

TENNECO CLEAN AIR INDIA LTD

12-11-2025 TO 14-11-2025

Industry: Auto Components & Equipments
Recommendation: Subscribe for long term

Price Band: ₹ 378 – 397
Post Implied Market Cap: ₹ 15,256 – 16,023 Cr

Key Data

Issue Size (₹ Cr)	3,600
Fresh (₹)	-
OFS (₹)	3,600
No. of shares offered	-
Face Value (₹ /share)	10
Bid Lot	37

About the Company

Tenneco Clean Air India Ltd (TCAIL), part of the U.S.-based Tenneco Group, is a leading Tier-I automotive component supplier specializing in emission control, powertrain, and suspension systems for OEMs and the aftermarket. With a 52% market share in shock absorbers and struts for Indian passenger vehicle OEMs in FY2025, TCAIL plays a key role in India's automotive ecosystem, leveraging Tenneco's global presence across 93 manufacturing facilities in 26 countries.

Investment Rationales

1) Market leading supplier of critical, highly engineered and technology intensive clean air, powertrain and suspension solutions to leading Indian and global OEMs: TCAIL is a leading supplier of clean air, powertrain, and suspension solutions for Indian and global OEMs, with strong market leadership across key automotive segments. In FY2025, it held a 57% share in Clean Air Solutions for commercial vehicles, 68% for off-highway OEMs, 19% for passenger vehicles, and 52% in shock absorbers and struts for PV OEMs. The company's dominance is supported by deep, long-term relationships with major clients – serving all top 7 PV and top 5 CV OEMs in India.

2) Strategically diversified portfolio of proprietary products and solutions well-positioned to capture market and industry trends: Company offers a diversified portfolio of customized, high-tech automotive components including catalytic converters, mufflers, exhaust systems, engine bearings, sealing systems, spark plugs, and advanced suspension products like shock absorbers and struts. Its revenue mix is well-balanced between Clean Air & Powertrain Solutions (52–56% of VAR) and Advanced Ride Technologies (44–48% of VAR). In FY2025, passenger vehicles contributed 63.5% of VAR, followed by commercial vehicles (21.5%), industrial/others (6.8%), and aftermarket (5.5%), providing both cyclical and counter-cyclical revenue stability.

3) Capturing market opportunities driven by tightening emission standards: India's tightening emission norms across PV, CV, and industrial segments including upcoming CAFE, TREM V, BS7, CEV-V, and CPCB IV+ standards create strong tailwinds for Tenneco Clean Air India Ltd. With its broad presence across PVs and CVs and expertise in clean air solutions, the company is well positioned to benefit from these regulatory shifts and sustain growth even amid increasing vehicle electrification.

4) Flexible and automated manufacturing footprint of 12 strategically located plants, well-supported by a localised supply chain: Company operated 12 manufacturing facilities across 7 states and 1 union territory, including 7 Clean Air & Powertrain Solutions plants and 5 Advanced Ride Technology units, as of June 30, 2025. Strategically located near key automotive hubs like Maharashtra, Tamil Nadu, and Gujarat, these facilities are supported by a highly localized supply chain, with over 86%–92% of materials sourced domestically to enhance efficiency and cost optimization.

5) Innovation-focused approach aided by their ability to leverage Tenneco Group's global R&D initiatives to cross-deploy global technologies for proprietary, modular, and customised products at Indian price points: As of June 30, 2025, Tenneco Clean Air India Ltd (TCAIL) operated two R&D technical centres in India, focused on developing innovative, cost-effective, and customised solutions in close collaboration with customers. The company holds 9 registered designs and 1 granted patent in India, reflecting its strong emphasis on technology and product innovation.

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	17-11-2025
Refunds/Unblocking ASBA Fund	17-11-2025
Credit of equity shares to DP A/c	18-11-2025
Trading commences	19-11-2025

Shareholding (No. of shares)

Pre-Issue	40,36,04,309
Post Issue (Lower price band)	40,36,04,309
Post Issue (Higher price band)	40,36,04,309

Shareholding Pattern

Promoter & Promoter Group:	
Pre Issue	97.25%
Post Issue	74.79%
Public - Others:	
Pre Issue	2.75%
Post Issue	25.21%

Issue Breakup

QIB	50%
NIB	15%
Retail	35%

Other Details

BRLMs: Axis Capital, JM Financial, Citigroup Global, HSBC Securities

Registrar: MUFG Intime India Pvt. Ltd.

