Molbio Diagnostics Limited

10-August-26

Subscribe- Long Term

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Issue Details

Issue Details	
Issue Size (Value in ₹`million, Upper Band)	9,400
Fresh Issue (No. of Shares in Lakhs)	24.8
Offer for Sale (No. of Shares in Lakhs)	91.7
Bid/Issue opens on	10-Aug-26
Bid/Issue closes on	12-Aug-26
Face Value	Rs. 1
Price Band	768-807
Minimum Lot	18

Objects of the Issue:

- **Fresh Issue: ₹2,000 Million**
  - Funding capital expenditure towards the setting up of infrastructure for a research and development facility and Center of Excellence which will be operated by their wholly-owned Subsidiary, Bigtec and connected office space for their Company, Subsidiaries and Associate, and
  - Funding capital expenditure towards the purchase of certain plant, machinery and other equipment for Goa Unit I, Goa Unit II and Visakhapatnam Unit, and
  - General corporate purposes
- **Offer for sale: ₹7,400 Million**

Book Running Lead Managers
Kotak Mahindra Capital Company Limited
Jefferies India Private Limited
IIFL Capital Services Limited
Motilal Oswal Investment Advisors Limited
Registrar to the Offer
KFin Technologies Limited

Capital Structure (₹` Million)	Aggregate Value
Authorized share Capital	200.0
Subscribed paid up Capital (Pre-Offer)	112.8
Paid up capital (Post - Offer)	115.2

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	47%	38%
Public	53%	62%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY26	FY25	FY24
Revenue from operations	14,457	10,204	8,366
Operating expenses	11,242	7,582	6,024
EBITDA	**3,214**	**2,622**	**2,342**
Other Income	95	75	41
Depreciation	636	446	410
EBIT	**2,673**	**2,252**	**1,973**
Finance cost	335	177	144
PBT	**2,338**	**2,075**	**1,828**
Exceptional items	27	131	532
Tax	670	558	461
Consolidated PAT	**1,641**	**1,386**	**835**
EPS	14.2	12.0	7.2
Ratio	**FY26**	**FY25**	**FY24**
EBITDAM	22.2%	25.7%	28.0%
PATM	11.4%	13.6%	10.0%
Sales growth	41.7%	22.0%	

Sector- Healthcare Services

Company Description

Molbio Diagnostics is an innovative point-of-care ("POC") diagnostics company focused on expanding access to accurate, rapid and cost-effective healthcare technologies to diagnose infectious and non-communicable diseases. The company has developed its 'Truenat' platform, which is a novel POC polymerase chain reaction ("PCR") platform that can operate in resource-limited settings since it is battery operated, facilitating decentralized diagnosis within an hour. As of March 31, 2026, Truenat is patented in more than 100 countries for the diagnosis of multiple infectious and non-communicable diseases. As of March 31, 2026, the company offers molecular testing for 30 diseases, including tuberculosis ("TB"), COVID, Hepatitis B and C, Human Immunodeficiency Virus ("HIV"), and Human Papillomavirus ("HPV"), with 43 assays. The company operates in an oligopolistic market with high entry barriers, evidenced by the fact that its platform underwent 13 years of R&D to obtain Indian Council of Medical Research ("ICMR") certification and its 'Truenat' test chip for diagnosing TB is the only one by an Indian company and one of the only two rapid molecular tests in the world, which has been endorsed by the World Health Organization ("WHO") for initial diagnosis of TB and rifampicin resistance detection using molecular diagnostic technology. The company also provides devices enabling radiology, digital pathology and breast health screening through its subsidiaries, Prognosys and OptraScan, and collaboration partner, UE Lifesciences. Further, the company is focused on building a pipeline of additional products and platforms that are currently at various stages of development.

The company offers its products globally to public health programs, diagnostic laboratories, and private and public hospitals. Till March 31, 2026, the company has sold over 12,500 devices in over 90 countries. They derive their revenues from the sale of its 'Truenat' platform, which is designed to work exclusively with its range of 'Truenat' test kits that generate recurring revenues. A key feature of the platform is its versatility in diagnostic applications, accommodating tests for various infectious and non-communicable diseases. The platform is designed to connect wirelessly to help healthcare providers manage clinical data and workflow online. This could assist with the transmission of 'notifiable infections' to public health authorities to facilitate the tracking of reportable diseases. This capability also enables the company to remotely manage its platform, such as providing remote software updates. The platform is cost-effective for healthcare providers on a long-term basis in terms of the initial capital expenditure required for its installation as well as recurring costs per test.

Valuation

Molbio Diagnostics Limited is an innovative point-of-care ("POC") molecular diagnostics company focused on expanding access to accurate, rapid and cost-effective healthcare technologies for the diagnosis of infectious and non-communicable diseases. The company has developed its proprietary 'Truenat' platform, a portable PCR-based molecular diagnostics system that enables decentralized testing in resource-limited settings, supported by a recurring revenue model through disease specific test kits.

It has also strengthened its healthcare offerings through strategic acquisitions in radiology and digital pathology, while continuing to invest in R&D to expand its diagnostic portfolio and global footprint. At the upper end of the price band, the company is valued at 56.7x FY26 earnings, implying a post-issue market capitalization of ₹92,997 million. Considering its differentiated technology platform, strong intellectual property portfolio, recurring consumables-led business model, and long-term growth opportunities in the global point-of-care diagnostics market, we believe the issue is fully priced and recommend a "**Subscribe – Long Term**" rating to the IPO.

Description of Business

The company's 'Truenat' platform, equipped with fully automated, user-friendly features such as portability, simple workflow and rapid sample-to-result turnaround time, is designed to perform a wide array of tests swiftly and efficiently with high sensitivity and specificity compared to conventional diagnostic methods. These features address the challenges faced by underserved populations worldwide, including limited access to diagnostic facilities, cost-effective diagnostic solutions, timely detection and treatment of diseases, and electricity-dependent laboratory infrastructure. The company aims to establish a new standard of healthcare by ensuring accessibility to advanced testing technology for underserved populations globally through portable and cost-effective testing solutions that deliver accurate results, ensuring essential medical care. The company's 'Truenat' platform comprises two portable instruments - the Trueprep universal nucleic acid extraction device, which performs fully automated sample preparation; and the Truelab analyzer, which conducts real-time PCR and is available in three variants: UnoDx, Duo, and Quattro, which are capable of performing one, two, and four tests simultaneously, respectively. These tests are conducted using the company's disease-specific 'Truenat' test kits. These test kits are ready-to-use, room temperature stable, single-use consumables that are pre-loaded with the necessary reagents required to conduct a real-time PCR test on the Truelab analyzers.

