



IPO RESEARCH REPORT

Tonbo Imaging India Limited

India's #1 Defence Thermal Imaging OEM — 28,000+ Systems in 24 Countries, Missile Seekers to Fire Control

IPO Open: Oct 15, 2026 **IPO Close:** Oct 19, 2026 **Listing:** Oct 23, 2026 (BSE & NSE)

OUR RECOMMENDATION

SUBSCRIBE*

**Aggressive/High-risk only*

PRICE BAND

₹665 – ₹700

Lot: 21 shares | ₹14,700 min.

GMP (AS OF OCT 13, 2026)

₹270–285 (~40%)

Est. listing ₹970–1000 | Unofficial

This report is for informational purposes only. Not investment advice. Tonbo Imaging's IPO is suitable ONLY for high-risk, aggressive investors comfortable with defence-sector lumpiness and current valuation. Conservative investors should AVOID. Please read the full disclaimer at the end of this report before making any investment decision.



1. IPO AT A GLANCE

Issue Details

Parameter	Details
Company Name	Tonbo Imaging India Limited
Headquarters	Bengaluru, Karnataka
Issue Type	Mainboard IPO (Book Built) — 100% Offer for Sale (OFS); NO fresh issue
Total Issue Size	~₹852.18 crore (1.22 crore equity shares at upper price band)
Fresh Issue	NIL — company receives no IPO proceeds
Offer for Sale (OFS)	~₹852.18 crore — by promoters, promoter group, and investor selling shareholders
OFS Sellers	CEAQ Technologies Pvt. Ltd. (formerly Tonbo Imaging Pvt. Ltd.) — largest seller at 1.50 crore shares; Promoter-group entity; Qualcomm Ventures; Artiman; Celesta Capital II; HBL Engineering; Edelweiss Value; Tenacity Ventures; India Exim Bank; Florintree
Price Band	₹665 – ₹700 per share
Face Value	₹2 per share
Lot Size	21 shares (min. investment: ₹14,700 at upper band)
Max Retail Application	13 lots (273 shares ₹1,91,100)
Post-Issue Market Cap (at ₹700)	~₹4,009.80 crore (~\$472 million USD)
IPO Open Date	Wednesday, October 15, 2026
IPO Close Date	Sunday, October 19, 2026
Anchor Investor Date	Tuesday, October 14, 2026
Basis of Allotment	Tuesday, October 21, 2026
Refund / Credit to Demat	Wednesday, October 22, 2026
Listing Date	Thursday, October 23, 2026 (BSE & NSE)
Book Running Lead Managers	JM Financial Limited IIFL Capital Services Limited
Registrar	KFin Technologies Limited
Promoters	Arvind Kondangi Lakshmikumar (MD & CEO) Ankit Kumar Cecilia D'Souza
Promoter Pre-IPO Holding	~18.57%

Critical Note: (1) This is a 100% OFS IPO — ALL ₹852 crore flows to selling shareholders. The company receives ZERO. (2) Key investor Qualcomm Ventures, Celesta Capital, and multiple other VCs/PE firms are all using this IPO to exit. (3) Promoters hold only 18.57% pre-IPO — an unusually low promoter stake for an IPO, reflecting a heavily VC-backed startup. These are material signals investors must weigh carefully.

Investor Quota Allocation

Investor Category	Allocation %	Remarks
Qualified Institutional Buyers (QIB)	50%	Anchor investors may receive up to 60% of QIB portion
Non-Institutional Investors (NII / HNI)	15%	Minimum bid: 14 lots (₹2,05,800 at upper band)



Investor Category	Allocation %	Remarks
Retail Individual Investors (RII)	35%	Min: 1 lot (₹14,700) Max: 13 lots (₹1,91,100)

2. COMPANY OVERVIEW

History & Background

Tonbo Imaging India Limited was incorporated in December 2003 and was initially part of a broader technology group with US Department of Defense and Sarnoff Corporation connections. In 2012, the company's promoters — Arvind Kondangi Lakshmikumar, Ankit Kumar, and Cecilia D'Souza — executed a management buyout of the erstwhile parent, effectively transforming Tonbo into an independent, Indian-promoter-led defence electronics OEM. The Singapore-based holding entity, Tonbo Imaging Singapore Pte. Ltd. (now CEAQ Technologies Pte. Ltd.), was the primary corporate shareholder. Post-buyout, the company pivoted sharply to defence product manufacturing — building proprietary EO/IR systems and accumulating a roster of global defence customers. The DRHP was filed with SEBI on August 4, 2026, and SEBI approval came on September 14, 2026. The RHP was filed in October 2026.

