# TONBO IMAGING INDIA LIMITED

October 14, 2026

SMC Ranking

★★½☆☆ (2.5/5)

## Issue Highlights

| Industry | Defence-OEM |
|---|---|
| Offer for sale (Shares) | 12,174,046 |
| Net Offer to the Public | 12,174,046 |
| Issue Size (Rs. Cr.) | 809-852 |
| Price Band (Rs.) | 665-700 |
| Offer Date | 15-Oct-26 |
| Close Date | 19-Oct-26 |
| Face Value | 2 |
| Lot Size | 21 |

## Issue Composition

| | In shares |
|---|---|
| Total Issue for Sale | 12,174,046 |
| QIB | 6,087,023 |
| NIB | 1,826,107 |
| Retail | 4,260,916 |

## Shareholding Pattern (%)

| Particulars | Pre-issue | Post -issue |
|---|---|---|
| Promoters & promoters group | 18.58% | 14.56% |
| QIB | 0.00% | 10.63% |
| NIB | 81.42% | 67.37% |
| Retail | 0.00% | 7.44% |
| **Total** | **100.00%** | **100.00%** |

*calculated on the upper price band

## Objects of the Issue

The Tonbo Imaging India Ltd. IPO is a 100% Offer for Sale (OFS), so the company will not receive any funding and the entire IPO proceeds will go to the selling shareholders.

**Book Running Lead Manager**

- JM Financial Limited
- IIFL Capital Services Limited

**Name of the registrar**

- KFin Technologies Limited

## About the company

Tonbo Imaging India Limited is a leading defence technology solutions provider specializing in the design, development, and manufacturing of advanced electro-optical and infrared (EO/IR) systems, tactical sights, and complex weapon-guiding platforms for global militaries, homeland security, and law enforcement agencies. Operating through an asset-light contract manufacturing model while retaining 100% proprietary intellectual property in-house, the company serves clients across 24 countries. Its robust product suite addresses critical mission requirements in night vision, surveillance, target acquisition, and counter-drone systems. For the financial year ended March 31, 2026, the company reported revenue from operations of Rs. 362.65 crore and a net profit after tax of Rs. 50.88 crore, underpinned by an extensive technological portfolio and strong global market reach.

## Strengths

**Leading Defence Technology Solutions Provider with Pioneering Proprietary Technologies:** Tonbo Imaging stands out as a unique technology-driven defence OEM with 100% ownership of its intellectual property, acquired entirely in-house since March 2024 without reliance on external technology partners. The company possesses advanced capabilities across diffractive optics, computational imaging, thermal vision, inertial stabilization, and sensor fusion. Its portfolio includes cutting-edge tactical and platform systems designed for modern warfare, positioning it uniquely against traditional competitors by delivering high-performance non-ITAR compliant systems at competitive price points.

**Experienced Promoters and Management Team with Deep Domain Expertise:** The company is led by seasoned promoters and executive management with over two decades of specialized experience in defence electronics, optical engineering, and international business operations. Managing Director Arvind Kondangi Lakshmikumar, Executive Director Ankit Kumar (Chief Business & Revenue Officer), and Executive Director Cecilia D'Souza (Chief Commercial Officer) bring deep technical and operational expertise. Their leadership ensures robust execution of complex multi-year global defence programs and continuous innovation in cutting-edge electro-optics.

**Full-Stack Capabilities and Scalable Asset-Light Operating Model:** Tonbo operates a highly efficient, asset-light contract manufacturing model, partnering with premier electronic manufacturing services (EMS) providers such as Kaynes Technology and Avalon Technologies for large-scale

production while maintaining internal R&D, pilot engineering, and rigorous quality assurance in Bengaluru. This full-stack capability—spanning component design, software algorithms, sensor integration, and ruggedized packaging—enables rapid scaling, customized product delivery, and strict adherence to stringent global military standards.

**Global Footprint and Diversified International Presence:** With products deployed across 24 countries including major military markets in Europe, Asia-Pacific, and North America, the company has established strong international credibility. Its ability to secure high-value contracts with global militaries, system integrators, and NATO-aligned procurement frameworks demonstrates its compliance with international quality and regulatory benchmarks, positioning it as a trusted global exporter of advanced defence electronics.

**Strategy**

**Continuous Investment in R&D and Next-Generation Product Innovation:** The company aims to sustain its competitive edge by heavily investing in research and development to pioneer advanced technology vectors, including AI-enabled intelligent surveillance, SWaP-C (Size, Weight, Power, and Cost) miniaturization, free-space optical (FSO) communications, and directed energy systems. Ongoing R&D focus also includes synthesizing Germanium-free polymer lenses to mitigate raw material supply chain risks and enhance cost efficiencies across tactical and platform portfolios.