The chart below compares their platform with centralized PCR machines across various parameters:

Parameters	Current PCR machines (Centralised)	Truenat (Decentralised)
TAT	120 mins	60 mins
Cost	INR 12-15lakhs	INR 6.5-13lakhs
Power source	Primary power source	Battery operated
Temperature	4°C to 99°C	Can work in high temperature
Samples	Batch processing upto 96 tests (require fixed number of samples to start the test)	1/2/4 samples processed simultaneously
Portability	Not portable	Portable, designed for field use
Training	Training is required	User-friendly, minimal training
Maintenance	Proper and routine maintenance	Low maintenance, minimal calibration

Companies platform

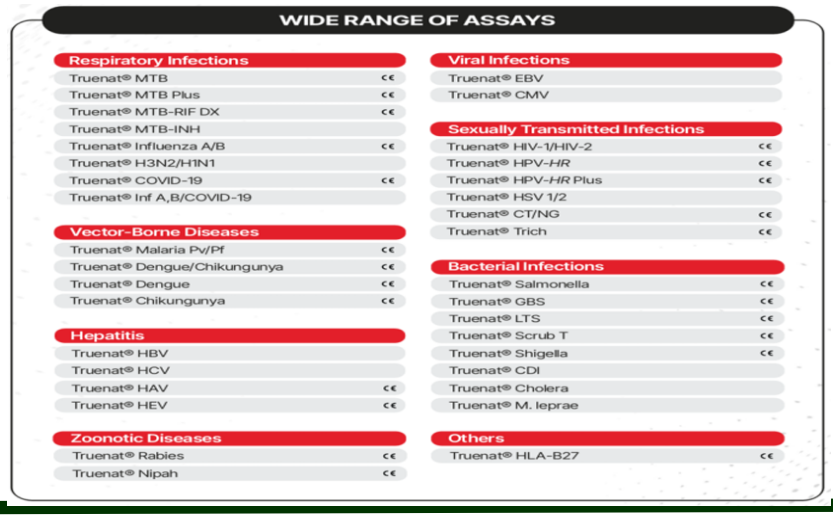
The company offers its 'Truenat' platform along with disease-specific 'Truenat' test kits. The 'Truenat' platform comprises two portable instruments – the Trueprep universal nucleic acid extraction device, which performs fully automated sample preparation, and the Truelab analyzer, which conducts real-time PCR.

The company offers the 'Trueprep Auto v2 Universal Cartridge-based Sample Prep Device', which works with the 'Trueprep AUTO v2 Universal Cartridge-based Sample Prep Kit' for the extraction and purification of nucleic acids from clinical samples.

Trueprep Auto v2 Universal Catridge based Sample Prep Device

Trueprep AUTO v2 Universal Cartridge Based Sample Prep Kit

Their Truenat test kits are available for the following infectious and non-communicable diseases:



In addition to its molecular diagnostics portfolio, the company, through its subsidiary Prognosys Medical Systems Private Limited, offers digital imaging solutions, including radiology products such as ultra-portable X-ray systems, mobile digital X-ray systems, floor-mounted and ceiling-suspended X-ray systems, and C-arm systems, all marketed under the "ProRaD" brand.

- **Manufacturing Facilities**

Manufacturing Facility Location	Products Manufactured	Operated by	Year of Commencement of Operations	Area (Square Feet)
Verna, Goa	Truenat Test Kits	Their Company	2019	49,396
Verna, Goa	Truenat Test Kits	Their Company	2021	90,212
Visakhapatnam, Andhra Pradesh	Truenat Devices and Truenat Test Kit Components	Their Company	2021	30,000
Peenya, Bengaluru, Karnataka	Truenat Test Kits Components	Their Company	2019	20,060
Machohalli, Bengaluru, Karnataka	Prorad Devices	Their Subsidiary, Prognosys	2021	28,940
Erandawane, Pune, Maharashtra	Digital pathology scanners	Their Subsidiary, OptraScan India Private Limited	2025	1,506

The company has strong in-house research and development ("R&D") capabilities with a focus on designing and developing diagnostic platforms that address clinical needs and can be deployed in POC settings through its wholly-owned subsidiary, Bigtec Private Limited ("Bigtec"). Bigtec was incorporated in 2000 and became the company's wholly-owned subsidiary in 2015. The company's dedicated R&D unit is based in Bengaluru, Karnataka. During the COVID-19 pandemic, the company's platform was crucial in India's efforts to fight the COVID virus and was among the first to be approved by ICMR for testing of COVID. The company received its first major order of 1,512 devices from the Government of India under the TB Programme in 2020, which were repurposed, given the need of the hour, to conduct tests for COVID-19. The company actively collaborates with organizations to strengthen the development of new technologies and expand its product offerings.

As of March 31, 2026, the company's multi-disciplinary R&D team comprised 153 permanent employees from different academic disciplines, including 136 scientists, which constituted 11.10% of its permanent employee base of 1,225. In Fiscals 2026, 2025 and 2024, the total expenditure on R&D activities was ₹874.56 million, ₹685.69 million and ₹597.77 million, representing 6.05%, 6.72% and 7.15% of its revenue from operations, respectively. Their investment in R&D has resulted in the company and its material subsidiaries obtaining various registered patents, reflecting its innovation-driven mindset. As of the date of this Red Herring Prospectus, the company and its material subsidiaries have registered 16 patents, 29 trademarks, 11 designs and 3 copyrights in India, and 191 patents in foreign jurisdictions, including the United States of America, China and Singapore, and have applied for (but not yet obtained) 7 patents and 10 designs in India, and 15 patents in foreign jurisdictions, including Nepal, Egypt and Cambodia.

The company operates six manufacturing facilities in India. Of these, two facilities are located in Goa, one in Bengaluru, Karnataka, and one in Visakhapatnam, Andhra Pradesh, which are operated by the company and are dedicated to the manufacturing of devices and test kits. In addition, one facility in Bengaluru, Karnataka is operated by its subsidiary, Prognosys Medical Systems Private Limited, and is dedicated to the manufacturing of radiology products such as ultra-portable X-ray systems, mobile digital X-ray systems, floor-mounted and ceiling-suspended X-ray systems, and C-arm systems. Another facility in Pune, Maharashtra is operated by its subsidiary, OptraScan India Private Limited, and is dedicated to the manufacturing of digital pathology scanners. As of March 31, 2026, the company's installed manufacturing capacity stood at 5,400 devices per annum and 39,000,000 'Truenat' test kits per annum. During Fiscals 2026, 2025 and 2024, capacity utilization was 42.30%, 58.89% and 19.83% for devices, and 58.25%, 43.44% and 27.45% for test kits, respectively, indicating that its manufacturing infrastructure is well-positioned to support future growth following early capacity investments. The company also collaborates with electronic manufacturing services ("EMS") vendors to assemble Truenat devices, as and when required, to meet demand.

The company has leveraged automation to enhance precision and efficiency across its manufacturing processes, ensuring high product quality and reliability. Its quality management system is certified by TUV SUD Product Service GmbH, a recognized notified body and auditing organization based in Germany, under ISO 13485 and MDSAP, in compliance with criteria prescribed by regulatory authorities including the CDSCO, European Union, Brazilian Health Regulatory Agency, Health Canada, and the United States Food and Drug Administration.

- **Strengths:**

- **Well positioned to address the growing demand for molecular diagnostics through its innovative point-of-care testing platform:**

The company's 'Truenat' platform enables screening and diagnosis for 30 infectious and non-communicable diseases, including TB, COVID, Hepatitis B and C, HIV, and HPV, as of March 31, 2026. Over the years, the company has established strong expertise in providing last-mile diagnostic solutions by offering accurate and rapid testing to improve disease diagnosis and pandemic preparedness. In 2020, the company received its first major order of 1,512 devices from the Government of India under the TB Programme, which were quickly repurposed for COVID-19 testing using its test kits. This highlights the platform's capability to diagnose multiple diseases and demonstrates its ability to respond effectively during public health crises. Following the decline in COVID-19 testing, the devices were seamlessly redeployed for TB screening under public health programs. Their 'Truenat' test chip for diagnosing TB is the only one developed by an Indian company and one of only two rapid molecular tests globally endorsed by the World Health Organization ("WHO") for the initial diagnosis of TB and rifampicin resistance detection using molecular diagnostic technology. Over the last three fiscals, the company has further expanded its diagnostic portfolio to include testing solutions for several additional diseases, including Hepatitis B and C, HIV, and HPV, strengthening its comprehensive molecular diagnostics offering.