What Tonbo Does — Product Portfolio

Tonbo Imaging is a technology-led, software-heavy defence electronics OEM. Its products sit at the intersection of optics, infrared physics, embedded computing, and AI/ML-based image processing. The company designs everything in-house and outsources physical manufacturing to certified EMS (Electronics Manufacturing Services) partners — primarily Kaynes Technology India and Avalon Technology — following an asset-light model. Tonbo owns 100% of its intellectual property since FY2024, covering optics, embedded software, and electronics.

- **Tactical Systems Vertical:** Man-portable, individual and squad-level systems — thermal imaging cores, handheld thermal binoculars, weapon sights, driver-vision systems (DVS). Used by infantry and special forces for night/low-visibility operations. Primary revenue driver.
- **Platform Systems Vertical:** Integrated, multi-sensor solutions for vehicles, aircraft, naval vessels, and fixed installations — stabilised gimbals, targeting systems, fire control systems, missile seekers, and missile guidance systems. Higher value per unit; requires deeper customer integration.
- **HawkAI Platform:** A proprietary command, control, communication, and intelligence (C4I) software platform that integrates and fuses data from multiple Tonbo sensors into a unified battlefield awareness layer. Growing importance as a software layer differentiator.

Marquee Products

Product	Category	Application
Thermal Imaging Cores	Components	Supplied to OEMs; core of all IR products
Weapon Sights	Tactical — Infantry	Clip-on and standalone thermal sights for rifles, machine guns
Handheld Thermal Binoculars	Tactical — Infantry	Night observation, perimeter surveillance
Driver Vision Systems (DVS)	Platform — Vehicle	Thermal imaging for AFV/APC drivers in night/obscured conditions
Targeting Systems	Platform — Multi-role	Multi-sensor targeting for vehicles and naval platforms
Fire Control Systems (FCS)	Platform — Artillery/Tank	Integrated FCS for main battle tanks, howitzers
Missile Seekers	Guided Munitions	IR/EO seeker heads for short and medium-range missiles



Product	Category	Application
Missile Guidance Systems	Guided Munitions	Terminal guidance electronics for precision-guided munitions
HawkAI C4I Platform	Software / Systems	Battlefield data fusion and command & control

Key Credentials & Differentiators

- **#1 in India for thermal imaging exports:** Tonbo accounted for 94.3% of India's thermal imaging exports by units during FY24–FY26 — an extraordinary export dominance that reflects genuine global competitiveness.
- **Largest manufacturer by sales value — India:** Per Frost & Sullivan, Tonbo was India's largest manufacturer of thermal imaging systems for government and defence agencies by sales value during April 2024–March 2026.
- **28,000+ systems deployed in 24 countries:** Scale of deployed systems across militaries, paramilitary forces, and security agencies across five continents — USA, UK, Europe, South Asia, Southeast Asia, Middle East.
- **100% proprietary IP since FY24:** All optics, embedded software, and electronics are internally developed and owned — no third-party IP licensing encumbrances.
- **Free from US ITAR controls:** Tonbo explicitly designs its products to remain outside US International Traffic in Arms Regulations (ITAR) — a critical competitive advantage enabling unrestricted export to any country without US government approval requirements.
- **339 permanent employees (Jun 2026) — technology-heavy:** A lean team focused on R&D, systems integration, and programme management — consistent with the asset-light outsourced manufacturing model.

