TONBO IMAGING INDIA LTD.

IPO — NOTE

Incorporated in December 2003, Tonbo Imaging India Limited is a Bengaluru-based defence technology company specialising in the design and development of advanced electro-optical and imaging systems for defence and security applications. The company offers imaging solutions for surveillance, target acquisition and situational awareness. Its promoters are Mr. Ankit Kumar, Mr. Arvind Kondangi Lakshmikumar and Ms. Cecilia D'Souza.

SYMBOL	TONBO
INDUSTRY	ELECTRONICS
ISSUE SIZE	Rs.852 Crs.
PRICE BAND	Rs.665 — 700
LOT SIZE (Nos.)	21
FACE VALUE	Rs. 2.00
MARKET CAP	Rs. 4009.75 Crs
RATING	NEUTRAL

Overview :

- The company's product portfolio includes thermal imaging systems, night-vision and weapon sights, handheld thermal imaging binoculars, targeting systems, missile seekers, fire-control systems and stabilised gimbals. These products are used for surveillance, reconnaissance, target acquisition and situational awareness across ground, air, naval and missile platforms.
- Tonbo operates through two principal product categories: Tactical Systems, which include soldier-borne and weapon-mounted imaging and sighting equipment, and Platform Systems, which include imaging and targeting solutions integrated with defence platforms.
- All of its products constitute some or all components of the intelligence stack to enable autonomy on the battlefield. Its products are classified into the following categories:
  1. Tactical systems - These systems are focused on the functions of imaging, surveillance, reconnaissance and targeting. They are also used for detection, tracking, classification and neutralisation. They are typically used by dismounted soldiers, paramilitary, special operations and infantry for observation and target localization. Some examples of tactical systems include hand-held multi-sensor imaging systems (Bloodhound, Gazehound), driver vision systems (Minion), 360 degree situational awareness systems (WolfPack), thermal weapon sights (Spartan, Arjun), hand-held targeting systems (GeoUC).
  2. Platform systems - It makes two kinds of platform systems – (a) subsystems that can provide observation and fire control capabilities to a range of aerial, ground and weapon platforms and (b) end platforms that actually perform the task of threat neutralization.
     - Platform subsystems - The platform subsystems consist of hardware and software that can perform long range observation, enhanced targeting and guidance for weapons to neutralize threats. The subsystems are typically integrated on ground vehicles (tanks, reconnaissance vehicles), aerial vehicles (reconnaissance, fighter aircraft and combat UAV), weapon stations (air defence guns, remote controlled weapon systems), anti-tank guided missiles (hand or vehicle fired). Examples of products that fall under this category are Avenger S50, Hummingbird family of gimbals, AGS30/ELPEOS fire control systems, TRAP missile seekers. These platform subsystems are supplied to systems integrators or manufacturers of end platforms like tanks, UAVs and missiles.
     - End platform systems - It is now investing in the development of certain kinds of end platforms. One of these platforms is a loitering munition that can leverage its aerial targeting and seeker subsystem technologies. These end platforms are being designed to replace current aerial systems and as a defence against both ground and aerial threats.
  3. Directed energy systems - To counter the threat of drone swarms, it has designed a portfolio of technology components that are being assembled into a high power microwave ("HPM") platform with the brand name - WaveStrike. The core of the weapon system includes the modulator, klystron, pulse compressor, and antenna system, all mounted on a motorized pan-tilt platform for precise directional control. The entire system is designed to be deployed on stationary or mobile, ground and naval platforms, providing operational versatility.

