

India

IPO Details

Issue Opens	12/11/2025
Issue Closes	14/11/2025
Total Issue Size (m shares)	90.7
OFS (m shares)	90.7
Price Band (Rs)	378 - 397
Face Value (Rs)	10
Implied Market Cap. (Rs bn)	160

Tenneco Clean Air India

Tail pipe exhaust treatment specialist

- Tenneco Clean Air India is a leader in aftertreatment and shock absorber segments focusing on car, truck, tractor, and construction equipment.
- Volatility from government regulations & high substrate cost are short-term challenges, but parent technology support for its new system provides comfort.
- With the IPO at a 37% premium to its Mar 2025 preferential share issue, P/E valuation at 40% discount to Bosch & ZF demands strong PAT growth ahead.

Addressable market expansion tailwinds to prevail

Tenneco Clean Air India benefitted from emission upgrade of cars and commercial vehicles in 2020, as tail pipe treatment took an important role, while engine upgrade options were limited. Considering the trade-off in emission vs. fuel efficiency, future upgrades to sustain in tail pipe and will demand live calibration to deliver consistently through driving cycles (Fig. 9). Optional value from legacy tractor emission upgrade will be difficult to time-in, but will be a big one. The electric vehicle (EV) ecosystem play will be through superior shock absorber offerings and thermal management solutions coming from its parent (Fig. 7).

Value capture of clean air division is in canning capability

The global clean air sector is dominated by six major players, with the major ones being Tenneco and Faurecia. While the unit cost of after-treatment is big in case of diesel systems, the value capture is at super specialization of parts (Fig. 4) like substate, wiring harness, canning, dozers, sensors, etc. than in metal forming and assembly operations. Tenneco and Faurecia's specialisation in the canning process helps the system work effectively during the product lifecycle. Tenneco, with its market leadership in CV clean air and car shock absorbers (Fig. 8), should benefit from the Goods and Services Tax (GST) rate cut-led automobile demand recovery in FY26F-28F.

Peer comparison financials

While the company doesn't provide divisional profitability trend, peer analysis indicates clean air brings a big profit pool, as seen from Faurecia India's EBITDA margin (Fig. 13), but the downside is earnings volatility for the CV cycle and government regulations. Export opportunity of BS-6 parts and focused cost reduction can provide some help. Equity capital reduction (Fig. 15) boosting RoE and rising related-party receivables are areas of concern.

IPO valuation demands strong EPS growth outlook

The initial public offer's (IPO) valuation at Rs397 per share (face value Rs10) looks rich as it's at a sharp 37% premium to the recent related-party preferential share issue in Mar 2025, and PAT growth easing in 1QFY26. However, considering its MNC parentage and cash-rich balance sheet, the healthy 40% discount to peers such as Bosch India and ZF India on FY25 P/E and EV/EBITDA provides comfort, but demands PAT volatility to ease and sustained growth outlook. Optional value from tractor emission is a key short-term trigger, while easing diesel penetration in the automotive sector is a key downside risk.

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Financial summary

	Mar-23A	Mar-24A	Mar-25A
Revenue	48,274	54,676	48,904
Operating EBITDA	5,706	6,121	8,152
EBITDA Margin	11.82%	11.19%	16.67%
Net Profit	3,810	4,168	5,531
Profit Margin	7.89%	7.62%	11.31%
Core EPS	9.4	10.3	13.7
Core EPS Growth		9.4%	32.7%
FD PER	42	38	29
EV/EBITDA	20.70	13.21	19.36
P/BV	10.29	8.66	9.94
ROE	31.5%	42.5%	34.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Tail pipe exhaust treatment specialist

Business overview

- Tenneco Clean Air India (Tenneco) operates in two business divisions - clean air & powertrain solutions, and advanced ride technologies.
 - Clean Air Solutions:** The company designs, manufactures and sells exhaust aftertreatment systems, such as catalytic converters, mufflers and exhaust pipes to original equipment manufacturers (OEMs).
 - Powertrain Solutions:** The company designs, manufactures and sells engine bearings, sealing systems, and ignition products (such as spark plugs and ignition coils) to OEMs and the aftermarket under the Champion brand.
 - Advanced ride technologies division:** The company designs, manufactures and sells shock absorbers, struts and advanced suspension systems under the Monroe brand to OEMs and the aftermarket, and these products are used for both internal combustion engine (ICE) vehicles and electric vehicles (EVs).
- The company operates 12 manufacturing facilities, comprising seven clean air & powertrain solutions facilities and five advanced ride technologies facilities.