The company's platform, which uses PCR technology, offers reliable, rapid and cost-effective molecular diagnostics for infectious and non-communicable diseases at the point of care ("POC"), where healthcare providers first diagnose patients. The diagnostics industry is witnessing a significant shift from

traditional centralized laboratory testing to more distributed and accessible models. Centralized laboratories have historically provided a wide range of specialized tests; however, this model presents several shortcomings, as patients are required to schedule in-person appointments, travel to separate testing facilities, and rely on sample transportation from remote locations, often resulting in longer turnaround times, delays in disease detection and treatment, and increased healthcare costs. The lack of timely access to reliable diagnostics has been a major challenge, particularly in low- and middle-income countries. Additionally, centralized systems often struggle to manage disruptions, such as pandemics, and may not effectively serve remote populations and individuals with limited access to traditional healthcare.

Their 'Truenat' platform brings PCR technology directly to the point of care ("POC") across laboratory and non-laboratory settings, primary health centres, and locations closer to patients, thereby decentralizing and democratizing access to molecular diagnostics. POC testing offers several advantages over tests performed at centralized laboratories, including improved quality of care, rapid turnaround time, and cost-effectiveness. The global point-of-care testing ("POCT") market (based on the number of tests conducted) currently stands at USD 29.3 billion (equivalent to ₹2,588.6 billion) across infectious and non-infectious diseases and is projected to grow at a CAGR of 17.9% between 2025 and 2030, reaching USD 67.1 billion (equivalent to ₹5,928.2 billion) by 2030. Infectious disease testing constitutes a significant segment of the global POCT market, accounting for approximately 32.6% of the total market. Within this segment, TB testing is the largest contributor, followed by HPV, HCV, HBV, and sexually transmitted infections. The company has existing commercialized tests for these infectious diseases, positioning it advantageously to capitalize on the growing global demand for point-of-care molecular diagnostics.

Further, the ability of the company's platform to swiftly assess and diagnose infectious and non-communicable diseases at the point of care ("POC") allows for immediate evidence-based treatment. The platform has reduced the turnaround time for testing and delivery of results, compared with traditional testing methods, from several days to approximately 60 minutes. Point-of-care testing also enables mass testing within a short timeframe, helping contain the spread of diseases within communities. Additionally, POC testing can be conducted in constrained environments with limited space and electricity, making it valuable across diverse healthcare settings. Moreover, the minimal training required for personnel to operate the company's POC testing equipment differentiates it from traditional laboratory-based systems, making it more accessible and feasible for a wider range of healthcare providers. These advantages highlight the potential of point-of-care molecular diagnostics to significantly enhance patient care, public health initiatives, and overall healthcare delivery.

- **Innovative, R&D focused business:**

The company has strong in-house R&D capabilities with a proven track record of developing innovative diagnostic products. It undertakes R&D through its wholly-owned subsidiary, Bigtec, to design and develop diagnostic platforms that address unmet clinical needs and can be effectively deployed in point-of-care ("POC") settings. The company's commitment to innovation is reflected in the development of its novel platform, which underwent over 13 years of extensive R&D before obtaining ICMR certification. Its robust R&D capabilities also enable the rapid development of new diagnostic tests. For instance, the company developed one of the earliest POC PCR platforms for the confirmatory diagnosis of influenza infections and swine flu. Further, its 'Truenat' Nipah virus test chip became the first in India to receive emergency use authorization from the Drug Controller General of India for diagnosing the Nipah virus.

The company's continued focus on research and innovation has earned it several recognitions over the years. In 2017, ICMR recognized 'Truenat' MTB and 'Truenat' MTB-Rif as point-of-care detection tests, while in 2020 it received the "Product of the Year" award from BioSpectrum. Its vertically integrated business model enables rapid commercialization of healthcare innovations by streamlining the entire value chain from R&D to production, sales, and marketing. Through this integrated approach, the company combines design expertise, regulatory capabilities, and manufacturing know-how to drive advancements in the diagnostics industry.

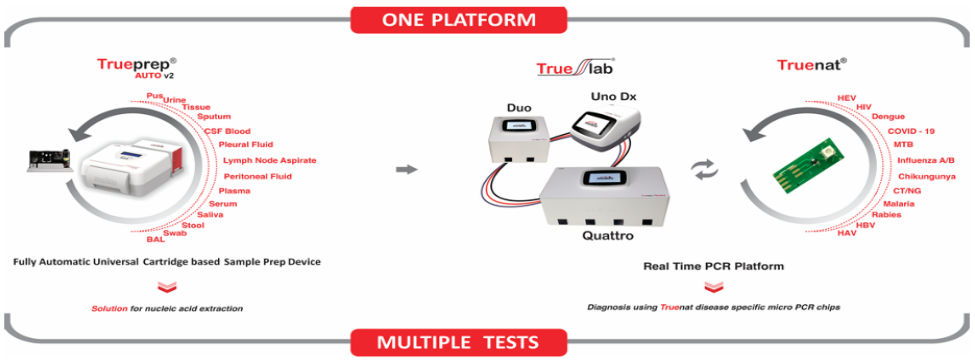
The company's dedicated R&D unit is based in Bengaluru, Karnataka, and is equipped with advanced equipment such as lyophilisers, an oligonucleotide synthesizer, an ultrasonic welding machine, a high-performance liquid chromatography system, a spectrophotometer, and a flash chromatography system. Believing that continuous innovation drives business growth, the company allocates significant capital annually towards R&D investments. Its dedicated R&D team is spearheaded by Promoter and Chief Technology Officer, Dr. Chandrasekhar Nair. As of March 31, 2026, the company's multi-disciplinary R&D team comprised 153 permanent employees from different academic disciplines, including 136 scientists, representing 11.10% of its permanent employee base of 1,225. The R&D team includes professionals from diverse academic backgrounds such as biology, chemistry, software, and engineering. During Fiscals 2026, 2025 and 2024, the company's total expenditure on R&D activities stood at ₹874.56 million, ₹685.69 million and ₹597.77 million, representing 6.05%, 6.72% and 7.15% of its revenue from operations, respectively. This demonstrates the company's continued commitment to investing in research and development as a core growth driver.

The company's investment in R&D has enabled it and its material subsidiaries to secure a strong intellectual property portfolio. As of the date of the Red Herring Prospectus, the company and its material subsidiaries had registered 16 patents, 29 trademarks, 11 designs and 3 copyrights in India, along with 191 patents across foreign jurisdictions, including the United States of America, China and Singapore. In addition, applications have been filed for 7 patents and 10 designs in India, and 15 patents in foreign jurisdictions, including Nepal, Egypt and Cambodia. These patents reflect the company's continuous innovation and sustained R&D efforts in the molecular diagnostics industry.

- **Developed and commercialized a novel portable multi-disease point-of-care molecular diagnostics platform:**

The company has developed and commercialized a novel portable point-of-care ("POC") molecular diagnostics platform that uses PCR technology to enable accurate and rapid molecular diagnostics. Its 'Truenat' platform comprises two portable instruments the Trueprep universal nucleic acid extraction device, which performs fully automated sample preparation, and the Truelab analyzer, which conducts real-time PCR. These tests are performed using the company's disease-specific 'Truenat' test kits. The test kits are ready-to-use, room temperature-stable, single-use consumables that are pre-loaded with all the reagents required to conduct real-time PCR tests on the Truelab analyzers.

