instruments (India) Private Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on Tempsens Instruments (India) Private Limited bank facilities and/or instruments will now be denoted as **CARE BBB-/CARE A3; ISSUER NOT COOPERATING**.

Users of these ratings (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

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.

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.

Detailed description of the key rating drivers

At the time of last rating on March 26, 2016, the following were the rating strengths and weaknesses. *(updated for the information available from Registrar of Companies).*

Key rating strengths

Growth in scale of operations coupled with moderate financial risk profile higher operating margins, comfortable debt coverage indicators

During FY16 (refers to the period April 1 to March 31), Total Operating Income (TOI) increased by 9.54% over FY15. Further,During FY16, PBILDT and PAT margin of TIPL stood comfortable at 16.03% and 6.57% respectively. Its solvency position and debt coverage indicators continued to remain comfortable with overall gearing of 0.89 times and total debt to GCA of 4.14 times as on March 31, 2016.

Key rating weaknesses

Weak liquidity position on account of higher debtor days resulting in long operating cycle

During FY16, operating cycle of the company declined to 127 days from 114 days in FY15 due to increase in debtor and inventory period.

Analytical approach: Standalone

Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology- Manufacturing Companies
Financial ratios – Non-Financial Sector

About the Company
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, Tempsens Instruments (India) Private Limited (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.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer
CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.
In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook 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.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	April, 2018	0.97	CARE BBB-; ISSUER NOT COOPERATING
Fund-based - ST-EPC/PSC	-	-	-	4.50	CARE A3; ISSUER NOT COOPERATING
Fund-based - LT-Cash Credit	-	-	-	21.00	CARE BBB-; ISSUER NOT COOPERATING
Fund-based - ST-Standby Line of Credit	-	-	-	2.00	CARE A3; ISSUER NOT COOPERATING
Non-fund-based - ST-Letter of credit	-	-	-	1.50	CARE A3; ISSUER NOT COOPERATING
Fund-based - ST-Buyers Credit	-	-	-	4.00	CARE A3; ISSUER NOT COOPERATING
Non-fund-based - ST-Bank Guarantees	-	-	-	4.50	CARE A3; ISSUER NOT COOPERATING
Fund-based - LT-Term Loan	-	-	October, 2018	0.96	CARE BBB-; ISSUER NOT COOPERATING
Fund-based - LT-Term Loan	-	-	October, 2021	8.00	CARE BBB-; ISSUER NOT COOPERATING

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	0.97	CARE BBB-; ISSUER NOT COOPERATING	-	1)CARE BBB- (04-Apr-16)	1)CARE BBB- (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE BBB- (04-Apr-14)
2.	Fund-based - ST-EPC/PSC	ST	4.50	CARE A3; ISSUER NOT COOPERATING	-	1)CARE A3 (04-Apr-16)	1)CARE A3 (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE A3 (04-Apr-14)
3.	Fund-based - LT-Cash Credit	LT	21.00	CARE BBB-; ISSUER NOT COOPERATING	-	1)CARE BBB- (04-Apr-	1)CARE BBB- (04-Jun-15) 2)Suspended	1)CARE BBB- (04-Apr-

						16)	(01-Apr-15)	14)
4.	Fund-based - ST-Standby Line of Credit	ST	2.00	CARE A3; ISSUER NOT COOPERATING	-	1)CARE A3 (04-Apr-16)	1)CARE A3 (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE A3 (04-Apr-14)
5.	Non-fund-based - ST-Letter of credit	ST	1.50	CARE A3; ISSUER NOT COOPERATING	-	1)CARE A3 (04-Apr-16)	1)CARE A3 (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE A3 (04-Apr-14)
6.	Fund-based - ST-Buyers Credit	ST	4.00	CARE A3; ISSUER NOT COOPERATING	-	1)CARE A3 (04-Apr-16)	1)CARE A3 (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE A3 (04-Apr-14)
7.	Non-fund-based - ST-Bank Guarantees	ST	4.50	CARE A3; ISSUER NOT COOPERATING	-	1)CARE A3 (04-Apr-16)	1)CARE A3 (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE A3 (04-Apr-14)
8.	Fund-based - LT-Term Loan	LT	0.96	CARE BBB-; ISSUER NOT COOPERATING	-	1)CARE BBB- (04-Apr-16)	1)CARE BBB- (04-Jun-15) 2)Suspended (01-Apr-15)	1)CARE BBB- (04-Apr-14)
9.	Fund-based - LT-Term Loan	LT	8.00	CARE BBB-; ISSUER NOT COOPERATING	-	1)CARE BBB- (04-Apr-16)	1)CARE BBB- (04-Jun-15)	-

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