Overview of Tenneco's specific automotive components

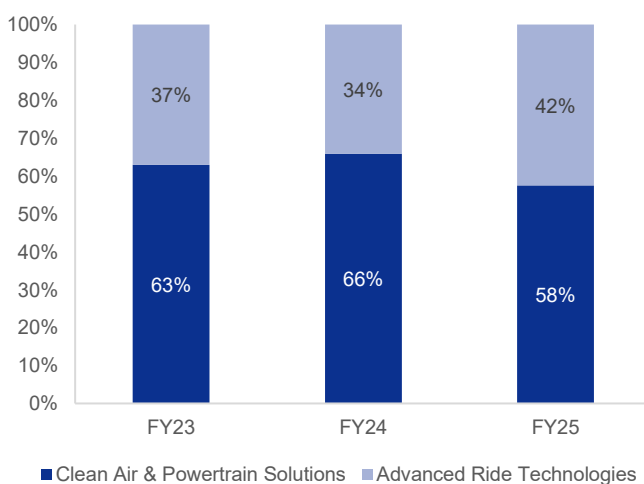
The company's portfolio includes clean air solutions covering exhaust systems and catalytic converters; ignition systems including spark plugs for two-wheeler, three-wheeler, passenger vehicle, and small commercial vehicle segments; bearings catering to automotive and off-highway engines; sealings comprising cylinder head, turbo, and exhaust gaskets; and suspension products including shock absorbers and struts for automotive applications.

Figure 1: Tenneco's product mapping by user industry segment

Market Channel	Vehicle Segment	Clean Air	Ignition	Bearings	Sealings	Suspension
OEM Demand	2W/3W		✓			✓
	PV	✓	✓	✓	✓	✓
	CT & OH	✓		✓	✓	
	Industrial (genset)	✓				
AM Demand	2W/3W		✓	✓	✓	✓
	PV		✓	✓	✓	✓
	SCV		✓	✓	✓	✓

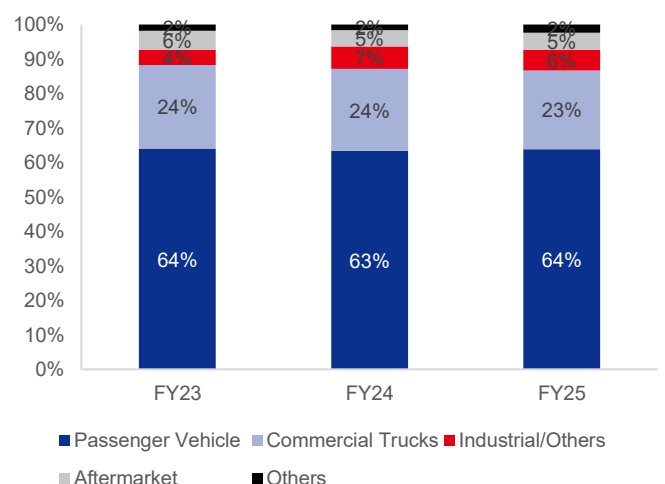
SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 2: Business division revenue mix trend



SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 3: End-market revenue mix trend



SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Tenneco's product portfolio ➤





Tenneco derives a large portion of its sales and profitability from the clean air division. Considering the complexity of the mini chemical plant at tail pipe to treat truck emissions, we thought we should give out the details of different parts suppliers in this ecosystem and value addition at each step. The emission system build involves logistics cooperation among all these suppliers, where OEMs may directly negotiate for pricing of parts and the supply quantity, while assembly can happen at one of the key vendors or OEM plant. Tenneco plays a crucial role as a canning specialist and also does assembly of the entire system as a metal fabricator for sports utility vehicle (SUV) and medium and heavy commercial vehicle (MHCV) segments.

Figure 4: Cost breakdown of MHCV exhaust system sub-components

Sub-Component	% of Total Cost	Suppliers
Substrates	40%	Crony, Johnson Controls, and Basil Automachine
Canning (metal canning)	17%	Tenneco India, Faurecia India, Sharda Motors
Sensors	8%	Bosch, Kavlica, Beru and Conti
Mat	3%	3M
Urea dosers	17%	Bosch, Cummins, and NTK
Wiring harness	16%	Motherson, Yazaki India
Total price	100%	



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Clean air system: Hot-end parts

Catalytic converter with 3-way catalyst	DOC & SDPF system	LNT	Exhaust aftertreatment system with DOC + DPF + SCR
			