The chart below demonstrates the workflow of their platform:



Centralized PCR machines present several challenges that impact their efficiency and accessibility. The turnaround time for results ranges from 2 to 7 days, delaying critical diagnosis and treatment. These machines require a minimum batch of 100 samples to operate efficiently, which can further delay testing when sample volumes are insufficient. Centralized PCR testing also requires controlled laboratory environments, increasing the risk of sample contamination or mishandling during transportation and processing. Additionally, the need for specialized laboratory infrastructure results in significant capital expenditure, requiring substantial investment in equipment and facilities.

In contrast, their platform has several key advantages, including:

- Fully automated, cost-effective and easy-to-use platform
- Wide range of tests
- Portable and battery-operated
- Rapid turnaround time
- Higher sensitivity and specificity
- Multiple specimens
- Wireless connectivity

➢ **Scalable business model with strong entry barriers, high proportion of recurring revenues and a growing suite of tests:**

The company's 'Truenat' platform is a closed system comprising the Trueprep extraction device and the Truelab analyzer, which are designed to work exclusively with its range of disease-specific 'Truenat' test kits. This closed-platform ecosystem ensures recurring demand for the company's test kits and drives continued utilization of its installed device base. The Trueprep device utilizes a cartridge-based protocol for the extraction and purification of nucleic acids from multiple specimen types, while the Truelab analyzer performs real-time PCR using 'Truenat' test kits for the detection of infectious and non-communicable diseases.

Once installed, the platform enables healthcare providers to test for multiple diseases using the company's expanding portfolio of 'Truenat' test kits. This flexibility allows the company to continuously broaden its diagnostic offerings while enabling healthcare providers to conduct tests for a wide range of infectious and non-communicable diseases using the same device, thereby enhancing the platform's value proposition.

The company operates in an oligopolistic market with high entry barriers, as its platform underwent 13 years of R&D to obtain ICMR certification. Its 'Truenat' platform for diagnosing TB is the only one developed by an Indian company and one of only two rapid molecular tests globally endorsed by the World Health Organization ("WHO") for the initial diagnosis of TB and rifampicin resistance detection using molecular diagnostic technology.

The tables below set forth the number of devices sold and test kits sold in the years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Number of devices sold within India	2,184	1,427	1,732
Number of devices sold outside India	340	753	279
Total Number of devices sold	**2,524**	**2,180**	**2,011**
Number of test kits sold within India (in million)	16.2	11.02	8.11
Number of test kits sold outside India (in million)	1.36	1.22	0.69
Total Number of test kits sold (in million)	**17.56**	**12.24**	**8.8**

The following table sets forth the company's revenues from the sale of devices and test kits, which is also expressed as a percentage of its revenue from contracts with customers, sale of products, finished goods in the years indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage (%)	Amount (₹ million)	Percentage (%)	Amount (₹ million)	Percentage (%)
Revenue from sale of devices	2,033	14.5%	2,030	20.6%	1,847	22.7%
Revenue from sale of test kits	10,348	73.9%	7,310	74.3%	5,525	67.8%
Others*	1,607	11.5%	498	5.1%	780	9.6%
Revenue from contracts with customers - Sale of products - Finished Goods	**13,988**	**100.0%**	**9,837**	**100.0%**	**8,152**	**100.0%**

➢ **Strategic collaborations and acquisitions strengthening capabilities and expanding the product portfolio:**

The company has strengthened its capabilities and expanded its product portfolio through strategic acquisitions and collaborations with various organizations. In March 2023, it acquired a 65.47% equity stake in Prognosys to strengthen its presence in radiology. This acquisition enabled the company to enter the digital imaging solutions market, offering radiology products such as ultra-portable X-ray systems, mobile digital X-ray systems, floor-mounted and ceiling-suspended X-ray systems, and C-arm systems under the "ProRad" brand, along with a digital health platform under the "ProDigi" brand. The acquisition also enhanced the company's ability to provide end-to-end TB screening solutions for large-scale public health programs by combining Prognosys' ultra-portable digital imaging solutions with the 'Truenat' platform to offer both screening and confirmatory testing for infectious diseases at the point of care ("POC"). Prognosys has also expanded into the animal healthcare imaging market, offering veterinary diagnostic imaging products and software solutions supported by business development teams across India and international markets.

Further, in October 2024, the company entered into a stock purchase agreement to acquire a 60.00% stake in OptraScan INC. Pursuant to this agreement, it acquired an initial 19.68% equity stake in November 2024, followed by an additional 40.32% stake on November 1, 2025. OptraScan INC., a U.S.-based company, provides digital pathology solutions, including digital pathology scanners, AI-powered analysis tools, and telepathology services that enable remote consultations and collaboration. Its key products include the OS 15 Scanner, the OS Ultra Series (80, 160, 240, 320, 400 & 480), capable of scanning in under 60 seconds without compromising image quality, and the OS Lite, a wirelessly enabled scanner designed for flexible storage, archiving, and management of digital images and metadata.

- **Key Strategies:**

➢ **Expand their geographical presence in India and across the globe:**

The company intends to expand the deployment of its platform across public and private laboratories and hospitals in India as well as international markets. Till March 31, 2026, it had exported its devices and test kits to more than 90 countries, including Nigeria, Bangladesh, and Kenya.

The tables below set forth the number of devices and test kits sold outside India in the years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Number of devices sold outside India	340	753	279
Number of test kits sold outside India (in million)	1.36	1.22	0.69

As per Ind AS 108 "Operating Segments", the tables below set forth the company's revenues from customers in India and outside India in the years indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from customers in India	13,066	90.4%	8,232	80.7%	7,543	90.2%
Revenue from customers outside India	1,390	9.6%	1,971	19.3%	822	9.8%
Revenue from Operations	**14,457**	**100.0%**	**10,204**	**100.0%**	**8,366**	**100.0%**

The global transition from smear TB tests to molecular diagnostics presents a significant opportunity, with an estimated 150 to 200 million smear tests conducted annually worldwide that could potentially shift to molecular diagnostics. The top 30 high TB burden countries contribute to 87.0% of all global TB cases, with eight nations accounting for nearly two-thirds of the estimated 10.7 million new active TB cases globally in 2024: India (25.0%), Indonesia (10.0%), China (6.5%), Philippines (6.8%), Pakistan (6.3%), Nigeria (4.8%), Bangladesh (3.6%), and the Democratic Republic of the Congo (3.9%). The company's 'Truenat' platform is already deployed in a majority of these countries. The company intends to strengthen its export presence, particularly in regions where it already has an established footprint, such as Africa and Southeast Asia. It also plans to expand into other high-growth regions, including Latin America, where management sees significant growth potential.

To further enhance its global reach, the company is in the process of registering the 'Truenat' platform in several new countries, which is expected to open additional markets for its molecular diagnostics solutions. It is also planning to enter the U.S. and European Union markets.

➢ **Continuing to expand their suite of diagnostic solutions for multiple diseases:**

The company offers molecular testing for 30 diseases, including TB, COVID, Hepatitis B and C, HIV viral load, and HPV, through 43 assays as of March 31, 2026. Of these, six assays have been launched during the last three fiscals. The flexibility of its 'Truenat' platform enables the company to continuously expand its portfolio of tests, supporting the diagnosis of a broad range of infectious and non-communicable diseases.

As of the date of the Red Herring Prospectus, the company plans to expand its test portfolio by adding 34 additional assays covering 22 diseases, which is expected to further enhance the utility and adoption of its platform. To support this expansion, the company intends to continue investing in its business, particularly in R&D, while also strengthening its sales and marketing network to drive product adoption. In addition, it aims to capitalize on the growing potential of imaging-based technologies to provide more comprehensive diagnostic solutions.