**Expanding Product Portfolio and Addressing Diversified Defense Verticals:** Tonbo seeks to continuously broaden its product offerings across tactical handheld sights, stabilized multi-sensor gimbals, remote-weapon stations, and counter-UAS platforms. By scaling up its platform-grade optronics and entering newer domains like directed energy weapons and loitering munitions, the company aims to capture a larger share of the total addressable market (TAM) in both domestic and international battlefields.

**Deepening Strategic Partnerships with Global OEMs and System Integrators:** The company plans to strengthen its collaborative ecosystem by partnering with domestic and international system integrators and prime contractors. By providing critical electro-optical sub-systems and knockdown kits that comply with regional localization requirements (such as SAFE and EDIP regulations in Europe), Tonbo aims to seamlessly integrate into large-scale global defense programs and expand its market penetration.

**Scaling Domestic Presence and Capitalizing on "Make in India" Mandates:** Leveraging its status as an Indigenously-Designed, Developed, and Manufactured (IDDM) supplier under India's Defence Acquisition Procedure (DAP), Tonbo intends to aggressively target growing domestic procurement opportunities by the Ministry of Defence and public sector undertakings. This includes aligning production capacity and indigenization thresholds to capture expanding Indian defense modernization budgets.

## Key Risk Factors

- The business is cyclical and dependent on government budget cycles and competitive tenders, leading to revenue volatility and inconsistent order visibility.
- The company relies heavily on a limited number of global and domestic suppliers for critical components, with top ten suppliers accounting for a significant portion of total expenses.
- A substantial portion of historical revenue has been driven by exports, making its business vulnerable to geopolitical conflicts, trade sanctions, and foreign regulatory changes.
- Failure to meet stringent technical specifications or delivery schedules can result in financial penalties, warranty claims, contract cancellations, or the invocation of performance bank guarantees.
- Its operations are characterized by a long gestation period and extended order-to-cash cycles, which can strain working capital requirements and operating cash flows.

## Peer comparison:

| Company | Total Sales | PAT | EPS | P/E | P/BV | BV | FV | Price | Mcap |
|---|---|---|---|---|---|---|---|---|---|
| Bharat Electron | 28717.35 | 6146.43 | 8.41 | 45.17 | 11.58 | 32.82 | 1 | 379.90 | 277698.50 |
| Astra Microwave | 1139.74 | 189.04 | 19.91 | 84.09 | 12.50 | 133.91 | 2 | 1674.30 | 15896.64 |
| Zen Technologies | 671.11 | 180.16 | 20.12 | 82.14 | 7.90 | 209.22 | 1 | 1652.65 | 14921.84 |
| Data Pattern | 941.47 | 267.93 | 48.27 | 85.77 | 13.35 | 310.08 | 2 | 4139.90 | 23176.80 |
| Paras Defence | 511.29 | 94.45 | 11.44 | 112.50 | 15.17 | 84.83 | 5 | 1287.05 | 10371.99 |
| Tonbo Imaging India Limited | 362.65 | 50.88 | 8.88 | 78.81 | 7.45 | 94.01 | 2 | 700.00 | 4009.75 |

*Peer companies financials are TTM based
***Tonbo Imaging India Ltd are based on TTM

## Valuation:

As the company is loss making so we are considering the P/BV valuation, Looking at the P/B ratio at higher band of Rs. 151 pre issue, book value of Rs. 27.17 of P/BV 5.56x. Post issue, book value of Rs. 40.87 of P/BV 3.69x.Looking at the P/B ratio at lower band of Rs. 143 pre issue, book value of Rs. 27.17 of P/BV 5.26x. Post issue, book value of Rs. 40.87 of P/BV 3.50x.

## Industry overview

Tonbo Imaging operates within the global and Indian defence electronics sector, specifically focusing on Electro-Optical and Infrared (EO/IR) imaging, situational awareness, and combat surveillance systems. Driven by escalating geopolitical tensions, border security modernization, and a global shift toward autonomous warfare, the defence electronics and EO/IR market is experiencing robust growth. The industry is characterized by high entry barriers, stringent technological requirements, and increasing demand for compact, lightweight, and AI-enabled systems. In India, policy initiatives like "Make in India," the Defence Acquisition Procedure (DAP), and strong indigenization mandates (IDDM) are accelerating domestic procurement. Key demand drivers include military modernization and counter-drone requirements,

while primary industry challenges involve raw material scarcities (such as Germanium), long procurement cycles, and intense global competition.

**Outlook**

Tonbo Imaging offers long-term growth potential, supported by proprietary technology, a Rs. 314.24 crore order book and expanding global presence. Its asset-light model, strong R&D capabilities and defence-sector opportunities support competitiveness. However, profitability may fluctuate due to project execution, working capital intensity and tender-based procurement. Supply chain disruptions, customer concentration and geopolitical uncertainties remain key risks. Despite valuation concerns, the company provides exposure to indigenous defence manufacturing and growing international demand.