Catalytic converter	A combination of below catalytic converters forms the Hot End of exhaust aftertreatment system		
Diesel oxidation catalysts ("DOC")	Devices consisting of a substrate coated with precious metals enclosed in a steel casing used to reduce harmful gaseous emissions such as carbon monoxide emitted from diesel engines.		
Diesel particulate filters ("DPF")	Devices to capture and regenerate particulate matter emitted from diesel engines.		
Lean NOx traps ("LNT")	Devices which reduce nitrogen oxide ("NOx") emissions from diesel powertrains using capture and store technology.		
Selective catalytic reduction ("SCR") converter	converters which reduce NOx emissions from diesel powertrains using urea mixers and injected reductants such as AdBlue® or Diesel Exhaust Fluid ("DEF").		
SCR-coated diesel particulate filters ("SDPF")	Lightweight and compact devices combining the SCR catalyst and the particulate filter onto the same substrate for reducing NOx and particulate matter emissions.		
Three-way catalysts ("TWC")	Systems comprising of a catalyst encased in a steel shell to reduce the carbon monoxide, hydrocarbons and NOx from gasoline and compressed natural gas ("CNG") engine emissions.		


SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 6: Clean air system: Cold-end is a relatively low value-add item

Exhaust Pipes	Mufflers and resonators
	
Mufflers and resonators	Devices to provide noise elimination and acoustic tuning.
Pipes	Utilized to connect various parts of both the hot and cold ends of an exhaust system.

SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 7: Advanced ride technologies: Shock absorbers and strut assemblies per car content ranges from Rs17,000 to Rs40,000

Shock absorbers and strut assemblies	Shock absorbers and strut assemblies with add on valve technology	Shock absorbers and strut assemblies - semi active technology	Shock absorbers for CVs
			
Hydraulic and gas-filled modern shock absorbers and struts providing better comfort, ride and handling	Shock absorbers with add on valve technology, enhancing comfort and better high-speed handling for driving on rough roads.	Advanced suspension systems integrated with engine electronic control unit ("ECU") and sensors, enhancing ride and handling by allowing real-time adjustments to the damping force. They are commonly used in luxury cars & SUVs.	Shock absorbers designed for driver seats to provide comfort and axle and cabin dampers for trucks and buses to reduce vibration.

SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Industry-wise outlook

Domestic clean air solutions ➤

- Tenneco operates in India across passenger vehicles (PV), small commercial vehicles (SCV), commercial vehicles (CV), and off-highway (OH) vehicles. It holds a leading position in the CV segment as a key supplier of emission control solutions and maintains a strong presence in the PV segment. In the OH category, Tenneco supports compliance for heavy-duty equipment.
- Tenneco is the largest supplier of clean air solutions to Indian commercial truck (CT) OEMs, with a 60% value-based market share in FY24. It ranks among the top two suppliers to Indian OH vehicle OEMs (excluding tractors) at 42%, and among the top four in the PV segment at 20%.

Domestic suspension components ➤

- Tenneco is a key player in suspension technologies, providing systems that improve ride comfort, handling, and vehicle stability. In India, it holds a leading position in the passenger vehicle (PV) segment, with ~50% market share in shock absorbers and struts.
- Tenneco is the largest supplier of shock absorbers and struts to Indian PV OEMs, with a 48% value-based market share in FY24.

Figure 8: Tenneco's presence in India's automotive market

Category / Vehicle Segment	Tenneco's Market Share	Market Ranking	Industry size (Rs m)		
			FY24	FY25F	FY30F
Clean air solutions					
Passenger vehicle	20%	Top 4	32,601	35,000	44,000
Commercial truck	60%	Leader	13,504	14,080	29,500
Off-highway vehicle (ex.tractor)	42%	Top 2	1,890	1,920	3,750
Shock absorber & strut					
PV	48%	Leader	25,681	28,000	41,000
Engine bearing					
PV	45%	Top 2	3,383	3,850	5,500
CT	44%	Top 2	1,415	1,610	2,300
Sealing					
PV	13%	Top 7	6,091	7,280	9,800
Ignition					
PV	18%	Top 5	5,555	6,520	8,900