- **Develop new POC platforms for other communicable and non-communicable diseases:**

The company intends to leverage its strong R&D capabilities to develop new point-of-care ("POC") platforms using advanced multiplex PCR technologies. These platforms will target critical diagnostic needs across immunochemistry, hematology, histopathology, antimicrobial resistance detection, and biochemistry, enabling the diagnosis of a broader range of communicable and non-communicable diseases.

- **Grow through strategic acquisitions and alliances and establish a centre of excellence:**

The company will continue to evaluate inorganic growth opportunities in line with its strategy to expand market share and diversify its product portfolio. It may pursue mergers and acquisitions that strengthen its market position in existing business verticals, improve operating leverage through synergies, broaden its product offerings, and enhance its technological expertise and capabilities.

As part of this strategy, the company acquired a 65.47% stake in Prognosys in March 2023, enabling it to enter the digital imaging solutions market under the "ProRaD" brand and offer end-to-end screening and confirmatory testing for infectious diseases at the point of care ("POC"). The company also intends to leverage Prognosys' e-clinic approach, which utilizes digital technologies to remotely deliver healthcare services by integrating patient data from diagnostic systems, including radiology, pathology laboratories, and medical devices, with remote healthcare providers. This enables faster consultation, diagnosis, and treatment decisions, while improving access to affordable primary healthcare, particularly in underserved and remote regions. In addition, Prognosys has established a veterinary division to expand its presence in the animal healthcare imaging market, offering veterinary diagnostic imaging products and software solutions. The company intends to further strengthen this business vertical through product development, market expansion, participation in leading global veterinary conferences, and obtaining the necessary regulatory approvals to expand its international presence.

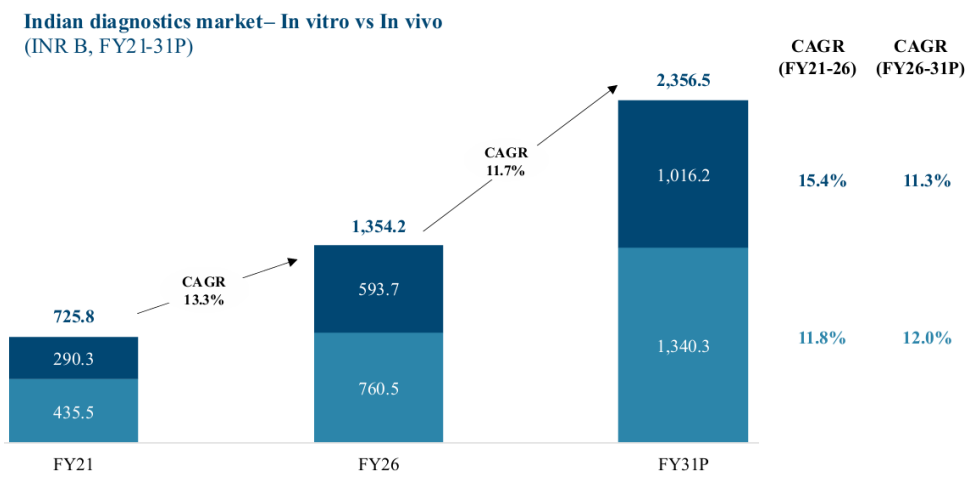
Further, the company is in the process of establishing a Center of Excellence ("COE") in Bengaluru by Fiscal 2028 to support innovators in the diagnostics and medical technology space by helping transform medical device concepts from the prototype stage into validated, scalable products suitable for commercial manufacturing. The company recognizes that while many innovators possess strong theoretical design capabilities, they often lack practical experience in scaling products for commercial manufacturing. To bridge this gap, it plans to leverage the R&D expertise of the company and its subsidiary, Bigtec. The proposed COE will be equipped with advanced equipment, skilled personnel, and experienced mentors to support the product development process.

The company believes the COE will help address key gaps in the medical innovation ecosystem, particularly across low- and middle-income countries. It also intends to collaborate with Indian and international incubators, including those in Africa and Southeast Asia, to support innovative start-ups and accelerate the development and commercialization of new diagnostic technologies.

- **Industry Snapshot*:***

- **Overview of the Diagnostics market:**

The diagnostics industry is increasingly recognised as the cornerstone of India's expanding healthcare sector, propelled by the essential need for accurate diagnosis as the first step in effective healthcare delivery. This market encompasses a wide range of tests and procedures, classified broadly as in vitro diagnosis (pathological tests), which involve tests performed on samples taken from the human body, and in vivo tests (radiology), which involve tests and procedures within the living body to visualise or measure internal body functions and structures. The Indian diagnostics market has shown significant growth between Fiscal 2021 to 2026 and is projected to continue this robust trend through Fiscal 2031. The diagnostics market was valued at ₹ 725.8 billion (USD 10.31 billion) in Fiscal 2021 and grew to ₹ 1,354.2 billion (USD 15.3 billion) in Fiscal 2026, at a CAGR of 13.3% for the said period. The in vitro diagnostics market (IVD) accounts for 56.1% of the diagnostics market, valued at ₹ 760.5 billion (USD 8.6 billion) in Fiscal 2026. Looking ahead, the diagnostics market is projected to grow at a CAGR of 11.7% from Fiscal 2026 to 2031 and is estimated to reach a market value of ₹ 2,356.5 billion (USD 26.6 billion) in Fiscal 2031. This growth trajectory will be propelled by the growing incidence of chronic illnesses, increasing demand for preventive screenings, rising geriatric population, and government healthcare access programs.



The Indian in vitro diagnostics (IVD) market can be studied under the following segments:

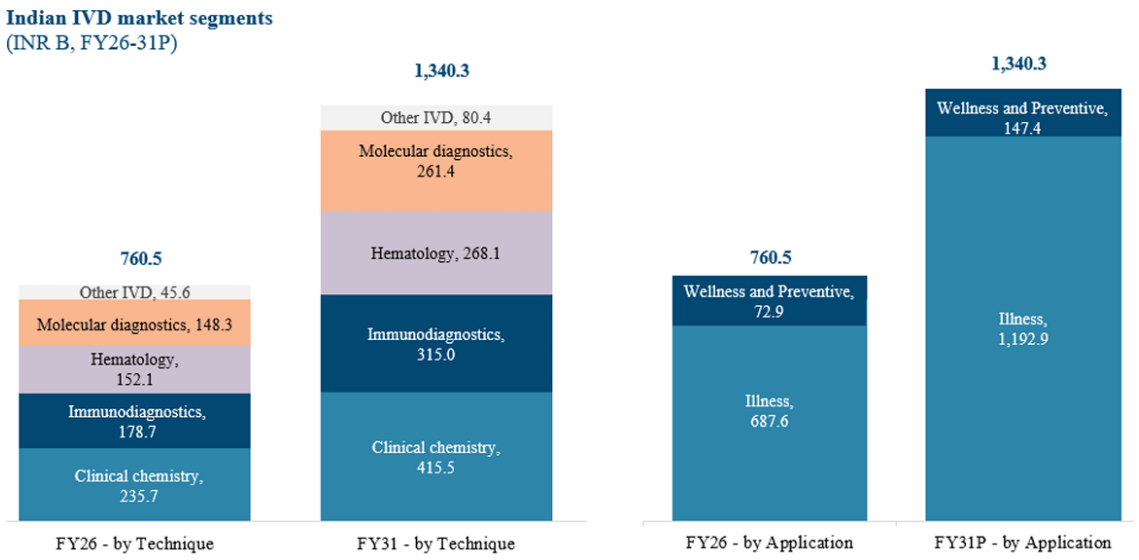
Based on techniques:

- Immunodiagnostics
- Haematology
- Molecular diagnostics
- Clinical chemistry

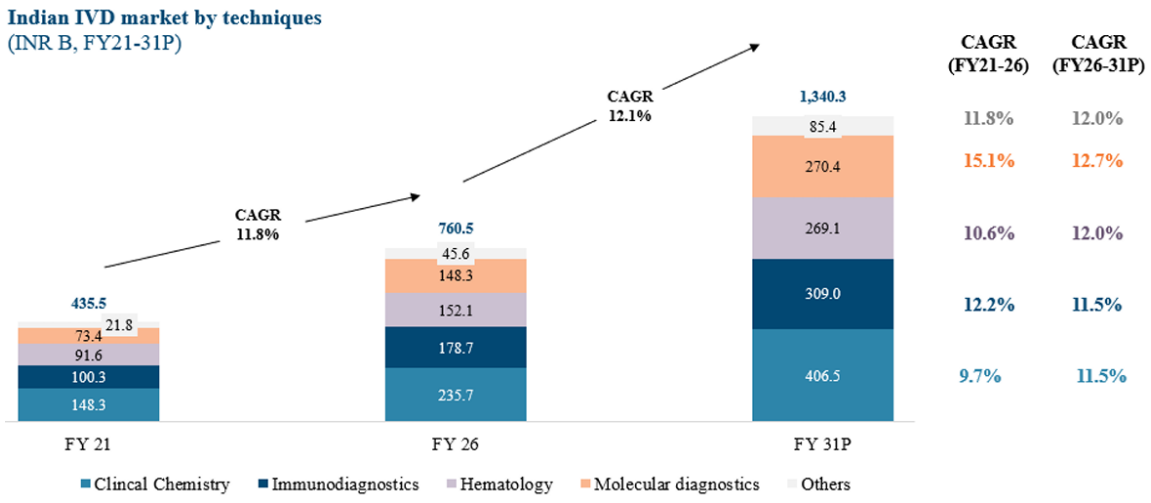
- Other IVD

Based on products:
- Reagents
- Instruments/Devices
- Software

Based on the application:
- Illness
- Wellness and preventive tests



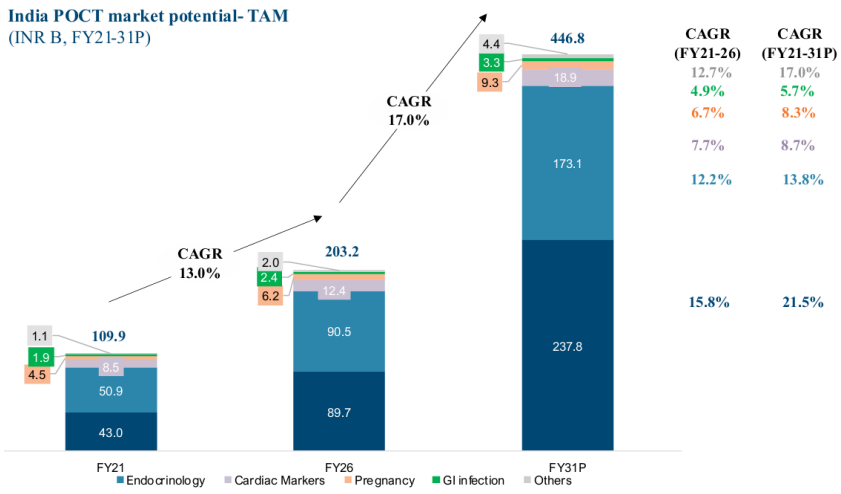
Clinical chemistry is the leading technique contributing 31.0% share of all IVD techniques practiced and as of Fiscal 2026 has a market size of ₹ 235.7 billion (USD 2.6 billion) followed by immunodiagnostics valued at ₹ 178.7 billion (USD 2.0 billion). India is still a reactive market compared to the developed countries which are proactive. Most IVD tests are illness-based and only approximately 10% of tests are wellness and preventive tests. Molecular diagnostics tests play a crucial role in detecting specific infectious and non-communicable diseases, conditions, and genetic variances, enabling healthcare providers to enhance patient outcomes and reduce healthcare costs by facilitating early and accurate disease diagnosis and improved disease monitoring.



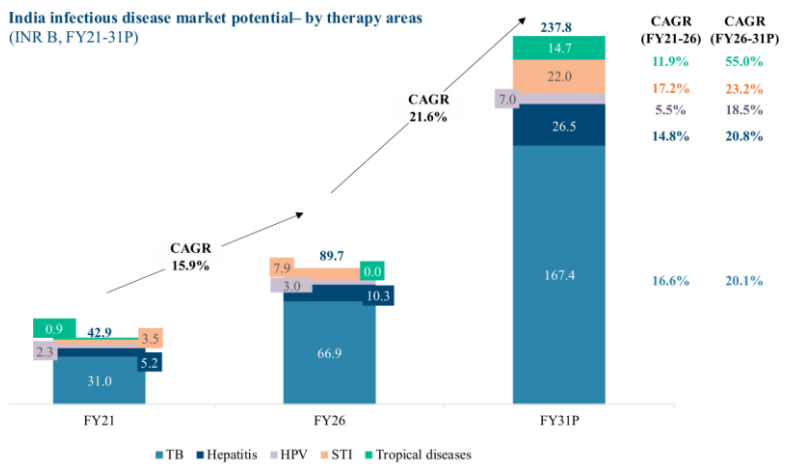
The molecular diagnostics segment in India's IVD market is poised for rapid growth, with a projected CAGR of 12.0% from Fiscal 2026 to Fiscal 2031. This growth is fuelled by advancements in POCT diagnostic technologies, an increasing focus on personalised medicine, and heightened awareness of the importance of early and accurate disease detection. The COVID-19 pandemic significantly increased public awareness of molecular diagnostics, with PCR tests gaining widespread popularity for their effectiveness in detecting viral infections.

- **<u>Overview of Indian molecular diagnostics & POCT market:</u>**

India holds a huge market for POCT with the current market potential (TAM) at ₹ approximately 203.2 billion (USD approximately 2.2 billion) in Fiscal 2026, projected to grow at 17.0% CAGR to be at ₹ approximately 446.8 billion (USD 5.0 billion) market by Fiscal 2031. India has become the diabetes capital of the world and a hotbed for major infectious diseases such as TB. It is evident that India holds significant market potential in both Endocrinology and Infectious disease (based on the number of tests performed). The infectious POCT market is estimated to have a market potential of ₹ 89.7 billion (USD 1.0 billion), closely followed by endocrinology diseases with a market potential of ₹ 90.5 billion (USD 1.0 billion) in Fiscal 2026. These markets are projected to reach ₹ 237.8 billion (USD 2.7 billion) and ₹ 173.1 billion (USD 1.9) respectively, by Fiscal 2031, due to the high prevalence of lifestyle diseases and the growing incidence of infectious diseases in the region. Enhanced healthcare infrastructure, increased investments in diagnostic technologies, and growing awareness about early disease detection are expected to drive the infectious disease market further, resulting in a higher CAGR of 21.5% between Fiscal 2026 to 2031P.



India holds a vast market for infectious diseases, with the current market potential (TAM) at ₹ approximately 89.7 billion (USD 1.0 billion) in Fiscal 2026, projected to grow at a robust 21.5% CAGR to reach ₹ approximately 237.8 billion (USD 2.7 billion) by Fiscal 2031. India's infectious disease burden remains high, driven by a large population, high prevalence of diseases like TB, and growing cases of viral infections such as hepatitis and HPV. The market for infectious disease diagnostics is significantly influenced by factors such as healthcare infrastructure advancements, increased investment in diagnostic technologies, and heightened awareness around early disease detection.

