

**Rating: Subscribe For Long Term**

**Issue Offer**

OFS up to 9,06,80,101 equity shares bringing the total issue size up to INR 36,000 Mn

**Issue Summary**

Price Band (INR)	378-397
Face Value (INR)	10
Implied Market Cap (INR Mn)	1,60,230.9 Mn
Market Lot	37
Issue Opens on	Nov 12, 2025
Issue Close on	Nov 14, 2025
No. of share pre-issue	40,36,04,309
No. of share post issue	40,36,04,309
Listing	NSE / BSE

**Issue Break-up (%)**

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

**Book Running Lead Managers**

Axis Capital Limited
Citigroup Global Markets India Private Limited
JM Financial Ltd
HSBC Securities and Capital Markets (India) Private Limited

**Registrar**

MUFG Intime India Private Limited

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	97.25%	74.79%
Public & Others	2.75%	25.21%

**Objects of the issue**

Company will not receive any proceeds from the Offer as it is an OFS.

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Tenneco Clean Air India Limited is a leading automotive component manufacturer and part of the U.S.-headquartered Tenneco Group, a global Tier I supplier with revenues of USD 16.8 billion in 2024. Established in India in 1979 with its first plant at Parwanoo, the company produces highly engineered and technology-intensive clean air, powertrain, and suspension solutions for major Indian and international Original Equipment Manufacturers (OEMs). With 12 manufacturing facilities across India and two advanced R&D centers, it serves over 100 customers, including all top seven passenger vehicle OEMs and top five commercial truck OEMs. The company holds a dominant market position, being the largest supplier of clean air solutions to Indian commercial truck (57% share) and off-highway OEMs (68% share), among the top four in passenger vehicle clean air solutions (19% share), and the leading supplier of shock absorbers and struts for passenger vehicles (52% share) in value terms for FY2025. Its leadership is driven by deep OEM relationships, strong R&D integration with Tenneco's global network, and a diversified, innovation-led product portfolio that aligns with tightening emission standards and evolving vehicle technologies.

**Investment Rationale**

**Market Leadership in Clean Air and Ride Performance Systems**

Tenneco Clean Air India Ltd commands a dominant position in India's automotive component sector — leading in clean air solutions for commercial vehicles (57% market share) and off-highway equipment (68% share), and ranking among the top four for passenger vehicles. It is also the largest supplier of shock absorbers and struts (52% share), underscoring its entrenched OEM relationships, diversified product portfolio, and high entry barriers.

**Strong Industry Tailwinds and Emission Regulation Opportunity**

The company is well-positioned to benefit from India's stricter emission norms (BS-VI Phase II) and global sustainability trends. With an increasing focus on cleaner mobility, advanced exhaust systems, and fuel efficiency, demand for Tenneco's clean air and performance technologies is set to rise. Its long-standing collaboration with major OEMs ensures consistent order inflows and scalability.

**Robust Global Backing and Technology Integration**

As part of the Tenneco Group (U.S.), a global Tier I automotive supplier with over USD 16 billion in annual revenue, the Indian arm benefits from cutting-edge global R&D, innovation capabilities, and technical know-how. Its integration with global design and manufacturing standards enhances competitiveness, operational excellence, and export potential.

**Valuation & Outlook:** Tenneco Clean Air India Ltd offers a compelling investment proposition backed by its strong market leadership, diversified product mix, and global parentage. The company's consistent financial performance, supported by steady demand from top OEMs, positions it well for sustainable growth amid tightening emission norms and rising adoption of advanced mobility solutions. With continued emphasis on localization, cost optimization, and value-added product offerings, margins are expected to strengthen further. Moreover, leveraging Tenneco's global R&D and technological edge, the company is likely to capture a larger share of premium exhaust and suspension systems across both domestic and export markets. Overall, Tenneco Clean Air India Ltd presents a solid long-term growth outlook driven by structural industry tailwinds, operating leverage, and strong fundamentals that justify a premium valuation compared to peers in the auto ancillary space. At the upper band of INR 397, the issue is valued at P/E of 28.97x AND EPS of INR 13.71. We are recommending a "Subscribe For Long Term" rating for this issue.

Particulars (INR Mn)	FY25	FY24	FY23
Revenue from Operations	6118.7	5354.4	2662.5
EBITDA	785.7	-14.9	-583.4
Margins (%)	13%	-0.28%	-22%
PAT	132.8	-593.8	-877.2
Margins (%)	2%	-11%	-33%

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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