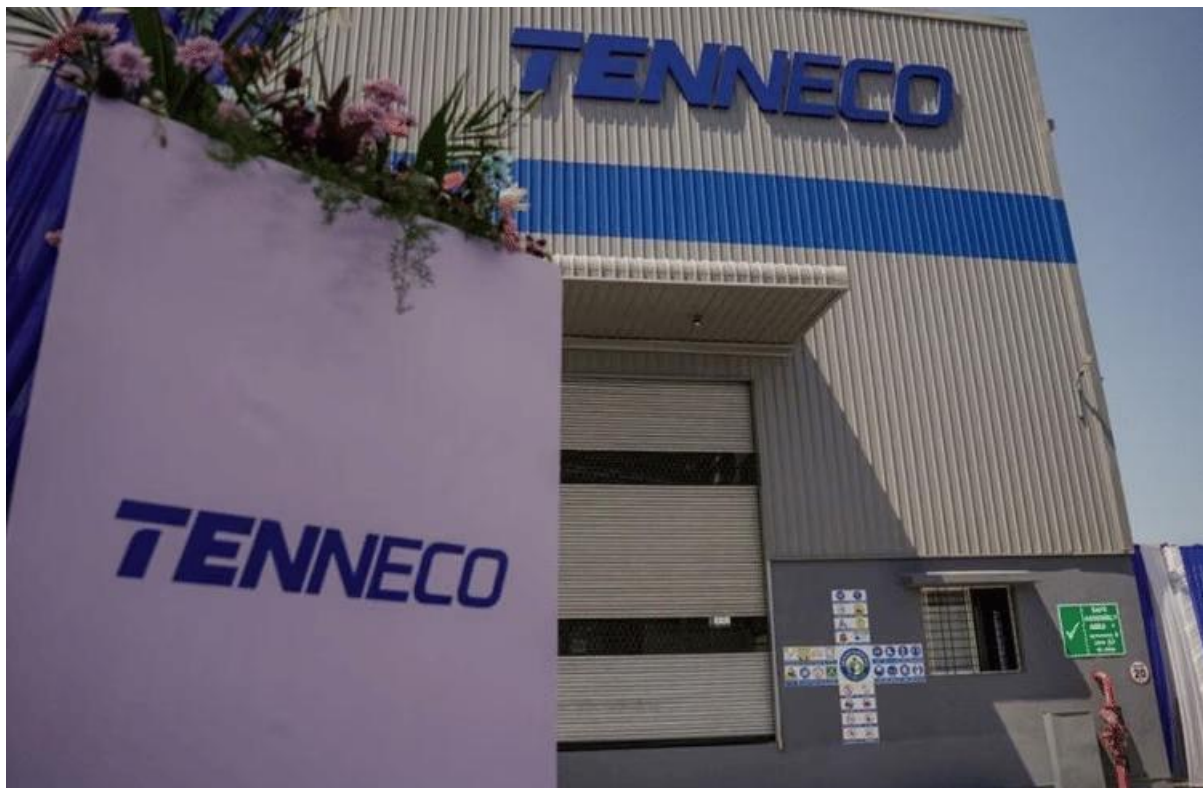


Tenneco Clean Air India Ltd

IPO Note



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Accelerating Clean Air Solutions and EV Growth in the Automotive Sector

Tenneco Clean Air India Limited, a subsidiary of the U.S.-based Tenneco Group, is a leading automotive component manufacturer in India. It specializes in high-tech clean air, powertrain, and suspension solutions. The company operates two major divisions: Clean Air & Powertrain Solutions, which provides products for internal combustion engine (ICE) and hybrid vehicles, and Advanced Ride Technologies (ART), which supplies shock absorbers and suspension systems. Tenneco India holds leadership positions in several automotive sub-segments, including Clean Air Solutions and Shock Absorbers.

The company's Clean Air Solutions includes exhaust aftertreatment systems like catalytic converters and mufflers, while its Powertrain Solutions include engine bearings, sealing systems, and ignition products. ART designs and manufactures advanced suspension systems such as shock absorbers and struts, catering to ICE, electric vehicles (EVs), and hybrid vehicles. Tenneco India's market-leading position is driven by its strong product portfolio, especially in the Clean Air and Shock Absorber segments, where it holds a 57% market share in clean air solutions for commercial vehicles.

For Q1 FY26, Tenneco India reported a revenue of INR 128.56cr reflecting steady growth. EBITDA reached INR 22.89cr with a margin of 17.8%. Profit After Tax (PAT) was INR 16.81cr showing an improvement from the previous year. The company continues to be net debt-free, with a solid capital efficiency, boasting a Return on Capital Employed (ROCE) of 56.78% in FY25. These results highlight robust profitability and healthy financials.

Tenneco Clean Air India Ltd is focusing on capturing opportunities driven by stricter emissions norms, premium vehicle demand, and the shift towards electric vehicles. The company plans to leverage its strong market position, global R&D, and local manufacturing capabilities to enhance margins and expand its export footprint. However, risks related to customer concentration and the growing adoption of EV's may impact future growth.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj. Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoC (%)	P/E (X)	EV/EBITDA (X)
FY23	4,827.4	569.5	381.1	11.8	7.9	42.0	133.3	31.5	54.4	9.4	5.7
FY24	5,467.6	612.1	416.7	11.2	7.6	45.9	108.2	42.5	60.2	8.6	5.7
FY25	4,890.4	813.3	552.1	16.6	11.3	60.9	177.8	34.3	51.7	6.5	4.1

Source: Ventura Research & Company update

Industry	Automobile
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Scrip Details

Listing	BSE &NSE
Open Date	Nov 12, 2025
Close Date	Nov 14, 2025
Price Band	INR 378 – 397
Face Value	INR 10
Market Lot	37 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	3,600.0
Issue Size (Shares)	9.07
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	40.3
Post Issue sh. (cr)	40.3
Post Issue Market Cap (cr)	16,023

Shareholding (%)	Pre(%)	Post (%)
Promoter	97.25	74.79
Public	2.75	25.21
TOTAL	100.0	100.0

Issue Structure and Offer Details

Tenneco Clean Air IPO is a book build issue of INR 3,600.00 Cr. The issue is entirely an offer for sale of 9.07 Cr. shares of INR 3,600.00 Cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 397

Source: Company Reports

Objects of the Issue:

1. To carry out the Offer for Sale (OFS) of Equity Shares.
2. To achieve the benefits of listing the Equity Shares on the Stock Exchange.