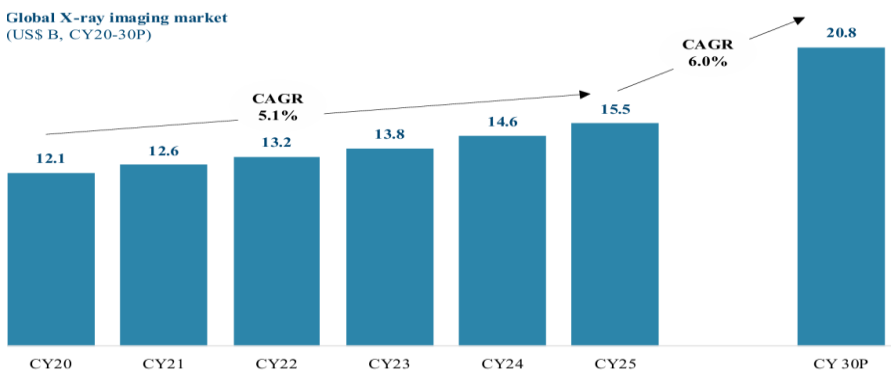


- **Overview of the POCT equipment market:**

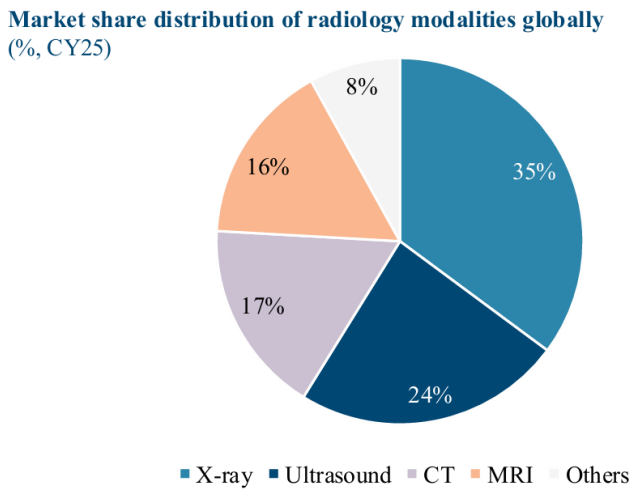
The success and expansion of point-of-care testing are fundamentally tied to the advancements in the underlying technology. Innovations such as the "lab on a chip" have significantly reduced test turnaround times and have extended diagnostic capabilities to regions where traditional methods were previously inaccessible. Point-of-care devices have played a crucial role in enhancing access to essential diagnostic services and making a substantial impact on global healthcare delivery. Moreover, the minimal training required for personnel to operate POC testing equipment sets it apart from traditional laboratory-based systems, making it more accessible and feasible for a wider range of healthcare providers to utilise.

- **Global and Indian X-ray imaging diagnostics market overview:**

The global X-ray imaging market has expanded from USD 12.1 billion in Calendar Year 2020 to USD 15.5 billion in Calendar Year 2025 and projected to reach USD 20.8 billion by Calendar Year 2030 at a CAGR of 6.0% The radiology market can be broadly divided into two broad categories based on the modality: soft and advanced radiology. Soft radiology includes X-ray and ultrasound modalities, widely used for basic imaging needs. Within the soft radiology segment, the X-ray modality commands the highest market share, due to its wide range of applications, routine medical examinations, and cost-effectiveness. Ultrasound, while also a significant component, primarily serves in areas like obstetrics, gynaecology, and cardiology due to its ability to provide real-time imaging without radiation exposure. On the other hand, advanced radiology encompasses more sophisticated imaging technologies such as CT scans, MRI, nuclear imaging, and interventional radiology procedures. These modalities are typically employed for more detailed and comprehensive diagnostic purposes, allowing for in-depth examination of complex medical conditions. Advanced radiology often requires higher investment in equipment and infrastructure, but it provides critical insights that are pivotal for the diagnosis and treatment of various diseases such as cancer, cardiovascular disease, musculoskeletal conditions, and infectious diseases. The global X-ray imaging market has shown steady growth from Calendar Year 2020 to Calendar Year 2025, advancing from USD 12.1 billion in Calendar Year 2020 to USD 15.5 billion in Calendar Year 2025, reflecting a CAGR of 5.1%. Looking ahead, the growth of the market is anticipated to expand at a faster rate compared to previous years, driven by the growing prevalence of infectious diseases, technological advancements, and rising demand for early diagnostics procedures. The market is projected to reach USD 20.8 billion by Calendar Year 2030P, at a CAGR of 6.0%.



In the global radiology sector, X-ray imaging holds the largest market share at 35%, followed by ultrasound with 24%. CT scans account for 17%, while MRI represents 16% of the market share.



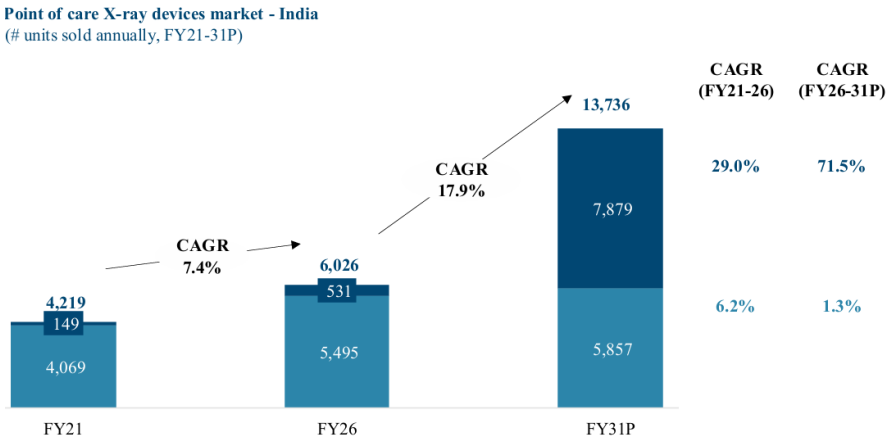
Post-COVID, India saw a sharp rise in the installed base of X-ray machines, propelled by growing diagnostic needs. It grew by 11.7% in Fiscal 2025 and is projected to grow by 11.7% in Fiscal 2026P, with increased demand for portable units.

The installed base of X-rays in India saw a rapid rise, clocking year-on-year growth rates of 11.7% between Fiscal 2024 to 2025 and 11.7% between Fiscal 2024 to 2026P after the COVID-19 pandemic. This was backed by growing demand for imaging diagnostics in the country, which saw the rise and expansion of several standalone and corporate chain diagnostic centres. While the share of fixed and mobile X-ray machines in the market was almost similar (approximately 35%), a noteworthy segment was portable X-rays in the country, with approximately 2,400 machines as part of the country's installed base in Fiscal 2025.

The Indian X-ray market is currently valued at ₹ 33.7 billion (USD 0.4 billion), following a robust growth rate of 6.3% between Fiscal 2021 and Fiscal 2026. The market in India is still expected to grow, catering to the rising demand for chest X-rays as a part of the national TB elimination program. The Indian X-ray market is projected to reach ₹ 52.6 billion (USD 0.6 billion) by Fiscal 2031P, growing at a rate of 9.3% between Fiscal 2026 to 2031P.