**An Indicative timetable in respect of the Issue is set out below:**

| EVENT | INDICATIVE DATE (On or about) |
|---|---|
| IPO Open Date | Thu, Oct 15, 2026 |
| IPO Close Date | Mon, Oct 19, 2026 |
| Tentative Allotment | Wed, Oct 21, 2026 |
| Initiation of Refunds | Thu, Oct 22, 2026 |
| Credit of Shares to Demat | Thu, Oct 22, 2026 |
| Tentative Listing Date | Fri, Oct 23, 2026 |

# Annexure

**Consolidated Financials**

## Profit & Loss

Rs. in Cr.

| Particulars | Period ended 30-Jun-26 (3 Months) | Period ended 31-Mar-26 (12 Months) | Period ended 31-Mar-25 (12 Months) |
|---|---|---|---|
| Revenue from operations | 36.01 | 362.65 | 469.08 |
| Total expenditure | 49.05 | 258.03 | 330.02 |
| **Operating Profit** | **-13.04** | **104.62** | **139.06** |
| OPM% | -36.21 | 28.85 | 29.65 |
| Other Income | 1.32 | 7.29 | 5.31 |
| **Total Net Income** | **-11.72** | **111.91** | **144.37** |
| Interest | 3.64 | 10.62 | 17.74 |
| **PBDT** | **-15.36** | **101.29** | **126.63** |
| Depreciation | 8.39 | 31.34 | 26.59 |
| **Restated loss before exceptional items and tax from continuing operations** | **-23.75** | **69.96** | **100.04** |
| Exceptional items (net) | 0.00 | 0.00 | 0.78 |
| **PBT** | **-23.75** | **69.96** | **99.27** |
| Tax | -6.01 | 19.08 | 26.51 |
| **PAT** | **-17.74** | **50.88** | **72.76** |

**Balance sheet is on next page**

## Balance Sheet

Rs. in Cr.

| Particulars | As on 30-Jun-26 | As on 31-Mar-26 | As on 31-Dec-25 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, Plant and Equipment | 24.37 | 24.80 | 24.48 |
| Right of Use Assets | 7.11 | 7.57 | 9.07 |
| Intangible Assets | 166.98 | 162.70 | 165.19 |
| Capital Work-In-Progress | 7.89 | 12.40 | 0.72 |
| **Financial Assets** | | | |
| Investments | | | 0.03 |
| Other Financial Assets | 67.155 | 60.592 | 79.297 |
| Other Non-Current Assets | 3.419 | 2.88 | 1.798 |
| **Total Non-Current Assets** | **276.91** | **270.95** | **280.59** |
| **Current assets** | | | |
| Inventories | 319.633 | 219.485 | 111.144 |
| **Financial Assets** | | | |
| Trade Receivables | 96.853 | 211.663 | 210.312 |
| Cash and Bank Balances | 7.14 | 16.179 | 100.972 |
| Other Bank Balances | 21.634 | 22.453 | 0.952 |
| Loans | 0.582 | 0.726 | 0.434 |
| Other Financial Assets | 8.981 | 7.921 | 0.55 |
| Other Current Assets | 51.128 | 33.125 | 21.431 |
| **Total current assets** | **505.95** | **511.55** | **445.80** |
| **Total Assets** | **782.87** | **782.50** | **726.39** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Long Term Lease Liabilities | 6.354 | 6.854 | 8.783 |
| Deferred Tax Liabilities (net) | 4.001 | 9.997 | 8.047 |
| Provisions | 17.376 | 18.77 | 33.879 |
| **Total non-current liabilities** | **27.73** | **35.62** | **50.71** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| Short Term Borrowings | 129.716 | 116.064 | 78.135 |
| Short Term Lease Liabilities | 1.909 | 1.85 | 1.133 |
| Trade payables - MSME | 8.992 | 6.106 | 2.274 |
| Trade payables - Others | 37.319 | 27.337 | 18.871 |
| Other Financial Liabilities | 0.015 | 0.09 | 0.09 |
| Short Term Provisions | 10.477 | 18.553 | 13.977 |
| Other Current Liabilities | 28.169 | 23.718 | 71.031 |
| **Total current liabilities** | **216.60** | **193.72** | **185.51** |
| **Total liabilities** | **244.33** | **229.34** | **236.22** |
| Net worth represented by: | | | |
| Equity Share Capital | 11.456 | 11.456 | 0.733 |
| Other equity | 527.081 | 541.703 | 489.405 |
| **Total Equity** | **538.54** | **553.16** | **490.14** |

## RANKING METHODOLOGY

| | |
|---|---|
| **WEAK** | ★ |
| **NEUTRAL** | ★ ★ |
| **FAIR** | ★ ★ ★ |
| **GOOD** | ★ ★ ★ ★ |
| **EXCELLENT** | ★ ★ ★ ★ ★ |

E-mail: smc.care@smcindiaonline.com

**Corporate Office:**
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

**Mumbai Office:**
Lotus Corporate Park, A Wing 401 / 402 , 4th Floor , Graham Firth Steel Compound, Off Western Express Highway, Jay Coach Signal, Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

**Kolkata Office:**
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

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