

November 11, 2025

IPO Note

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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

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

Offer Structure

| Issuance | ₹ in Cr. |
|----------------|-----------------|
| Fresh Issue | - |
| Offer for Sale | 3,600.00 |
| Total | 3,600.00 |

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 |
| Total | 100 | 3,600.00 |

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

022-40936034

Sales

Manan Divan
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 |
| Total Income | 13,164.30 | 49,314.45 | 55,373.88 | 48,869.56 |
| Total Expenditure | 10,892.11 | 41,986.29 | 49,842.83 | 43,792.11 |
| EBITDA | 2,288.80 | 8,152.39 | 6,120.85 | 5,706.34 |
| Profit before Tax | 2,272.19 | 7,328.16 | 5,531.05 | 5,077.45 |
| Profit after Tax | 1,680.88 | 5,531.43 | 4,167.87 | 3,810.43 |
| E.P.S. (Diluted) | 4.16* | 13.68 | 8.90 | 7.58 |
| P/E (x) (Diluted) | - | 29 | - | - |
| RONW (%) | 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)

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