TENTATIVE DATES	
ISSUE OPEN	15th OCT 2026
ISSUE CLOSE	19th OCT 2026
ALLOTMENT	21st OCT 2026
INITIATION OF REFUNDS	22nd OCT 2026
CREDIT OF SHARES	22nd OCT 2026
LISTING	23rd OCT 2026

- It follows an asset-light business model. It undertakes product design, research and development, prototyping and testing at its Bengaluru R&D centre, while large-scale manufacturing is outsourced to certified electronics manufacturing partners.
- The company develops its technology in-house and, according to the offer document, has owned 100% of the intellectual property used in its products since FY24, covering optics, embedded software and electronics. This enables it to control its core technology and customise products for specific defence requirements.
- Tonbo Imaging primarily supplies advanced thermal imaging and electro-optical systems to Indian government and defence agencies, supporting surveillance, night vision and target-acquisition operations.
- The company serves military, police and paramilitary forces in India and overseas, with more than 28,000 systems deployed across 24 countries as of June 30, 2026. It accounted for 51% of the thermal imaging systems supplied to the Indian government by units during April 2024–March 2026, highlighting its significant presence in the domestic defence market.
- The company's business is largely dependent on the timing of large defence contracts, order execution and customer acceptance, which can lead to fluctuations in revenue. It also faces geographical concentration risk, as domestic sales contributed approximately 93.1% of FY26 revenue, compared with a significant contribution from European markets in FY25.
- Although Tonbo Imaging has established an international presence in markets such as the USA, UAE, South Korea, Singapore and Australia, its high dependence on the Indian market exposes it to changes in domestic defence spending and procurement patterns.
- Tonbo Imaging reported revenue from operations of Rs.428.19 crore in FY24, Rs.469.08 crore in FY25 and Rs.362.65 crore in FY26, reflecting a 22.7% decline in FY26. EBITDA stood at Rs.112.32 crore, Rs.139.06 crore and Rs.104.62 crore, respectively, with EBITDA margins of 26.23%, 29.65% and 28.85%. PAT declined from Rs.68.54 crore in FY24 and Rs.72.76 crore in FY25 to Rs.50.88 crore in FY26, while the PAT margin fell to 14.0%.
- In Q1FY27, the company reported revenue of Rs.36.01 crore, EBITDA loss of Rs.13.04 crore and net loss of Rs.17.74 crore. As of March 31, 2026, its net worth stood at Rs.553.16 crore, total borrowings at Rs.116.06 crore and total assets at Rs.782.50 crore. Operating cash flow was negative at Rs.63.22 crore in FY26, indicating pressure on cash generation.

STRENGTHS

- Leading defence technology solutions provider with pioneering proprietary technologies
- Driving innovation in defence electronics through in-house R&D with an asset light business model
- Among the few defence electronics OEMs with a wide acceptability across the globe
- Diversified defence product portfolio with deployability across all domains
- Sound financials with healthy performance
- Experienced and dedicated promoters and key managerial personnel with extensive domain knowledge

(Source — RHP)

OBJECTS OF THE OFFER

- **The Offer for Sale** - Company will not receive any proceeds from the Offer for Sale of shares of Rs. 852 crores. The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale.

(Source — RHP)

RISKS

- The business is cyclical and geopolitically driven, with government budget dependence and tender-based procurement creating revenue uncertainty and potential financial risks.
- Despite having a diversified customer base, significant revenue contribution from certain customers and reliance on short-term, non-recurring tender-based contracts pose risks to revenue.
- Dependence on a limited number of global suppliers for critical components and raw materials exposes the company to supply disruptions and cost fluctuations.
- High supplier concentration, with a significant share of expenses attributable to the top 10 suppliers.
- High export dependence, particularly on Europe, exposes the company to geopolitical and regional market risks that may adversely affect revenue, cash flows and profitability. *(Source — RHP)*

PEER COMPARISON

	Face Value (Rs.)	CMP In Rs (14-10-2026)	TTM EPS (Rs.)	BV per share (Rs.)	TTM P/E (X)	P/BV (X)	M. Cap / Sales
Paras Defence & Space Tech	5.00	1282.00	11.44	84.83	112.1	15.1	20.2
Data Patterns	2.00	4137.80	48.27	310.08	85.7	13.3	24.6
Astra Microwave	2.00	1680.00	19.91	133.91	84.4	12.5	14.0
Zen technologies	1.00	1649.30	20.12	209.22	82.0	7.9	22.2
Bharat Electronics	1.00	382.35	8.41	32.82	45.5	11.6	9.7
Tonbo Imaging India	**2.00**	**700.00**	**8.88**	**94.02**	**78.8**	**7.4**	**10.8**