- **Point-of-care imaging represents a paradigm shift in the diagnostic industry, with mobile and handheld X-ray devices improving healthcare access and clinical outcomes:**

Point-of-care imaging is a transformative approach that brings diagnostic radiology directly to the patients. Mobile X ray machines are wheeled units that can be moved to different locations, with scans such as chest X-rays, spine X rays, bone X-rays, etc., performed at the bedside of patients. Portable and ultra-portable X-rays are smaller, lightweight devices that are battery-operated and can be carried to remote locations or rural homes. Advancement in technology have allowed the miniaturisation of technology to increase its portability and reach.



The Indian breast cancer screening market was valued at ₹ 83.1 billion (USD 0.9 billion) in Fiscal 2026 and is projected to grow at a CAGR of 14.1% in the next 5 years with an estimated annual incidence of 0.2 million breast cancer cases in India, the Indian breast cancer screening market is expanding due to increased awareness and advancements in healthcare infrastructure, demanding effective screening methods, including mammograms, ultrasound, and MRI. With growing disposable incomes and healthcare investments, the market is poised for continued growth and improvement in screening services. The Indian breast cancer screening market is valued at ₹ 83.1 billion (USD 0.9 billion) in Fiscal 2026 and is expected to grow to ₹ 160.7 billion (USD 1.8 billion) in Fiscal 2031P at a rapid CAGR of 14.1% from Fiscal 2026 to 2031. The market has a growing emphasis on early detection and personalised care, fuelled by the introduction of innovative screening methods such as thermography and IR screening, digital mammography, and educational programs. Companies like UE LifeSciences have introduced non-invasive, radiation-free screening options suitable for younger women with dense breast tissue, increasing accessibility across India, particularly in rural areas.

➢ **KPI:**

Sr. No.	KPI	Unit	FY26	FY25	FY24
1	Revenue from operations	₹ in million	14,456.87	10,204.18	8,365.61
2	Revenue from sale of devices	₹ in million	2,032.84	2,029.58	1,846.80
3	Revenue from sale of test kits	₹ in million	10,348.20	7,309.58	5,525.45
4	Revenue from customers split by geography				
	- India	₹ in million	13,066.43	8,232.78	7,543.13

	- Outside India	₹ in million	1,390.44	1,971.40	822.48
5	EBITDA	₹ in million	3,282.43	2,566.39	1,850.93
6	EBITDA Margin (%)	%	22.56%	24.97%	22.02%
7	EBITDA Pre R&D	₹ in million	4,156.99	3,252.08	2,448.70
8	EBITDA Pre R&D Margin (%)	%	28.57%	31.64%	29.13%
9	Profit / (Loss) for the year	₹ in million	1,641.40	1,385.79	835.42
10	Profit / (Loss) for the year Margin (%)	%	11.28%	13.48%	9.94%
11	Return on Equity (ROE) (%)	%	15.59%	16.20%	13.20%
12	Return on Capital Employed (ROCE) (%)	%	17.55%	20.98%	15.80%
13	Number of devices sold	Numbers	2,524	2,180	2,011
14	Number of test kits sold	Million	17.56	12.24	8.8
15	Diseases commercialized	Numbers	30	30	26
16	Assays commercialized	Numbers	43	42	38

➢ **Comparison with listed entity**

Name of the Company	Revenue from Operations (₹ million)	Face Value (₹) per Equity Share	EPS (Basic) (₹)	EPS (Diluted) (₹)	Price/Earnings Ratio	Return on Net Worth (%)	NAV Per Equity Share (₹)
Molbio Diagnostics Limited*	14,457	1	14.8	14.8	56.7	14.6%	101.5
Listed Peers							
Poly Medicure Limited	18,753	5	31.8	31.8	52.6	10.4%	306.5
Dr. Lal Pathlabs Limited	27,629	10	30.2	30.2	62.2	20.8%	145.0
Metropolis Healthcare Limited	16,458	2	9.2	9.2	63.7	12.6%	72.9
Vijaya Diagnostics Centre Limited	8,142	1	16.8	16.8	81.0	18.1%	93.1

Note: Financial information of the Company is derived from the Restated Financial Statements for the Fiscal Year ended March 31, 2026

➢ **Key Risk:**

- Government and international aid agencies contributed 84.6% of revenue in FY26, while the top 10 customers accounted for 83.3%. Any adverse policy changes, funding cuts, customer loss or lower demand could negatively impact the company's business and financial performance.

- TB test kits contributed 70.2% of revenue in FY26, making the company highly dependent on demand for these products. Any decline in demand could adversely impact its financial performance.

- The company has invested and intends to continue investing in research and development ("R&D") efforts to expand its portfolio of diagnostic tests. However, there can be no assurance that the company's R&D efforts will result in the successful development of new tests or the receipt of necessary government approvals, which could adversely affect its business, results of operations, and cash flows.

- The company's subsidiaries, Prognosys Medical Systems Private Limited, Prognosys Healthcare (India) Private Limited, and OptraScan INC, have incurred losses in the past and may continue to do so, which could weigh on consolidated profitability. Additionally, the company and certain subsidiaries have experienced negative operating cash flows, and any recurrence could adversely impact liquidity, financial condition and overall business performance.

- The company's Statutory Auditors' audit reports on its audited consolidated financial statements for Fiscals 2026, 2025 and 2024 include an emphasis of matter paragraph, modifications for certain matters specified in the report on other legal and regulatory requirements, and certain qualifications under the reporting requirements of the Companies (Auditor's Report) Order, 2020 and Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). The company cannot assure that the auditors' reports for future fiscal periods will not contain similar emphasis of matter paragraphs, modifications, qualifications, or observations.

- The company intends to utilize a portion of the Net Proceeds to fund its capital expenditure requirements towards (i) setting up infrastructure for a research and development facility and Center of Excellence, which will be operated by its wholly-owned subsidiary, Bigtec, along with connected office space for the company, its subsidiaries and associate, and (ii) the purchase of certain plant, machinery and other equipment for Goa Unit I, Goa Unit II and the Visakhapatnam Unit. The company's inability to successfully undertake such capital expenditure within the estimated cost could have a material adverse effect on its business, cash flows, operations, prospects or financial results.

- Any product liability claims, regulatory actions, or the imposition of liquidated damages arising from the company's failure to meet its contractual obligations could have an adverse effect on its business, results of operations, financial condition, and cash flows.

- There have been certain instances of delays in payment of statutory dues by the company in the past. Any delay in the payment of statutory dues by the company in the future may result in the imposition of penalties and, in turn, may have an adverse effect on its business, financial condition, results of operations, and cash flows.

Valuation:

Molbio Diagnostics Limited is an innovative point-of-care ("POC") molecular diagnostics company focused on expanding access to accurate, rapid and cost-effective healthcare technologies for the diagnosis of infectious and non-communicable diseases. The company has developed its proprietary 'Truenat' platform, a portable PCR-based molecular diagnostics system that enables decentralized testing in resource-limited settings, supported by a recurring revenue model through disease specific test kits.

It has also strengthened its healthcare offerings through strategic acquisitions in radiology and digital pathology, while continuing to invest in R&D to expand its diagnostic portfolio and global footprint. At the upper end of the price band, the company is valued at 56.7x FY26 earnings, implying a post-issue market capitalization of ₹92,997 million. Considering its differentiated technology platform, strong intellectual property portfolio, recurring consumables-led business model, and long-term growth opportunities in the global point-of-care diagnostics market, we believe the issue is fully priced and recommend a "**Subscribe – Long Term**" rating to the IPO.

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Large Caps (Top 100 companies)	**>15%**	**0%-15%**	**Below 0%**
Mid Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small caps (251st company onwards)	>25%	0%-25%	Below 0%

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