

November 11, 2025

IPO Note

### IPO NOTE

#### Issue Details

**Price Band:** ₹ 378 to ₹ 397

**Issue Opens on:** November 12, 2025

**Issue Closes on:** November 14, 2025

**Lot Size:** 37 Shares & in Multiples thereafter

#### Issue Highlights

<b>Issue Size:</b>	₹ 3,600.00 Cr.
<b>No of Shares:</b>	9,06,80,101
<b>Face Value:</b>	₹ 10

#### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	-
Offer for Sale	3,600.00
<b>Total</b>	<b>3,600.00</b>

#### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	1,800.00
HNI	15	540.00
Retail	35	1,260.00
<b>Total</b>	<b>100</b>	<b>3,600.00</b>

#### Listing

BSE & NSE

#### Lead Managers

- JM Financial Limited
- Axis Capital Limited
- Citigroup Global Markets India Pvt. Ltd.
- HSBC Securities and Capital Markets (India) Pvt. Ltd.

#### Registrar

MUFG Intime India Private Limited

#### Contact Details

##### Analyst

Swapneel Mantri

[swapneel.mantri@sushilfinance.com](mailto:swapneel.mantri@sushilfinance.com)

022-40936034

##### Sales

Manan Divan

[manan.divan@sushilfinance.com](mailto:manan.divan@sushilfinance.com)

022-40936091/+91 9819819979

### COMPANY OVERVIEW

Tenneco Clean Air India Ltd. is a part of the Tenneco Group, a U.S.-headquartered key global Tier I automotive component supplier. It specialises in emissions control systems, powertrain technologies, and performance solutions for various vehicles, including light vehicles, CTs, and off-highway equipment, and sells of automotive products for OE and the aftermarket for domestic and international customers. It is the largest supplier of shock absorbers and struts to Indian PV OEMs with a market share of 52% (in terms of value) (revenue) in fiscal 2025.

Tenneco is a multinational corporation with 93 manufacturing facilities in 26 countries located on 6 continents, with major centers of operations in the Americas, Europe, India, and Asia. It is a dominant player in suspension technologies, offering cutting-edge suspension systems that enhance comfort, handling, and vehicle stability.

Their customer base spans across OEMs who use their products in: (i) passenger vehicles ("PVs"), (ii) commercial vehicles ("CVs"), which comprises commercial trucks ("CTs") and off-highway vehicles ("OHs"), and (iii) industrial and other applications, which comprises generator sets, small commercial vehicles with gross vehicle weight of less than 3.5 tons, 2-wheelers and 3-wheelers ("Industrial/Others"). They also sell to the aftermarket primarily through Motocare India Pvt Ltd ("Motocare"), a subsidiary of Tenneco LLC and Company, a member of its Group of Companies.

As of June 30, 2025, TCAIL has 12 manufacturing facilities, 7 Clean Air & Powertrain Solutions facilities and 5 Advanced Ride Technology facilities across 4 states and 1 union territory in India. Their key clientele includes Maruti Suzuki, Ford, Nissan, Hyundai, KIA, Cummins, Volvo Eicher, JCB, Bajaj, Volkswagen, Tata Motors, Mahindra & Mahindra, Club Car, and TVS Motor.

### HIGHLIGHTS

1. Market leading supplier of critical, highly engineered and technology intensive clean air, powertrain and suspension solutions to leading Indian and global OEMs
2. Strategically diversified portfolio
3. Innovation-focused approach
4. Flexible and automated manufacturing footprint of 12 strategically located plants
5. Strong financial performance

### OBJECTS OF THE ISSUE

Offer for sale of equity shares aggregating up to ₹ 3,600 Cr. The company will not receive any proceeds from the Offer for Sale.

### OUR VIEW

Incorporated in 2018, Tenneco Clean Air India Limited is a global leader in designing and manufacturing clean air and powertrain products for automotive applications. In India, Tenneco Clean Air provides advanced exhaust and after-treatment systems, helping vehicle manufacturers meet increasingly stringent emission norms such as Bharat Stage VI.

Tenneco plays a **complete-system role** rather than being a mere parts supplier. Each new emission standard increases the per-vehicle value of Tenneco's system. Auto component market size is expected to grow at 9-11% CAGR between fiscals 2025 and 2030. Its focus on Value-Added Revenue (VAR) metric providing a real measure of operational performance by excluding precious-metal pass-through costs, supporting transparent profitability tracking

However, risks to consider are Cyclical Auto Industry, revenue growth has been slow (or even negative), revenue concentration from top 10 customers (~80% at Q1FY26), business is heavily influenced by government policies and regulations, availability and cost of raw materials, global economic conditions and tariff structure changes may affect exports may adversely impact the business.

On the financial front, the topline showed inconsistency from FY23-FY25 and at the same time PAT grew at CAGR 20%. EBITDA grew at CAGR 19%. The company operated on an EBITDA margin of 17.8% and PAT margin of 13.07% at Q1FY26 respectively. Tight working capital cycle along with cost-effective automation allowed them to be Debt free. It maintained highest ROCE and ROE among the peers in FY25 at 16.29% and 10.44% respectively.