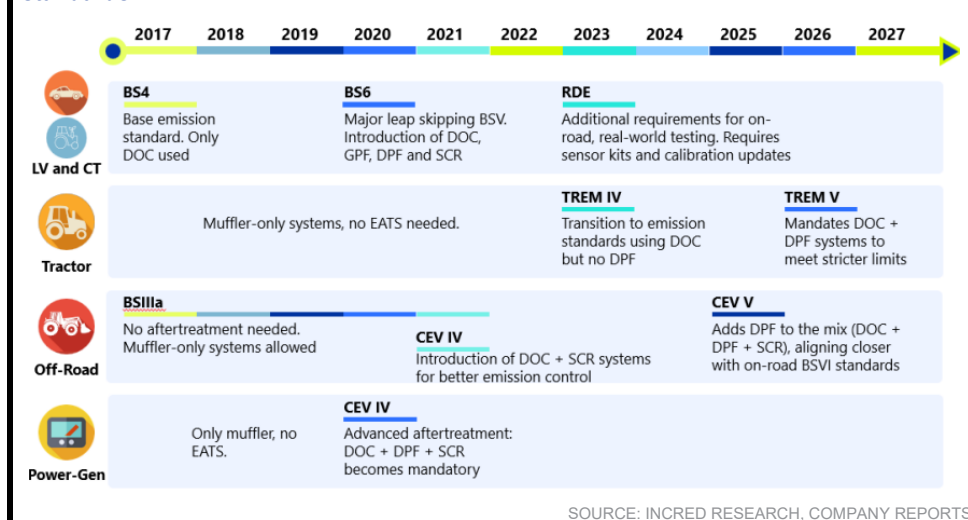
SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Key profit growth drivers

Beneficiary of tightening emission standards ➤

- Traditionally, India has implemented stricter emission standards across its PV, CV, and industrial markets, such as BS6, Construction Equipment Vehicle (CEV-IV) and Tractor Emission Norms Stage IV (TREM IV). India and other countries are expected to continue implementing stricter emission standards across their PV, CV and OH end-markets, such as Corporate Average Fuel Efficiency/Economy (CAFE) norms, Tractor Emission Regulation of India V (TREM V), Bharat Stage 7 (BS7), Construction Equipment Vehicle (CEV-V) and Central Pollution Control Board (CPCB IV+).
- All this increases the demand for clean air solution products. Tightening standards have historically required substantial investment in engine technology, after-treatment systems, and fuel quality upgrades, resulting in higher content per vehicle (CPV).
- Tenneco's clean air solutions business is well-positioned to benefit from stricter emission norms, supported by diversified CV and PV portfolios and a rising CPV trend, ensuring growth amid ongoing vehicle electrification.

Figure 9: Historical and expected changes following implementation of new emission standards



Other major players in the global market include Faurecia, Eberspächer, Johnson Matthey, and Bosal, each of which brings unique strengths and capabilities to the table. Faurecia is recognized for its innovative exhaust system technologies and strong relationships with global OEMs, while Eberspächer is known for its expertise in thermal management and emission reduction solutions. Johnson Matthey is a leader in catalyst technologies, offering a broad range of products for both on-road and off-road applications. Bosal specializes in the design and manufacture of exhaust systems and catalytic converters, with a strong focus on lightweighting and performance optimization.

Capitalising on premiumisation ➤

- In India, a growing number of younger, globally exposed buyers now prioritise driving experience, safety, advanced features, aesthetics, and comfort, leading to increased demand for premium vehicles. OEMs have responded by enhancing vehicle safety and incorporating advanced features in recent launches, even in mid-level vehicles. Furthermore, rising disposable incomes have further fuelled the growth of the SUV segment.
- Plan to capitalise on the premiumization trend. Premiumisation has led to a focus on delivering high-performance engines that provide exceptional acceleration and responsiveness. Premiumisation has also led to a focus on smaller or higher performance vehicles. As a result, there has been an increase in the need for smaller engines. Therefore, manufacturers are using turbocharging and supercharging technologies to boost power and efficiency.

- The company aims to capitalise on the premiumisation trend, which emphasises high-performance, efficient, and lower-emission vehicles. Premiumisation has driven the demand for smaller, yet powerful engines, leading the manufacturers to adopt turbocharging and supercharging technologies. These smaller, lighter engines reduce vehicle weight and stress on suspension systems, enabling the use of advanced lightweight materials like metals and composites for improved durability and performance.

Competitiveness through strategic localization ➤

- The company continues to explore localisation strategies which typically deliver cost savings and could lead to competitive differentiation. For example, it aims to localize Tenneco Group's patented IROX bearings. These polymer-coated bearings are particularly suitable for India's road conditions, where vehicles frequently start and stop, as they reduce engine friction and enhance efficiency. While IROX bearings offer benefits, importing them incurs a premium. By localising the manufacturing of IROX bearings, the company expects to improve cost competitiveness and increase its share in customer wallets in India.
- Tenneco's manufacturing facilities are supported by a highly localised supply chain aimed at efficiency and cost optimisation.

