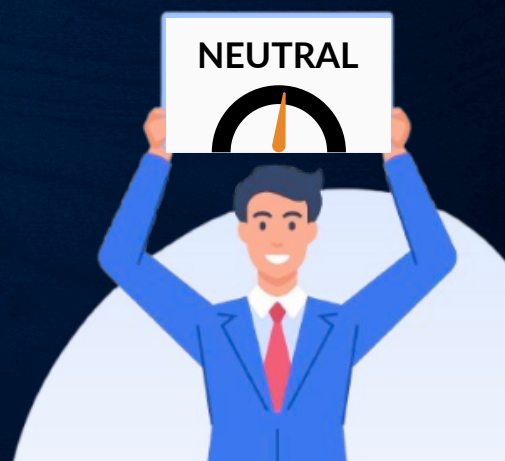




IPO NOTE

TONBO IMAGING INDIA BUSINESS



Rating:

NEUTRAL



ISSUE OFFER

Issue Opens on	OCT 15, 2026
Issue Close on	OCT 19, 2026
Total IPO size (cr)	₹852 CR
Fresh issue (cr)	-
Offer For Sale (cr)	₹852 CR
Price Band (INR)	₹665-700
Market Lot	21 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹4,009.75 CR

MINIMUM INVESTMENT DETAILS

Number of Shares	1,21,74,046
Minimum Investment Amount	₹14,949
Small-HNI (Min)/ 294 Shares	₹2,05,800
Big-HNI (Min)/ 1449 Shares	₹10,14,300

INDICATIVE TIMETABLE

Basis of Allotment	21-10-2026
Refunds/Unblocking ASBA Fund	22-10-2026
Credit of Share to Demat A/c	22-10-2026
Listing Date	23-10-2026

ISSUE BREAK-UP (%)

QIB Portion		50%
Retail Portion		35%
NII Portion		15%

Tonbo Imaging India Limited is a defence electronics OEM manufacturing advanced imaging, surveillance, communication, and guidance systems for defence and security applications.

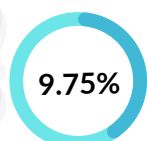
OBJECTS OF THE ISSUE

- 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.

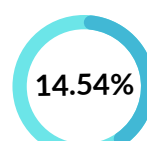
FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	11.45	0.73	0.29
Net Worth	553.16	490.14	230.13
Revenue from operations	362.64	469.08	428.18
EBITDA Margin%	28.85%	29.65%	26.23%
Net Profit/Loss of the year	50.88	72.76	68.54

FINANCIAL RATIOS OF FY26



ROE



ROCE



P/E (Pre IPO)

OUTLOOK & VALUATION

- Tonbo designs proprietary micro-optics, thermal sensors, and edge-AI target-acquisition systems. Unlike build-to-print suppliers, its ownership of core IP commands high gross margins (~55%+).
- Tonbo is priced at a slight discount to niche high-beta defence electronics peers like Data Patterns (~118x P/E) and Astra Microwave (~87x P/E). However, its Return on Equity/Net Worth (9.7%) trails these peers significantly because FY26 saw revenue compression.
- Entire proceeds go to selling PE funds and founders; no capital goes into R&D or expansion.
- A strong moat in high-tech defence optics, but long-term upside depends on order execution consistency and earnings volatility recovery.



COMPANY PROFILE

- Incorporated in December 2003, Tonbo Imaging India Limited is a defence electronics OEM specialising in advanced imaging, surveillance, communication, guidance, and targeting systems.
- Offers thermal imaging systems, weapon sights, missile seekers, fire control systems, missile guidance systems, and handheld thermal imaging devices.
- Provides imaging, surveillance, reconnaissance, and targeting solutions for defence applications.
- Develops observation and fire control subsystems for aerial, ground, and weapon platforms, along with systems for threat neutralisation.
- Serves defence and security organisations across 24 countries, with over 28,000 systems deployed in the field.
- According to the company, it was India's largest manufacturer and exporter by volume of thermal imaging systems for government and defence agencies during FY24-FY26.



COMPETITIVE STRATEGIES

- Continued investment in R&D to achieve defence modernization through development of new products
- Continued diversification of product portfolio
- Diversified defence product portfolio with deployability across all domains"
- Pursue strategic partnerships with OEMs
- Increasing customer base through expansion into new geographies



KEY CONCERNS

- Vulnerable to long, unpredictable government budget and tender cycles.
- Dependent on a limited global supply chain for raw materials like Germanium.
- Highly dependent on short-term, non-recurring tenders from selected clients.
- Uses an outsourced manufacturing model, risking third-party quality or delays.
- Extended gestation cycles strain liquidity and drive high working capital needs.



KEY STRENGTHS

- Owns extensive unrestricted IP in infrared imaging and target tracking.
- Offers full-stack capabilities from core sensors to autonomous platforms.
- Established global footprint across 24 countries with defence clients.
- Led by an experienced team with 21+ years in optical defence tech.
- Agile design framework enables rapid re-engineering for key components.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Tonbo Imaging India Ltd.	9.19	78.83	96.57	505.11	9.75
Peer Group					
Paras Defence And Space Technologies Ltd	10.93	117.88	90.02	648.62	-
Data Patterns (india) Ltd	48.47	87.29	310.08	2754.86	17.00
Astra Microwave Products Ltd	20.32	83.92	138.46	1814.46	-
Zen Technologies Ltd	21.52	73.44	209.22	4068.0	-
Bharat Electronics Ltd	8.29	45.70	32.82	1430.79	-



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