3. KEY OPERATING METRICS

₹369.94 Cr FY2026 Total Income (–22% YoY)	₹50.88 Cr FY2026 PAT (–30% YoY)	₹104.62 Cr FY2026 EBITDA (–25% YoY)	28.85% FY2026 EBITDA Margin (high but declining)
13.75% FY2026 PAT Margin	₹8.88 FY2026 EPS (post-issue identical — OFS only)	~78.8x Post-Issue P/E (at ₹700 upper band)	~₹4,010 Cr Post-Issue Market Cap
9.75% FY2026 RoE / RoNW	94.3% India Thermal Imaging Export Share (units)	₹314 Cr Confirmed Order Book (Jun 30, 2026)	₹270–285 GMP (~40%) — Highest in Oct 2026 Batch



4. FINANCIAL PERFORMANCE

Three-Year Financial Summary (Consolidated)

Metric	FY2024	FY2025	FY2026	YoY Change (FY25→FY26)
Total Income (₹ Cr)	431.90	474.39	369.94	-22.0%
Revenue from Operations (₹ Cr)	~421	469.08	~360	-23.3% (est.)
EBITDA (₹ Cr)	112.32	139.06	104.62	-24.8%
EBITDA Margin (%)	~26.7%	~29.3%	28.85%	Broadly sustained
PAT (₹ Cr)	68.54	72.76	50.88	-30.1%
PAT Margin (%)	~15.9%	~15.3%	13.75%	Compressing
Total Assets (₹ Cr)	574.68	726.36	782.50	+7.7%
Net Worth (₹ Cr)	230.13	490.14	553.16	+12.9%
Total Borrowings (₹ Cr)	96.36	78.14	116.06	Rising
RoE / RoNW (%)	~29.8%	~14.8%	9.75%	Declining sharply
RoCE (%)	n.a.	n.a.	14.54%	Moderate
EPS (₹)	~11.97	~13.38	8.88	Declining
Export contribution (% of ops rev.)	~Low	65.52%	5.57%	SHARP DROP — critical flag

Q1 FY2027 (April–June 2026): Revenue ~₹37.32 crore vs ₹68.68 crore in Q1 FY2026 (-45.6% YoY). Loss of ₹17.74 crore — the company was LOSS-MAKING in Q1 FY2027. This is the most critical data point in this report. A loss-making quarter immediately before the IPO is a serious red flag that investors must weight heavily.

Analyst Notes on Financials — Critical Observations

- **FY2026 revenue decline of 22% is the central concern:** Revenue fell from ₹474.39 crore (FY2025) to ₹369.94 crore (FY2026) — a 22% decline. For a defence company being brought to market at 78.8x P/E, this revenue regression is highly concerning. The company attributes this to defence procurement cycle timing, but investors must assess whether this is a temporary dip or structural.
- **Export collapse from 65.52% to 5.57% is extraordinary and alarming:** In FY2025, exports contributed 65.52% of revenue (Europe: ₹306.52 crore, 65.34% of total). In FY2026, exports collapsed to just 5.57% of revenue. This is the sharpest export revenue collapse we have seen in any IPO in recent memory. Management must explain which European customers deferred or cancelled orders and whether they have been recovered or replaced.
- **Q1 FY2027 loss is the most critical current-period data point:** Revenue fell -45.6% YoY to ₹37.32 crore in Q1 FY2027, and the company booked a net loss of ₹17.74 crore. This loss-making quarter immediately preceding the IPO raises fundamental questions about: (1) whether FY2026's decline has accelerated in FY2027; (2) whether the FY2025 peak was a one-off; and (3) whether the order book of ₹314 crore will convert to revenue quickly enough to arrest the decline.
- **EBITDA margins are healthy at 28.85% — the lone bright spot:** Despite declining revenue, EBITDA margins remain high (28.85% in FY2026) — evidence of significant operating leverage on high-IP, high-value defence products. If revenue recovers, margins should expand rapidly. The margin profile validates the technology quality of the business.
- **RoE declining sharply from ~29.8% to 9.75%:** Return on equity nearly trebled in FY2024 and has now compressed to 9.75% — driven by the large equity infusion (net worth doubled from FY2024 to FY2025 via retained profits and possible equity rounds) combined with falling PAT. At 9.75% RoE and 78.8x P/E, the valuation is extremely demanding.



- **Order book of ₹314 crore (Jun 2026) is modest:** The confirmed order book of ₹314.14 crore (domestic ₹231.77 Cr + overseas ₹82.37 Cr) represents less than one year of FY2025 revenue. For a company asking investors to pay 78.8x P/E, investors need to see a much larger secured order pipeline.

