

IPO NOTE

Issue Details

Price Band: Rs. 665 to 700 Per Share

Issue Opens on: Oct 15, 2026

Issue Closes on: Oct 19, 2026

Lot Size: 21 Shares & in Multiples thereafter

Issue Highlights

Issue Size: Rs. 852.18

No of Shares: 1,21,74,046

Face Value: Rs. 2/-

Offer Structure

Issuance	Rs. in Cr.
Fresh Issue	-
Offer for Sale	852.18
Total	852.18

Issue Breakup

Reservation for	% of Issue	Rs. in Cr. (at upper band)
QIB	50	426.09
HNI	15	127.83
RETAIL	35	298.26
TOTAL	100	Rs. 852.18

Listing

BSE & NSE

Lead Managers

- **JM Financial Ltd.**
- **IIFL Capital Services Ltd.**

Registrar

KFin Technologies Ltd.

Contact Details

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COMPANY OVERVIEW

Tonbo Imaging is a global defence electronics original equipment manufacturer (OEM) that designs, develops and manufactures sensing, processing, communication and guidance systems for surveillance, reconnaissance, targeting and control. Its portfolio includes thermal imaging cores, weapon sights, hand-held thermal imaging binoculars, targeting systems, missile seekers, fire control and missile guidance systems, split into tactical systems (58% of FY2026 revenue) and platform systems (40%). As per Frost & Sullivan, it was the largest supplier by value of thermal imaging systems to Indian government and defence agencies between April 2024 and March 2026, and accounted for 94% of India's thermal imaging exports by units. It has over 28,000 systems deployed across 24 countries, owns 100% of its intellectual property and its products are free of US ITAR export restrictions. It follows an asset-light model, with design and IP developed in-house and manufacturing outsourced to EMS partners.

HIGHLIGHTS

- **Leading defence tech provider:** Largest supplier of thermal imaging systems to Indian defence agencies, owning 100% of its IP since FY2024.
- **Asset-light, R&D-led model:** Core design and IP are developed in-house, while manufacturing is outsourced to EMS partners.
- **Global acceptability:** Products sold to customers in the EU, US and Israel; ITAR-free systems face no geopolitical export constraints.
- **Diversified portfolio:** Field-tested sights, targeting systems, missile seekers and fire control systems deployable across all domains.
- **Sound financials:** Moderate debt and sustained profitability, with PAT of Rs. 50.88 cr and an EBITDA margin of 28.85% in FY2026.

OBJECTS OF THE ISSUE

The Offer is entirely an Offer for Sale of up to 1,21,74,046 equity shares (Rs. 852.18 crore at the upper band) by the Promoter, Promoter Group, Investor and Other Selling Shareholders, with CEAQ Technologies entities alone selling 91,53,196 shares (~75% of the Offer). The objects of the Offer are to carry out the Offer for Sale and to achieve the benefits of listing the equity shares on the Stock Exchanges. The Company will not receive any proceeds from the Offer.

OUR VIEW

Tonbo Imaging has a genuine technology moat: it owns 100% of its IP, is the largest supplier of thermal imaging systems to Indian defence agencies, accounts for 94% of India's thermal imaging exports by units and sells ITAR-free products, positioning it well for India's defence indigenisation push. However, its financials have deteriorated sharply. Total Income fell 22.0% from Rs. 474.39 cr in FY2025 to Rs. 369.94 cr in FY2026, EBITDA declined from Rs. 139.06 cr to Rs. 104.62 cr and PAT dropped 30.1% to Rs. 50.88 cr, taking RONW down from 52.72% in FY2024 to 9.75% in FY2026; FY2026 EBITDA was also aided by a Rs. 18.84 cr warranty write-back. The company reported a loss of Rs. 17.74 cr in Q1 FY2027, working capital days have stretched from 152 to 517 and borrowings have risen to Rs. 129.72 cr. Revenue is lumpy and tender-driven, with the top 10 customers contributing 77.83% of FY2026 revenue and the export share falling from 65.52% to 5.57%, although the Rs. 314.24 cr order book (June 2026) offers some visibility. The issue is a pure OFS, and promoters will hold only 15.72% post-issue. At the upper band, the issue is valued at a market cap of Rs. 4,009.75 cr, i.e. 78.83x FY2026 diluted EPS of Rs. 8.88 and ~7.2x FY2026 NAV, leaving little margin of safety given declining earnings. We therefore take a Cautious stance on the issue.

Brief Financials

Rs. in Cr. | *P/E at upper price band of Rs. 700 | FY2024 standalone, FY2025-26 consolidated (as restated)

Particulars	FY2024	FY2025	FY2026
Total Income	431.90	474.39	369.94
Total Expenditure	336.94	374.35	299.98
EBITDA	112.32	139.06	104.62
Profit Before Tax	94.55	99.27	69.96
Profit After Tax	68.54	72.76	50.88
E.P.S. (Diluted) (Rs.)	13.63	12.70	8.88
P/E (x) (Diluted)*	51.36x	55.12x	78.83x
RONW (%)	52.72%	20.20%	9.75%

PRICE CHART (@ Rs. 700) (Retail Category)

LOT SIZE	Amount
21	14,700
42	29,400
63	44,100
84	58,800
105	73,500
126	88,200
147	1,02,900
168	1,17,600
189	1,32,300
210	1,47,000
231	1,61,700
252	1,76,400
273	1,91,100

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	294	2,05,800
Big HNI	1,449	10,14,300

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	21/10/2026
Initiation of refunds/unblocking ASBA Fund	22/10/2026
Credit of Equity Shares to demat accounts of Allottees	22/10/2026
Commencement of trading of the Equity Shares on the Stock Exchanges	23/10/2026

For more details, Please refer RHP

[SEBI | Tonbo Imaging India Limited- RHP](https://www.sebi.gov.in/sebi_data/commndocs/oct-2026/Tonbo%20Imaging%20India%20Limited-Abridged%20Prospectus_p.pdf) [Tonbo Imaging India Limited - Abridged Prospectus](https://www.sebi.gov.in/sebi_data/commndocs/oct-2026/Tonbo%20Imaging%20India%20Limited-Abridged%20Prospectus_p.pdf)

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