Listing: BSE & NSE

Research Analyst

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Risk

- 1) Heavily influenced by government policies and regulations regarding emission standards.
- 2) Cyclicity in industry.

MView

We believe Tenneco Clean Air India Ltd IPO brings investors an opportunity to invest in a leading Tier-I automotive component supplier with dominant market positions across emission control, powertrain and suspension systems. We think as the company is backed by the U.S.-based Tenneco Group, the company enjoys strong global parentage, technological capabilities, and long-standing relationships with all top Indian OEMs. We also think its leadership in multiple categories holding a 57% share in Clean Air Solutions for CVs, 68% for off-highway vehicles, and 52% in shock absorbers for PVs TCAIL is well-positioned to benefit from tightening emission norms (BS7, TREM V, CAFE) and the industry's shift toward cleaner and more efficient mobility solutions. By looking at the financials, the company has demonstrated subdued revenue from operations performance in FY 2024 by 13.3% and de growth of 10.6% in FY 2025, while the net profit seen a surge of 9.4% in FY 2024 and 32.7% in FY 2025. On valuation parse at the upper price band of ₹ 397/-, the issue is asking for a Market cap of ₹ 16023/- cr. Based on FY 2026 annualised earnings and fully diluted post- IPO paid up capital, the company is asking for a PE of 23.8x, which appears fairly priced versus the industry avg which are trading in the range of ~45-50x. Given its leadership position, global pedigree, and readiness to capture regulatory and electrification tailwinds, we believe TCAIL is well positioned to capitalize India's evolving automotive technology landscape. Hence, we recommend investor "SUBSCRIBE" to the Tenneco Clean Air India Ltd IPO for long-term perspective.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	3 months ended June 30		As of Mar' 31,		
	2025	2024	2025	2024	2023
Equity Share Capital	403.6	214.09	403.6	214.09	313.41
Reserves	846.78	928.12	851.49	902.5	1065.41
Net Worth	1250.38	1142.21	1255.09	1116.59	1378.82
Total Borrowings	-	-	-	-	13.97
Revenue from operations	1285.62	1270.77	4890.34	5467.61	4827.37
Revenue Growth (%)	1.17%	-	-10.56%	13.26%	-
Value added Revenue (VAR)	1166.54	1084.92	4380.12	4268.61	3902
EBITDA	228.88	212.92	815.24	612.09	570.63
EBITDA Margin (%)	17.80%	16.76%	16.67%	11.19%	11.82%
Net Profit for the year/period	168.09	150.31	553.14	416.79	381.04
Net Profit Margin (%)	13.07%	11.83%	11.31%	7.62%	7.89%
EPS-Basic & Diluted (₹)	4.16	3.71	13.68	8.9	7.58
NAV-(₹)	30.98	28.3	31.1	27.67	27.42

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS RS. (IN CR)

Companies	Revenue from Operations (₹ in Cr)	Mcap (₹ in Cr)	FV	EPS	NAV (₹ Per Share)	P/B	P/E	RoNW
Tenneco Clean Air India	4,890.43	16023	10	16.65	43.47	9.13	23.8	46.65%
Bosch Ltd	18,087.40	1,07,062	10	683.25	4682.16	7.6	47.2	15.58%
Timken India Ltd	3,147.81	22,887	10	59.48	378.21	8.3	50.3	17.00%
SKF India Ltd	4,919.90	10,189	10	114.50	525.50	3.9	19.4	21.43%
ZF Commercial Vehicle Control System India Ltd	3,830.96	23,928	5	242.90	1694.75	7.0	50.2	15.35%
Sharda Motor Industries Ltd	2,836.57	6,065	2	109.71	184.97	5.7	19.1	30.46%
Gabriel India Ltd	4,063.38	18091	1	17.05	82.38	15.6	83.6	22.42%
Uno Minda Ltd	16,774.61	76,203	2	16.42	95.99	12.3	69.7	18.36%
Sona BLW Precision Forgings Ltd	3,546.02	30,931	10	9.92	88.38	5.6	49.4	14.76%

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 12-11-2025

Tenneco Clean Air India Ltd, EPS/PE, P/B, NAV calculated on FY 2026 annualised basis post money



MSEARCH

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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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