5. VALUATION ANALYSIS

Issue Valuation at ₹700 (Upper Price Band)

Metric	Value
Post-Issue Market Cap	~₹4,009.80 crore (~\$472 million USD)
FY2026 EPS (basic)	~₹8.88
Post-Issue P/E (FY2026)	~78.8x
Post-Issue P/E (FY2025 PAT basis)	~55x (using ₹72.76 crore PAT)
P/E on FY2024 PAT	~58.5x (using ₹68.54 crore PAT)
Price-to-Sales (FY2026)	~11.2x (on ₹357 crore ops revenue est.)
RoNW / RoE (FY2026)	9.75% — at a 78.8x P/E, deeply unattractive ratio
EBITDA Margin (FY2026)	28.85% — high; could re-expand with revenue recovery
RoCE	14.54% — moderate
Order Book / Market Cap	~0.08x — very low

Peer Comparison — Indian Defence & Defence Electronics

Company	Segment	P/E (approx.)	RoNW	Revenue Scale	Remarks
Tonbo Imaging (IPO)	Defence EO/IR systems	78.8x	9.75%	₹370 Cr (declining)	Unique niche; expensive; declining rev.
MTAR Technologies	Defence components (reactor, aerospace)	~50–60x	~15%	₹600+ Cr	More diversified; better growth
Paras Defence & Space	EO/IR systems, space components	~60–80x	~12%	₹300–400 Cr	Direct peer; higher multiples typical
Astra Microwave Products	Defence electronics (AESA, radar)	~35–50x	~12%	₹500+ Cr	Better revenue scale; lower multiple
Data Patterns (India)	Defence electronics / radar	~55–75x	~20%+	₹600+ Cr	Better RoE; similar sector premium

Valuation Verdict: At 78.8x P/E on FY2026 earnings (which declined 30%), Tonbo Imaging is the most expensively valued IPO in Ganesh StockInvest's October 2026 batch — significantly more expensive than Bonfiglioli (45x P/E on expanding earnings) and all other IPOs reviewed. Defence electronics stocks in India do command premium valuations due to high entry barriers and policy tailwinds — peers like Paras Defence trade at 60–80x on FY2026 earnings. However, the key difference is that peers are growing earnings; Tonbo's earnings declined 30% in FY2026 and the company posted a loss in Q1 FY2027. Paying 78x for declining earnings is structurally unattractive — the investment case rests entirely on a strong earnings recovery in FY2027 and FY2028, which the order book of ₹314 crore alone cannot confirm.



6. USE OF IPO PROCEEDS

Tonbo Imaging's IPO is 100% an Offer for Sale. The company receives ZERO proceeds.

Item	Detail
Proceeds recipient	Selling shareholders — CEAQ Technologies (1.50 crore shares, largest OFS seller), plus Qualcomm Ventures, Artiman, Celesta Capital, HBL Engineering, Edelweiss Value, Tenacity Ventures, India Exim Bank, Florintree, and others
Approximate amount at upper band	~₹852.18 crore
Company balance sheet impact	ZERO — no debt reduction, no working capital infusion, no capex funding
Company borrowings (Mar 2026)	Unchanged at ₹116.06 crore post-IPO
Why are investors selling now?	Multiple VC/PE investors with 10+ year holding periods are seeking liquidity; coincides with defence sector re-rating in Indian capital markets
Promoter selling?	Yes — CEAQ Technologies Pvt. Ltd. (the former promoter holding company, now renamed) is the largest OFS seller at 1.50 crore shares

Critical investor consideration: When the primary seller (CEAQ Technologies, formerly Tonbo Imaging Pvt. Ltd. — effectively the promoter's vehicle) is the largest OFS participant AND the company's most recent quarter shows a ₹17.74 crore loss AND FY2026 revenue fell 22% — investors must ask why the promoter-linked entity is choosing this moment to exit significant holdings rather than waiting for an earnings recovery. This is a legitimate and material question that the IPO prospectus's risk factor disclosures address but cannot fully resolve.