Figure 10: Cost of materials consumed (mix)

	FY23	FY24	FY25
Domestic	74%	70%	84%
Imported	26%	30%	16%

SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Financial analysis

Key bought-out component substrate-adjusted financials ➤

The clean air division operates with many bought-out items in its final assembly operations. The key item being the substrate, which are porous ceramic filters coated with a catalyst like platinum, palladium, and rhodium. OEMs directly enter into a contract with global substrate makers and carry the risk of price volatility. Tenneco's management, hence, is looking at its financials from a value-added basis to get a better understanding.

Figure 11: Profitability trend of normal vs. VAR (value added revenue) basis

	FY23	FY24	FY25	1QFY25	1QFY26
VAR EBITDA margin	14.6%	14.3%	18.6%	19.6%	19.6%
Normal EBITDA margin	11.8%	11.2%	16.7%	16.8%	17.8%
VAR PAT margin	9.8%	9.8%	12.6%	13.9%	14.4%
Normal PAT margin	7.9%	7.6%	11.3%	11.8%	13.1%

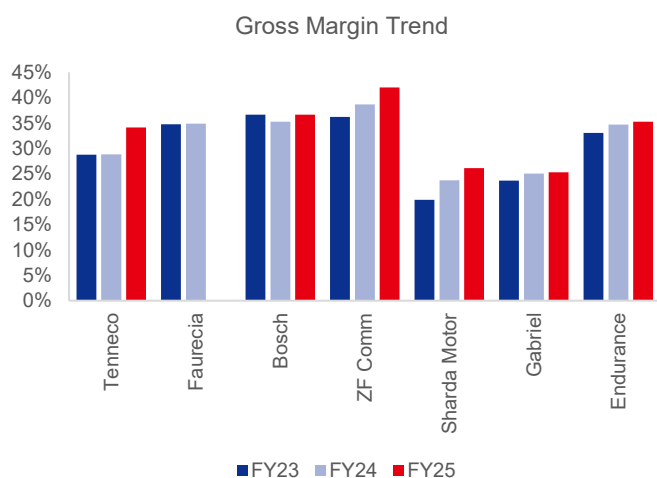
SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Both divisions operate on a different profitability profile ➤

Tenneco's key divisions of clean air and ride control operate on completely different business dynamics. To get better clarity, we compare the clean mobility business to private entities and global major India subsidiaries of Faurecia and Bosch to get insights on gross and EBITDA margin trends. The ride control division's operations can be compared to Gabriel India and Endurance Technologies, who are key suppliers to car and 2W segments.

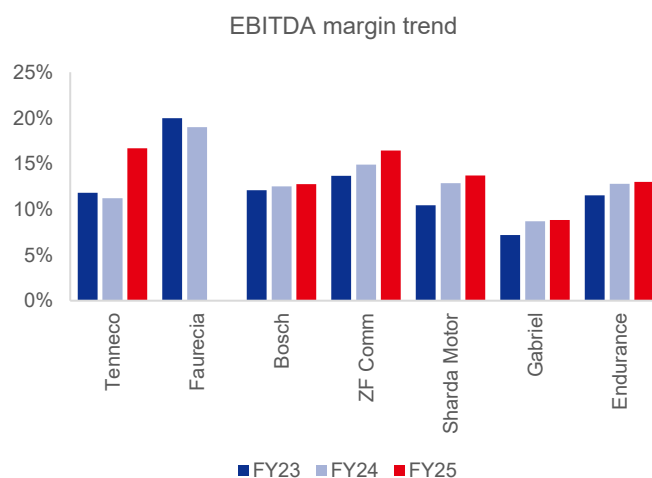
Faurecia India is a smaller entity by size, as it seems to be only doing value-added canning process, while Tenneco's clean air segment provides full assembly of the exhaust system, leading to higher sales but lower profit ratio.