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	4,827.4	5,467.6	4,890.4	Adjusted EPS (INR)	42.0	45.9	60.9
<i>YoY Growth (%)</i>		13.3	(10.6)	Adjusted Cash EPS (INR)	53.1	57.4	72.2
Raw Material Cost	3,438.4	3,892.5	3,221.2	Adjusted BVPS (INR)	133.3	108.2	177.8
<i>RM Cost to Sales (%)</i>	71.2	71.2	65.9	Adjusted CFO per share (INR)	59.3	53.8	62.0
Employee Cost	248.6	252.6	297.9	CFO Yield (%)	14.9	13.5	15.6
<i>Employee Cost to Sales (%)</i>	5.1	4.6	6.1	Adjusted FCF per share (INR)	54.2	45.2	56.8
Other Expenses	571.0	710.4	558.1	FCF Yield (%)	13.6	11.4	14.3
<i>Other Exp to Sales (%)</i>	11.8	13.0	11.4	Solvency Ratio (X)			
EBITDA	569.5	612.1	813.3	Total Debt to Equity	0.1	0.0	0.0
<i>Margin (%)</i>	11.8	11.2	16.6	Net Debt to Equity	(0.3)	(0.1)	(0.1)
<i>YoY Growth (%)</i>		7.5	32.9	Net Debt to EBITDA	(0.6)	(0.2)	(0.3)
Depreciation & Amortization	100.9	103.6	103.2	Return Ratios (%)			
EBIT	468.5	508.5	710.1	Return on Equity	31.5	42.5	34.3
<i>Margin (%)</i>	9.7	9.3	14.5	Return on Capital Employed	27.6	37.3	32.3
<i>YoY Growth (%)</i>		8.5	39.6	Return on Invested Capital	54.4	60.2	51.7
Other Income	60.8	69.8	43.0	Working Capital Ratios			
Finance Cost	21.6	25.2	20.3	Payable Days (Nos)	68	58	63
Fin Charges Coverage (X)	21.7	20.2	35.0	Inventory Days (Nos)	30	22	21
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	43	37	51
PBT	507.7	553.1	732.8	Net Working Capital Days (Nos)	5	1	9
<i>Margin (%)</i>	10.5	10.1	15.0	Net Working Capital to Sales (%)	1.3	0.3	2.5
<i>YoY Growth (%)</i>		8.9	32.5	Valuation (X)			
Tax Expense	126.7	136.3	179.7	P/E	9.4	8.6	6.5
<i>Tax Rate (%)</i>	25.0	24.6	24.5	P/BV	3.0	3.7	2.2
PAT	381.0	416.8	553.1	EV/EBITDA	5.7	5.7	4.1
<i>Margin (%)</i>	7.9	7.6	11.3	EV/Sales	0.7	0.6	0.7
<i>YoY Growth (%)</i>		9.4	32.7	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	(0.1)	(1.1)	PBT	507.7	553.1	732.8
Net Profit	381.1	416.7	552.1	Adjustments	90.0	23.0	115.8
<i>Margin (%)</i>	7.9	7.6	11.3	Change in Working Capital	74.3	47.9	(106.6)
<i>YoY Growth (%)</i>		9.3	32.5	Less: Tax Paid	(134.5)	(136.3)	(179.7)
Balance Sheet				Cash Flow from Operations	537.5	487.7	562.4
Share Capital	313.4	214.1	403.6	Net Capital Expenditure	(62.5)	(96.9)	(62.8)
Total Reserves	896.0	767.3	1,208.8	Change in Investments	49.4	66.7	36.0
Shareholders Fund	1,209.5	981.3	1,612.4	Cash Flow from Investing	(13.1)	(30.1)	(26.8)
Long Term Borrowings	0.0	0.0	0.0	Change in Borrowings	(92.4)	(16.7)	(3.3)
Deferred Tax Assets / Liabilities	(7.8)	(11.3)	(21.7)	Less: Finance Cost	(21.6)	(25.2)	(20.3)
Other Long Term Liabilities	30.8	28.7	38.8	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	(85.0)	0.0
Long Term Provisions	18.9	22.3	30.2	Dividend Paid	(280.4)	(559.1)	(409.2)
Total Liabilities	1,251.3	1,021.0	1,659.6	Cash flow from Financing	(394.4)	(685.9)	(432.8)
Net Block	630.9	607.5	581.9	Net Cash Flow	130.0	(228.4)	102.8
Capital Work in Progress	18.5	36.6	31.1	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	281.5	411.5	183.1
- Non Current Investments	0.7	0.9	0.3	Closing Balance of Cash	411.5	183.1	285.9
Long Term Loans & Advances	51.5	37.1	31.5				
Other Non Current Assets	258.2	258.3	837.0				
Net Current Assets	291.5	80.6	177.8				
Total Assets	1,251.3	1,021.0	1,659.6				

Source: Company Reports

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