7. INDUSTRY OVERVIEW & TAILWINDS

Indian Defence Electronics — The Bull Case

Parameter	Figure / Trend
India defence budget (FY2026)	~₹6.21 lakh crore — steadily rising; ~2.3% of GDP
India thermal imaging market (domestic)	Growing rapidly; Tonbo = largest player by sales value
India's thermal imaging export share	94.3% of total Indian exports by units (Tonbo alone)
Defence indigenisation mandate (DPP / DAP)	India's Defence Acquisition Policy mandates increasing IDDM (Indigenous Design Development and Manufacture) procurement — directly benefits Tonbo
Make in India defence targets	Defence Ministry targets ₹1.75 lakh crore defence production by FY2025; EO/IR is a key priority segment
Export focus: iDEX, defence corridors	Government promoting defence exports to friendly nations; Tonbo's ITAR-free products uniquely positioned for export to restricted markets

Key Sector Tailwinds

- **India's military modernisation is a long-term structural driver:** The Indian Army, Navy, Air Force, DRDO, and paramilitary forces are all upgrading legacy equipment. Night-vision and thermal imaging systems are priority upgrades under all service capital procurement plans.
- **ITAR-free advantage is a global differentiator:** Many thermal imaging technologies from the US are ITAR-controlled — restricting export to US-aligned nations only. Tonbo's India-developed, ITAR-free products can be exported to any country without US approval. This opens market access to Russia, China-adjacent markets, and sensitive geographies that US suppliers cannot serve. In a deglobalising world, this is increasingly valuable.
- **India's defence export ambition:** India is targeting \$5 billion in annual defence exports. Tonbo — already at 94.3% of India's thermal imaging exports — is a flagship of this initiative. Government support (DRDO, EXIM Bank, DPSUs) provides tailwind.
- **Guided munitions and missile proliferation:** India's missile programmes (DRDO, DRDL), indigenous precision-guided munitions (PGMs) under Aatmanirbhar Bharat, and requirements for indigenised seeker technologies create natural demand for Tonbo's missile guidance and seeker products.
- **Drone and unmanned systems integration:** Tactical surveillance drones, loitering munitions, and unmanned ground/surface vehicles all require EO/IR payloads — an extension of Tonbo's core competency into a rapidly growing segment.

8. KEY STRENGTHS

- **#1 in India for thermal imaging (defence) — by revenue and exports:** Frost & Sullivan confirms this leadership position for FY24–FY26. A #1 position in a high-technology, high-barrier defence segment with 94.3% export unit share is an exceptional moat.
- **100% proprietary IP — fully self-reliant since FY2024:** Optics, embedded software, and electronics are entirely internally developed. No royalty payments, no technology licensing, no IP dependency on foreign principals. This is the foundation of both pricing power and export freedom.
- **ITAR-free product design:** The single most strategically valuable differentiator. Enables exports to markets completely closed to US thermal imaging suppliers (Middle East, North Africa, South/Southeast Asia, CIS countries). In a world of intensifying tech export controls, Tonbo's ITAR-freedom is a growing competitive moat.
- **28,000+ systems deployed globally:** A large installed base creates aftermarket, maintenance, upgrade, and repurchase opportunities across 24 countries.



- **Qualcomm Ventures, Celesta, India Exim Bank as institutional backers:** High-quality institutional investors validate the technology pedigree and provide governance credibility. These investors' presence also indicates the product has global technology standards validation.
- **Asset-light model with Kaynes Technology and Avalon Technology as EMS partners:** Manufacturing flexibility without fixed capex burden. Can scale production without balance sheet strain — though this also means manufacturing IP sits with EMS partners.
- **HawkAI C4I platform — software moat:** An integrated battlefield data fusion platform adds stickiness beyond hardware. Once integrated into a customer's command-and-control infrastructure, HawkAI is difficult to replace.
- **GMP of ~40% (₹270–285) — the highest in this IPO batch:** Despite the financial concerns, the grey market is signalling extremely strong listing interest — implying the defence-tech premium and ITAR-free narrative are resonating strongly with sophisticated investors.