Figure 12: Gross margin comparison with peer set



SOURCE: ACE EQUITY, VC CIRCLE, INCRED RESEARCH, COMPANY REPORTS

Figure 13: EBITDA margin comparison with peer set

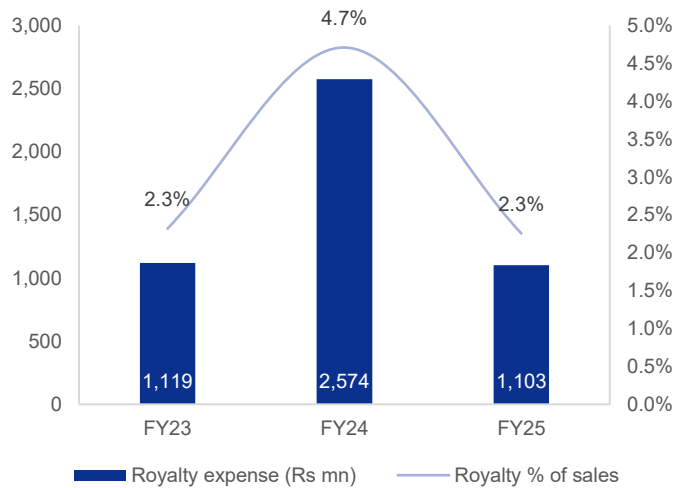


SOURCE: ACE EQUITY, VC CIRCLE, INCRED RESEARCH, COMPANY REPORTS

Volatile royalty payment trend is an area of concern, while equity write-off raises the RoE profile ➤

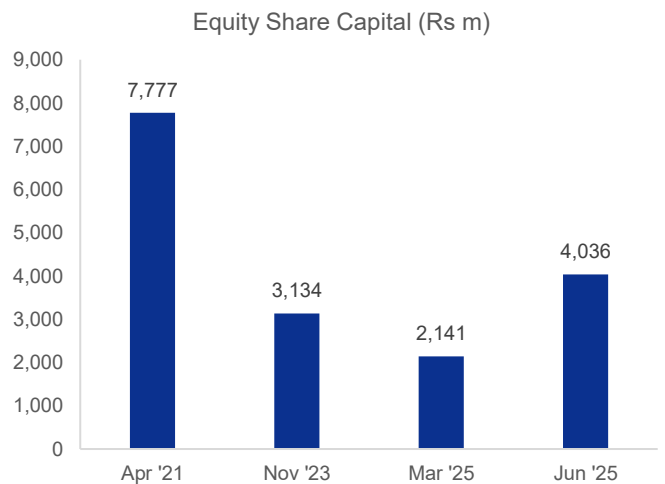
The sharp 72% reduction in the equity capital of the company for a period of 18 months (Nov 2023 to Mar 2024) is a cause of concern but aids in boosting the RoE of the company in the recent period. The volatile royalty period, management indicates, was due to a one-off project, while it gives guidance of a 2.5% royalty rate for the future. The rise in receivables from a related party is an area of concern.

Figure 14: Long-term royalty payment by the company is 2.5% of its sales



SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 15: Equity write-offs in recent years boost return ratios



SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 16: Rising trade receivables from related party is an area of concern

Rs.m	FY23	FY24	FY25	1QFY25	1QFY26
Trade Receivables	453	564	974	581	1,053
Other receivables	2,583	2,598	8,313	2,589	9,095

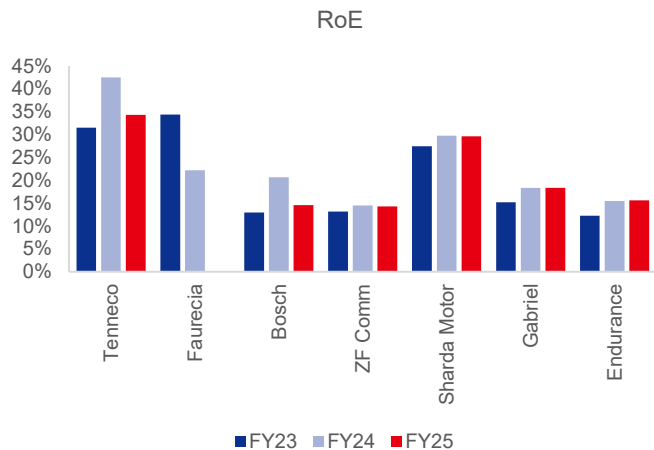
SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Valuation analysis

The Mar 2025-end private placement equity transaction to related parties to acquire the group company business at Rs289 per share in order to acquire related businesses looks attractive and should have set the benchmark for IPO pricing. This is especially considering the sharp rise of 33% in FY25 PAT driven by a 400bp growth in EBITDA margin, while VAR sales rising by just 3% yoy.