*(**On upper price band , FY 2026 annualised EPS)*

PROFIT & LOSS A/C (In Rs. Crore)

PARTICULARS	FY 2024	FY 2025	FY 2026	3M JUNE FY 2027
Revenue from Operations	428.19	469.08	362.65	36.01
Other Income	3.71	5.31	7.29	1.32
Total Income	431.90	474.39	369.94	37.32
Expenses	0.00	0.00	0.00	0.00
Cost of Materials Consumed	213.28	215.31	165.55	83.46
Changes in Inventories of Finished Goods	6.66	(10.70)	11.97	(61.03)
Employee Benefits Expenses	13.06	44.44	49.58	15.59
Finance Costs	7.68	17.74	10.62	3.64
Depreciation and Amortisation Expenses	13.40	26.59	31.34	8.39
Other expenses	82.88	80.97	30.92	11.02
Total expenses	336.94	374.35	299.98	61.07
Profit / (Loss) before exceptional and EO items and tax	94.96	100.04	69.96	(23.75)
Exceptional items	0.41	0.78	0.00	0.00
Restated Profit before tax	94.55	99.27	69.96	(23.75)
Tax expense	0.00	0.00	0.00	0.00
Current tax	21.15	21.85	17.06	0.00
MAT Credit	1.50	0.00	0.00	0.00
Deferred tax	3.36	4.66	2.02	(6.01)
Restated Profit for the year, net of Tax	68.54	72.76	50.88	(17.74)

BALANCE SHEET (In Rs. Crore)

PARTICULARS	FY 2024	FY 2025	FY 2026	3M JUNE FY 2027
ASSETS				
Property, Plant and Equipment	4.79	24.48	24.80	24.37
Right of Use Assets	8.58	9.07	7.57	7.11
Intangible Assets	183.88	165.19	162.70	166.98
Capital Work-In-Progress	0.00	0.72	12.40	7.89
Investments	0.00	0.00	0.00	0.00
Other Non-Current Assets	14.31	81.10	63.47	70.57
Total Non-Current Assets	211.56	280.56	270.95	276.91
Inventories	111.69	111.14	219.49	319.63
Trade Receivables	93.64	210.31	211.66	96.85
Cash and Bank Balances	85.67	100.97	16.18	7.14
Other Bank Balances	30.00	0.95	22.45	21.63
Loans	0.55	0.43	0.73	0.58
Other Current Assets	41.57	21.98	41.05	60.11
Total Current Assets	363.12	445.80	511.55	505.95
Total Assets	574.68	726.36	782.50	782.87
EQUITY AND LIABILITIES				
Equity Share Capital	0.30	0.73	11.46	11.46
Other Equity - attributable to owners of the Company	168.99	489.41	541.70	527.08
Instruments entirely equity in nature	60.84	0.00	0.00	0.00
Total Equity	230.13	490.14	553.16	538.54
Long Term Borrowings	15.27	0.00	0.00	0.00
Long Term Lease Liabilities	8.38	8.78	6.85	6.35
Deferred Tax Liabilities (net)	3.39	8.05	10.00	4.00
Provisions	30.11	33.88	18.77	17.38
Other Financial Liabilities	0.00	0.00	0.00	0.00
Total Non-Current Liabilities	57.14	50.71	35.62	27.73
Short Term Borrowings	81.09	78.14	116.06	129.72
Short Term Lease Liabilities	0.70	1.13	1.85	1.91
Trade Payables	20.35	21.15	33.44	46.31
Other Current Liabilities	185.27	85.10	42.361	38.66
Total Current Liabilities	287.41	185.51	193.72	216.60
Total Liabilities	344.55	236.22	229.34	244.33
Total Equity and Liabilities	574.68	726.36	782.50	782.87

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