The issue is priced at a P/BV of 12.81 based on its NAV of Rs.30.98 as at Q1FY26 and asking price is at a P/E of ~24x if we attribute FY26 annualized earnings. The Industry average P/E is ~48x.

Tenneco is a reputed global brand backed by robust cost controls and localization efficiency. **Looking at all the factors, risks, opportunities and valuation, investors may invest with Medium to Long term horizon to the issue.**

### Brief Financials

PARTICULARS	As at June 30, 2025	₹ in Million		
		FY '25	FY '24	FY '23
<b>Total Income</b>	13,164.30	49,314.45	55,373.88	48,869.56
<b>Total Expenditure</b>	10,892.11	41,986.29	49,842.83	43,792.11
<b>EBITDA</b>	2,288.80	8,152.39	6,120.85	5,706.34
<b>Profit before Tax</b>	2,272.19	7,328.16	5,531.05	5,077.45
<b>Profit after Tax</b>	1,680.88	5,531.43	4,167.87	3,810.43
<b>E.P.S. (Diluted)</b>	4.16*	13.68	8.90	7.58
<b>P/E (x) (Diluted)</b>	-	29	-	-
<b>RONW (%)</b>	13.42*	46.65%	33.40	28.75

\*Not annualised for the three months ended June 30, 2025.

### PRICE CHART (@ ₹ 397) (Retail Category)

LOT SIZE	Amount
37	14,689
74	29,378
111	44,067
148	58,756
185	73,445
222	88,134
259	102,823
296	117,512
333	132,201
370	146,890
407	161,579
444	176,268
481	190,957

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	518	205,646
Big HNI	2,553	1,013,541

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	17/11/2025
Initiation of refunds/unblocking ASBA Fund	18/11/2025
Credit of Equity Shares to demat accounts of Allottees	18/11/2025
Commencement of trading of the Equity Shares on the Stock Exchanges	19/11/2025

**For more details, Please refer RHP,**  
[\(\[https://nsearchives.nseindia.com/content/ipo/RHP\\\_TENNIND.zip\]\(https://nsearchives.nseindia.com/content/ipo/RHP\_TENNIND.zip\) \)](https://nsearchives.nseindia.com/content/ipo/RHP_TENNIND.zip)

## **Disclaimer & Disclosures**

### **SEBI Registration No. INH000000867**

This report has been furnished to you for your general information only and should not be reproduced, re-circulated, published in any media, website or otherwise, in any form or manner, in part or as a whole, without the express consent in writing of Sushil Financial Services Private Limited. This Research Report is meant solely for use by the original recipient to whom it is sent and is not for circulation. Any unauthorized use, disclosure or public dissemination or copying of information (either whole or partial) contained herein is prohibited.

This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice/offer for the purpose of purchase or sale of any securities mentioned herein. Past performance is not a guide for future performance, future returns are not guaranteed. Opinions expressed herein are subject to change without notice. Investor should rely on information/data arising out of their own investigations. The Sushil Equity Universe is marked as # and the fundamental reports are marked as ##.

Investors are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investor may realize losses on any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by us to be reliable. A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com) Research Analyst views on Subject Company may vary based on Fundamental and Technical Research. Sushil Financial Services Private Limited or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. None of the directors, employees, affiliates or representatives of company shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages/loss etc whatsoever from the information/opinions/views contained in this Report and investors are requested to use the information contained at their risk

Sushil Financial Services Private Limited (SFSPL) and its connected companies, and their respective Directors, Officers and employees or their relative, may have a long or short position in the subject companies mentioned in the report and it may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Reports based on technical and derivative analysis centre on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. SFSPL has different business segments/Divisions with independent research and maintains arm's length distance catering to different set of customers having various objectives, risk profiles, investment horizon, etc. and therefore may at times have different contrary views on stocks sector and markets. Research Report may differ between SFSPL's RAs on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold - SFSPL, its employees and associates responsible for any losses, damages of any type whatsoever.

This Report is not intended to be a complete statement or summary of the securities, market or developments referred to in this document. SFSPL or its affiliates or employees are under no obligation to update the information. SFSPL or its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

SFSPL or its affiliates and/or its employees/its associates or his relative does not have financial interest in the subject companies. SFSPL or its affiliates and/ or its employees/its associates or his relative may or may not have beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report. SFSPL/its Associates/ Research Analyst have not received any compensation from the subject company in the past twelve months. Further the subject company is/was not a client during twelve months preceding the date of distribution of the research report and the types of services provided. SFSPL or its research analyst has not served as an officer, director or employee of the subject company. SFSPL or its affiliates and/or its research analysts have not been engaged in market making activity for the subject company. SFSPL or its associates or its Research Analyst have not received any compensation or other benefits from the subject companies or third party in connection with the research report. SFSPL/its Associates/ Research Analyst/ his Relatives not have any other material conflict of interest at the time of publication of the research report.

SFSPL/its Associates/ Research Analyst have not managed or co-managed public offering of securities, have not received compensation for investment banking or merchant banking or brokerage services, have not received any compensation for product or services other than investment banking or merchant banking or brokerage services from the subject companies in the last twelve months. There is no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities.

Research Disclaimer: Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

<https://www.sushilfinance.com/Disclaimier/research>  
<https://bit.ly/3VbgbvL>