9. KEY RISKS & CONCERNS

Risk Factor	Description	Severity
Revenue Declined 22% in FY2026 & Loss in Q1 FY2027	Total income fell from ₹474.39 crore (FY2025) to ₹369.94 crore (FY2026) — a 22% decline. Q1 FY2027 revenue was ₹37.32 crore with a net LOSS of ₹17.74 crore. Paying 78.8x P/E for declining earnings and a loss-making recent quarter is extremely high-risk.	HIGH
Export Collapse — 65.52% to 5.57% of Revenue	Exports (primarily Europe) fell from ₹306.52 crore (FY2025) to approximately ₹20 crore (FY2026 estimate). This represents a near-total loss of European revenue in one year. The cause (deferred orders, programme cancellations, budget timing) and recovery timeline are critical unknowns.	HIGH
100% OFS + Promoter-linked Entity Selling	The company receives zero proceeds. The primary OFS seller, CEAQ Technologies Pvt. Ltd. (formerly Tonbo Imaging Pvt. Ltd.) — the promoter group's holding entity — is the single largest OFS participant. Promoters selling aggressively while the company posts losses is a negative confluence.	HIGH
Extremely Expensive Valuation at 78.8x P/E	The most expensive IPO in this October 2026 batch. 78.8x P/E on declining FY2026 earnings means investors are paying for a future earnings recovery that hasn't materialised yet. Any further delay in recovery could cause severe de-rating post-listing.	HIGH
Defence Procurement Lumpiness — Revenue Cyclicity	Defence electronics revenue is driven by tender wins, government budget releases, and delivery milestones. Revenue can swing 30–50% between years purely due to contract timing — not due to business fundamentals. FY2026's decline may partly reflect timing, but investors cannot differentiate easily.	HIGH
Customer Concentration — Top 10 = 77.83% of Revenue	In FY2026, the top 10 customers contributed 77.83% of revenue. Loss of even one or two major contracts (a government procurement deferral, a competitor win) would dramatically impact financials.	MEDIUM
Low Promoter Stake (18.57% pre-IPO)	Most IPO-stage companies have promoters holding 60–75%+ pre-IPO. Tonbo's 18.57% reflects a heavily VC-backed, multi-round equity dilution history. Post-IPO, after CEAQ's OFS, promoter economic ownership will be even lower — reducing alignment with minority shareholders.	MEDIUM
Small Order Book vs Market Cap	The confirmed order book of ₹314 crore (Jun 2026) is just ~7.8% of the ₹4,010 crore market cap. Visibility into future revenues is extremely limited relative to the valuation. Contrast with Vishal Nirmiti's 2x order-book-to-revenue ratio.	MEDIUM
Asset-Light Model — Manufacturing IP at EMS Partners	Physical manufacturing is outsourced to Kaynes Technology and Avalon Technology. While reducing capex, this creates dependency on third-party quality, capacity, and continuity. Any disruption at EMS level directly impacts Tonbo's delivery schedules.	MEDIUM
ITAR-Free Competitive Moat Could Erode	India's own semiconductor and defence electronics ecosystem is maturing. Future competitors (DRDO spin-outs, funded deep-tech startups) could develop ITAR-free alternatives. The moat is real today but is not permanent.	LOW
Geopolitical Risk in Export Markets	Tonbo's key export markets (Europe, Middle East, South/Southeast Asia) are subject to geopolitical shifts — arms embargoes, sanctions regimes, diplomatic changes, or conflict escalation/de-escalation cycles that can suddenly shift procurement priorities.	LOW



10. IPO TIMELINE & HOW TO APPLY

Event	Date
Anchor Investor Bidding	Tuesday, October 14, 2026
IPO Opens	Wednesday, October 15, 2026
IPO Closes	Sunday, October 19, 2026
Basis of Allotment	Tuesday, October 21, 2026
Refund / Credit to Demat	Wednesday, October 22, 2026
Listing Date (BSE & NSE)	Thursday, October 23, 2026

How to Apply (for those choosing to participate)

- **Via ASBA (bank net-banking):** Log in to bank's net banking > IPO > Search 'Tonbo Imaging India IPO' > Enter 1 lot (21 shares) at ₹700 cut-off price > Submit. Funds blocked until allotment.
- **Via UPI (broker app):** Zerodha, Upstox, Groww, Angel One, etc. > IPO tab > Tonbo Imaging India > Enter lots at ₹700 > Approve UPI mandate.
- **Minimum investment:** 21 shares × ₹700 = ₹14,700
- **Maximum retail application:** 13 lots = 273 shares = ₹1,91,100
- **Ganesh StockInvest caveat:** Given FY2026 revenue decline and Q1 FY2027 loss, investors applying for listing gains only should strictly limit to 1–2 lots and be prepared to exit on listing day. Do NOT hold for the long term unless the earnings recovery thesis is confirmed through RHP examination and order book due diligence.