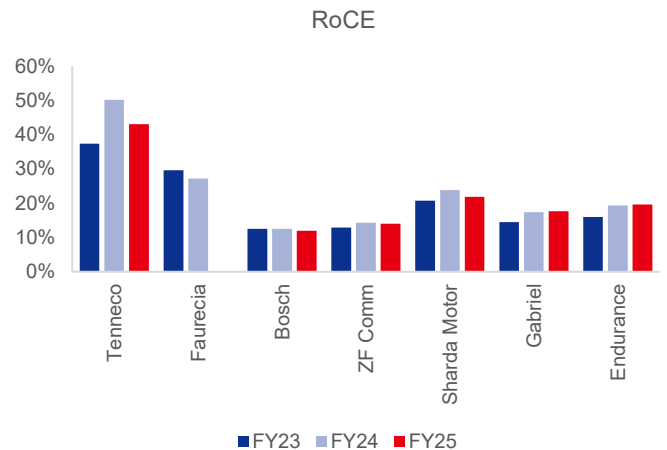
The pre-IPO placement price of Rs397 per share, values the company at 29x FY25 P/E and 20x EV/ EBITDA. While this is still at healthy discount of 40% to MNC peers like Bosch India and ZF Commercial Vehicle Control Systems India (40%), the slow sales and profit growth challenge in FY26F due to the high-base effect and rising raw material costs, needs to be manoeuvred in the short term.

Figure 17: Tenneco has a leading RoE in the industry...



SOURCE: ACE EQUITY, VC CIRCLE, INCRED RESEARCH, COMPANY REPORTS

Figure 18: ...and also enjoys a superior RoCE among its peers



SOURCE: ACE EQUITY, VC CIRCLE, INCRED RESEARCH, COMPANY REPORTS

Figure 19: Recent equity price transaction with group companies in Mar 2025

Companies Consolidated	Products	No. of Shares Allotted (units in m)	Cost of Acquisition (Rs)	Value (Rs. m)	% Value in TCAIL
Tenneco Automotive India Pvt. Ltd. (TAIPL)	Shock absorbers & struts	157	289	45,481	39.00%
Federal-Mogul Bearings India (FMBIL)	Engine bearings	14	289	3,926	3.40%
Federal-Mogul Ignition Products India (FMIPL)	Spark plugs	14	289	4,182	3.60%
Federal-Mogul Sealings India (FMSIL)	Automotive sealings	4	289	1,153	1.00%
TCAIL (Balancing)	Exhaust systems & catalytic converters	214	289	61,840	53.00%
Total		404		1,16,581	100.00%

SOURCE: INCRED RESEARCH, TENNECO RHP, COMPANY REPORTS

Figure 20: Promoter holding (pre-IPO)

S. No.	Name of Shareholder	No. of Equity Shares (m)	% of Equity Share Capital
1	Tenneco Mauritius Holdings	345	85.43
2	Tenneco (Mauritius)	27	6.62
3	Federal-Mogul Investments B.V.	11	2.63
4	Federal-Mogul Pty Ltd	14	3.59
5	Tenneco LLC	7	1.73
Total		404	100

SOURCE: TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

Figure 21: Industry valuation comparison and Tenneco's valuation

Companies	Price (Rs)	Market Cap. (Rs m)	EPS (Rs)			P/E(x)	P/BV(x)	EV/EBITDA (x)	RoE (%)		RoCE (%)		Dvd Yld (%)	
			FY25	FY26F	FY25				FY25	FY25	FY25	FY25	FY25	FY25
Gabriel India	1,265	1,81,710	17	19	74	67	15	47	22	21	0.4			
Sharda Motor Industries	1,060	60,858	54	61	19	17	6	13	30	29	1.5			
Sona BLW Precision Forgings	483	3,00,260	10	11	49	44	5	31	15	14	0.7			
Uno Minda	1,268	7,31,094	16	20	77	65	13	40	18	15	0.2			
ZF Commercial Vehicle Control Systems India	12,800	2,42,785	243	273	53	47	8	36	15	15	0.1			
Bosch Ltd	36,960	10,90,085	683	802	54	46	8	47	16	16	1.4			
Endurance Technologies	2,878	4,04,757	59	56	48	52	7	26	16	14	0.3			
Industry average					54	48	9	34						
Tenneco Clean Air India														
Pre-IPO placement price	397	1,60,231	14		29		10	20	34	43				
Private placement price	289	1,16,642	14		21		7	15	34	43				

SOURCE: BLOOMBERG, TENNECO RHP, INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS

Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A
Total Net Revenues	48,274	54,676	48,904
Gross Profit	13,890	15,751	16,693
Operating EBITDA	5,706	6,121	8,152
Depreciation And Amortisation	1,009	1,036	1,032
Operating EBIT	4,697	5,085	7,121
Financial Income/(Expense)	216	252	203
Pretax Income/(Loss) from Assoc.			
Non-Operating Income/(Expense)	596	698	410
Profit Before Tax (pre-EI)	5,077	5,531	7,328
Exceptional Items			
Pre-tax Profit	5,077	5,531	7,328
Taxation	1,267	1,363	1,797
Exceptional Income - post-tax			
Profit After Tax	3,810	4,168	5,531
Minority Interests			
Preferred Dividends			
FX Gain/(Loss) - post tax			
Other Adjustments - post-tax			
Net Profit	3,810	4,168	5,531
Recurring Net Profit			
Fully Diluted Recurring Net Profit			

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A
EBITDA	5,706.3	6,120.9	8,152.4
Change In Working Capital	-638.0	478.7	-1,066.0
(Incr)/Decr in Total Provisions	1,159.3	-521.1	-7,977.6
Other Non-Cash (Income)/Expense	169.6	132.9	780.9
Gross Operating Cash Flow	6,397.2	6,211.3	-110.2
Interest Paid	-215.6	-251.6	-202.7
Interest Received	595.9	697.8	410.2
Net Interest (Paid)/Received	380.3	446.1	207.5
Tax Paid	-1,280.2	-1,354.3	-1,878.2
Cashflow From Operations	5,497.3	5,303.1	-1,780.9
Maintenance Capex	-7,502.6	-984.1	-719.5
Capex	-7,502.6	-984.1	-719.5
Free Cash Flow (Operating CF after capex)	-2,005.3	4,319.0	-2,500.4
Other Investing Cashflow	1,52,953.8	74,818.8	1,83,142.1
Cash Flow From Investing	1,45,451.2	73,834.7	1,82,422.6
Debt Raised/(repaid)	479.6	-152.0	110.8
Dividends Paid	-1,50,434.9	-80,283.4	-1,81,621.8
Cash Flow From Financing	-1,49,955.3	-80,435.4	-1,81,511.1
Total Cash Generated	993.2	-1,297.5	-869.4
Cash At Beginning Of Period	0.0	4,127.2	1,836.6
Implied Cash At End Of Period	993.2	2,829.7	967.2
Incr / (Decr) in Cash	993.2	-1,297.5	-869.4
Check Versus Balance Sheet	3,134.1	-993.2	1,895.2
Change In Net Cash	513.6	-1,145.5	-980.1
Free Cashflow To Firm	1,51,164.1	79,389.5	1,80,844.3
Free Cashflow To Equity	1,51,428.1	78,985.9	1,80,752.4

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25A
Total Cash And Equivalents	4,127	1,837	2,862
Total Debtors	5,632	5,598	6,872
Inventories	3,949	3,293	2,777
Total Other Current Assets	1,464	1,554	9,671
Total Current Assets	15,172	12,281	22,183
Fixed Assets	6,309	6,075	5,819
Total Investments	2,631	2,640	3
Intangible Assets			
Total Other Non-Current Assets	185	366	311
Total Non-current Assets	9,125	9,082	6,133
Short-term Debt			
Current Portion of Long-Term Debt			
Total Creditors	8,943	8,732	8,424
Other Current Liabilities	156	298	998
Total Current Liabilities	9,099	9,030	9,422
Total Long-term Debt	479.58	327.60	438.35
Hybrid Debt - Debt Component			
Total Other Non-Current Liabilities	2,070	1,642	1,688
Total Non-current Liabilities	2,549	1,969	2,127
Total Provisions	554	550	644
Total Liabilities	12,202	11,549	12,192
Shareholders Equity	12,095	9,813	16,124
Minority Interests			
Total Equity	12,095	9,813	16,124

Key Ratios

	Mar-23A	Mar-24A	Mar-25A
Revenue Growth		13.3%	-10.6%
Operating EBITDA Growth		7.3%	33.2%
Operating EBITDA Margin	11.8%	11.2%	16.7%
Net Cash Per Share (Rs)			
BVPS (Rs)	38.6	45.8	39.9
Gross Interest Cover			
Effective Tax Rate	25.0%	24.6%	24.5%
Net Dividend Payout Ratio			
Accounts Receivables Days	42.6	37.4	51.3
Inventory Days	29.9	22.0	20.7
Accounts Payables Days	67.6	58.3	62.9
ROIC (%)	36.2%	41.9%	35.9%
ROCE (%)	37.4%	50.1%	43.0%
Return On Average Assets	60.4%	68.6%	95.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.