11. GMP & INVESTOR SENTIMENT

GMP Trend (Informal Pre-Listing Market)

Observation Period	GMP (₹ per share)	Indicative Listing Price	Premium Over Issue
October 11, 2026	~₹310	~₹1,010	~44.3%
October 12, 2026	~₹270–285	~₹970–985	~38.6–40.7%
October 13, 2026 (latest)	~₹270–285	~₹970–985	~38.6–40.7%

GMP Disclaimer: Grey Market Premium is an informal, unregulated price indicator not endorsed by SEBI, BSE, or NSE. The GMP range of ₹270–285 (~40%) is the highest recorded in this batch and reflects heavy speculative interest in the defence technology narrative — NOT a fundamental analysis of the company's earnings outlook. GMP can and does decline sharply when fundamentals deteriorate. Investors applying purely for GMP-based listing gains in a loss-making company face significant risk.

Investor Sentiment Assessment

Tonbo Imaging carries the highest GMP in the October 2026 IPO batch — ~40% premium vs Bonfiglioli's ~30%, Moneyview's 21%, and others. This is driven purely by the defence technology narrative, the ITAR-free positioning, and the company's unique 94.3% export market dominance. The grey market is pricing in a post-listing re-rating based on the long-term structural defence capex story.

However, Ganesh StockInvest flags an important disconnect: the grey market is pricing in FY2025-level earnings (₹72.76 crore PAT) or better, when the actual FY2026 PAT was ₹50.88 crore (-30%) and Q1 FY2027 showed a ₹17.74 crore loss. If the listing is at a 40% premium (₹970+) and the company subsequently reports FY2027 annual PAT below FY2025 levels, the implied P/E at listing price would exceed 100x on declining earnings — a highly vulnerable position. This is the core risk that separates Tonbo Imaging from Bonfiglioli Transmissions as a listing investment. Both have strong GMP, but Bonfiglioli's GMP is backed by expanding margins and stable earnings; Tonbo's GMP is backed by hope.

- **Bull signals:** ~40% GMP (highest in batch), #1 market position, 94.3% export share, 28,000 deployed systems, ITAR-free moat, India defence capex acceleration, HawkAI C4I platform, missile seeker/FCS capability.
- **Bear signals:** FY2026 revenue -22%, PAT -30%, Q1 FY2027 net loss of ₹17.74 Cr, export collapse from 65% to 5%, 78.8x P/E on declining earnings, 100% OFS, promoter-linked entity primary OFS seller, order book only ₹314 Cr (modest), customer concentration 77.83%.

12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: SUBSCRIBE* (AGGRESSIVE INVESTORS ONLY)

**GMP of ~40% is exceptional; 100% IP ownership & market leadership are real; BUT FY2026 revenue -22%, PAT -30%, 78x P/E, 100% OFS, revenue lumpiness & Q1 FY27 loss demand caution*

Investment Rationale — Why We're Split

Tonbo Imaging is Ganesh StockInvest's most difficult rating decision in this October 2026 batch. The company is simultaneously one of the most strategically important defence technology companies to come to the Indian public markets, and one of the most risky IPOs on fundamental grounds. We have resolved this tension by issuing a SUBSCRIBE* rating — but with an asterisk that is unusually important, more so than in any other report in this batch.



The bull case for Tonbo is structurally compelling. India's defence modernisation, the ITAR-free positioning, 100% proprietary IP, 94.3% export dominance in thermal imaging, and missile guidance capability all point to a company that could genuinely become a multi-thousand crore business over the next decade. The defence technology premium in Indian markets is real — Paras Defence, MTAR Technologies, and Data Patterns all trade at 50–80x P/E. If Tonbo delivers on its earnings recovery, the current IPO price could look cheap in hindsight.

The bear case is equally real. FY2026 revenues declined 22% and are declining further — Q1 FY2027 revenue fell 45% YoY and the company reported a loss. The company is entering its IPO in a cyclical trough, not from a position of earnings strength. The export collapse from 65.52% to 5.57% of revenue in one year is the most alarming financial data point in any IPO we have reviewed this cycle. The 78.8x P/E on currently-declining earnings leaves virtually no margin of safety. And every rupee raised by the IPO goes to sellers, not to the company.

Suitability by Investor Type

Investor Profile	Recommendation	Rationale
Aggressive / speculative investor (listing gains)	SUBSCRIBE (1–2 lots maximum)	GMP ~40% likely to materialise at listing; defence narrative supports listing premium; exit on listing day
Thematic defence investor (3–5 year horizon)	CONSIDER (after RHP review + due diligence)	If you deeply understand defence procurement cycles and believe FY2025 revenue is the baseline (not FY2026), a small allocation is warranted — but only after independently verifying order pipeline beyond the ₹314 Cr disclosed
Conservative / regular equity investor	AVOID	78.8x P/E, declining earnings, Q1 loss, 100% OFS — not suitable for conservative capital allocation
Retail investor (moderate risk)	AVOID for long-term; 1 lot for listing gamble only	Fundamental risk too high for long-term holding; apply only 1 lot if comfortable treating it as a high-risk bet
Long-term SIP / wealth creation investor	AVOID	Moneyview and Bonfiglioli offer superior risk-reward at current prices for long-term investors seeking quality

Synthesis: Tonbo Imaging is a high-risk, high-reward listing bet. The GMP of ~40% is the highest in the October 2026 batch — and may well deliver strong listing gains given the defence technology premium in Indian markets. However, the underlying financial deterioration (FY2026 revenue -22%, Q1 FY2027 loss, export collapse, 78.8x P/E) makes this unsuitable for investors seeking quality at reasonable price. Ganesh StockInvest recommends SUBSCRIBE for aggressive investors seeking listing gains — apply 1–2 lots maximum, with a clear exit plan on listing day. Do not hold past listing without confirmed evidence of earnings recovery. For all other investors: Bonfiglioli Transmissions (SUBSCRIBE, 30% GMP, 45x P/E, expanding margins) is the superior risk-adjusted choice in this week's IPO batch.



13. DISCLAIMER

This report has been prepared by Ganesh StockInvest for informational and educational purposes only. Information is sourced from Tonbo Imaging India Limited's Red Herring Prospectus (RHP, October 2026), DRHP (August 4, 2026), SEBI approval notice (September 14, 2026), Frost & Sullivan Report cited in offer documents, and public domain sources including Inc42, PTI, BusinessToday, YourStory, AngelOne, and fintechbiznews. Ganesh StockInvest does not warrant the accuracy, completeness, or timeliness of the information.

This document does not constitute an offer, solicitation, or recommendation to buy or sell any securities. This IPO carries significant risks. The company reported a 22% revenue decline in FY2026, a 30% decline in PAT, and a net loss of ₹17.74 crore in Q1 FY2027 (April–June 2026). The IPO is entirely an Offer for Sale — Tonbo Imaging India Limited receives no proceeds. Investors should be aware that the primary OFS seller is CEAQ Technologies Pvt. Ltd. — formerly Tonbo Imaging Pvt. Ltd. — the promoter group's holding entity. The promoter group's pre-IPO stake of 18.57% is unusually low for an IPO. Defence sector revenue is highly lumpy and dependent on government procurement cycles that can cause significant annual revenue and profit swings.

Grey Market Premium data cited (₹270–285, ~40%) is from informal grey market sources and is not endorsed by SEBI, BSE, or NSE. GMP is not a reliable predictor of actual listing price or post-listing performance. A high GMP does not compensate for fundamental financial risks. Past performance — including FY2025 revenue and PAT — may not be indicative of future performance given the FY2026 decline and Q1 FY2027 loss.

Investors are strongly advised to read the full RHP, including the extensive risk factors section, and to independently verify the order pipeline, export recovery status, and management guidance before investing. Ganesh StockInvest, its directors, employees, and associates may or may not hold positions in the securities mentioned. This report is for private circulation only. SEBI Registration: Registered Research Analyst as per SEBI (Research Analyst) Regulations, 2014.