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Sunday, 9 August 2026

CM RATING 45 /100

Molbio Diagnostics

Portable POC diagnostics platform

Plans to expand global presence and product portfolio

Molbio Diagnostics is an innovative point-of-care (POC) diagnostics company focused on improving access to rapid, accurate and cost-effective disease diagnosis. Its flagship 'Truenat' platform is a battery-operated, portable PCR-based molecular diagnostics system designed for resource-limited settings, enabling decentralized testing with results in about an hour.

As of March 31, 2026, the platform is patented in over 100 countries and supports testing for 30 diseases through 43 assays, including tuberculosis (TB), Covid-19, Hepatitis B & C, HIV and HPV.

The proprietary Truenat platform is a fully automated, portable and user-friendly molecular diagnostics system designed to deliver rapid, accurate and cost-effective testing with high sensitivity and specificity.

The platform comprises two portable instruments裕rueprep, a fully automated nucleic acid extraction device for sample preparation, and Truelab, a real-time PCR analyzer available in three variants: UnoDx, Duo and Quattro, capable of processing one, two and four tests simultaneously, respectively. Disease-specific Truenat test kits are ready-to-use, single-use consumables that are stable at room temperature and pre-loaded with the required reagents for conducting real-time PCR tests on Truelab analyzers.

The company is strengthening its product portfolio through strategic acquisitions, investments and partnerships. In March 2023, it acquired a 65.47% stake in Prognosys Medical Systems, expanding its presence in digital imaging and enabling end-to-end TB screening and diagnostic solutions. It has also invested in US-based OptraScan to enhance its digital pathology capabilities and collaborates with UE Lifesciences for breast health screening solutions.

Through these subsidiaries and partnerships, the company has expanded beyond molecular diagnostics into radiology, digital pathology and breast health screening, while continuing to develop several diagnostic platforms and products.

In FY26, revenue from sales of devices contributed 14.53% of total sales, test kits 73.98%, and others 11.49%.

Its products are supplied to public health programs, diagnostic laboratories, and private and public hospitals globally. As of March 31, 2026, over 12,500 Truenat devices had been installed across more than 90 countries. Revenue is primarily generated from the Truenat platform and its proprietary disease-specific test kits, which create a recurring revenue stream as the platform operates exclusively with Truenat consumables.

In FY26, 84.56% of product sales were derived from Indian central and state governments and international aid agencies, while the top 10 customers accounted for 83.26% of product sales.

Revenue from the sale of devices and test kits increased from Rs 737.23 crore in FY24 to Rs 1,238.10 crore in FY26. The company sold 2,524 devices and 1.75 crore test kits in FY26, compared with 2,011 devices and 88 lakh test kits in FY24, respectively.

In FY26, exports contributed 9.6% to revenue, and domestic market 90.4%.

With exports to more than 90 countries, it is focusing on growth in Africa, Southeast Asia, Latin America, the US, and Europe.

Plans to expand its diagnostic portfolio by adding 34 assays across 22 diseases and to develop new point-of-care (POC) platforms for communicable and non-communicable diseases.

The global point-of-care testing (POCT) market is estimated at USD 29.3 billion in 2025 and is expected to grow at a CAGR of 17.9% to reach USD 67.1 billion by 2030. Rising prevalence of infectious and non-communicable diseases, limited access to affordable diagnostics, and inadequate healthcare infrastructure in underserved regions are driving demand for rapid molecular diagnostic solutions. Early and accurate disease detection through molecular diagnostics can improve patient outcomes while reducing overall healthcare costs.

Operates six manufacturing facilities with an installed capacity of 5,400 devices and 39 million Truenat test kits annually, providing sufficient capacity to support future growth. In FY26, capacity utilization was 42.30% for devices and 58.25% for test kits.

The company has strong in-house R&D capabilities through its subsidiary Bigtec, supported by a dedicated research centre in Bengaluru. R&D expenditure stood at Rs 87.46 crore, accounting for 6.1% of revenue in FY26.

The company is required to pay royalty to some of their collaborators, including Xcyton Diagnostics, Stellar Diagnostic, Testi Technologies and Healthseq Precision Medicine as licensing fees for the manufacturing and sale of their products. The royalty ranges from 6% to 20% of gross revenue from product sales.

Plans to establish a Centre of Excellence in Bengaluru by FY28 to support medical technology innovators in transforming prototypes into commercially scalable products.

Plans to drive growth through strategic acquisitions, partnerships, and alliances to strengthen its technology portfolio and expand into new diagnostic segments.

Offer and its objects

The IPO comprises fresh issue of equity shares worth up to Rs 200 crore and an offer for sale of 91,66,000 equity shares aggregating up to Rs 739.7 crore by Exxora Trading LLP, Dr. Chandrasekhar Bhaskaran Nair, India Business Excellence Fund III, Gopalkrishna Mangalore Kini, and J. Guru Dutt.

Price band for the IPO is Rs 768 to Rs 807 per equity share of face value Re 1 each.

The objectives for the fresh issue include Rs 125.12 crore for setting up a Research & Development facility and Centre of Excellence, Rs 80.8 crore for purchasing plant, machinery and other equipment for Goa Unit I, Goa Unit II and Visakhapatnam Unit, and the remaining amount for general corporate purposes.

The promoters are Sriram Natarajan, Chandrasekhar Bhaskaran Nair, Sangeetha Sriram, Shiva Sriram, Sowmya Sriram, and Exxora Trading LLP. The promoters and promoter group hold an aggregate of 5,25,97,450 equity shares, aggregating to 46.65% of the pre-offer issued and paid-up equity share capital. Their post IPO shareholding is expected to be around 43.01%.

The issue, through the book-building process, will open on 10 Aug 2026 and will close on 12 Aug 2026.

Strengths

Versatile Truenat platform with WHO-endorsed TB testing and multi-disease diagnostic capabilities.

Offers a cost-effective point-of-care molecular diagnostics solution with approximately 60-minute turnaround time, relatively low installation costs, and lower long-term per-test operating costs.

Well-positioned to capitalize on the growing point-of-care (POC) molecular diagnostics market.

The company's quality management system is certified by TUV SUD under ISO 13485 and MDSAP, demonstrating compliance with global regulatory standards, including those of the CDSCO, US FDA, European Union, Health Canada, and Brazil's health regulator.

Strategic acquisitions of Prognosys Medical Systems and OptraScan has expanded presence in digital imaging and digital pathology.

Backed by a strong intellectual property portfolio of 16 patents in India and 191 patents across international markets, reflecting continued focus on innovation.

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

Extensive experience of promoters and senior management personnel.

Weaknesses

High dependence on government and international aid agencies, which contributed 84.56% of revenue in FY26. This exposes revenue to changes in public procurement, funding, and healthcare policies.

High revenue concentration, with the top customer contributing 56.52% of FY26 revenue and tuberculosis (TB) test kits accounting for 70.20% of sales.

Certain subsidiaries have reported losses, and the company has experienced negative operating cash flows on a consolidated basis in the past.

Growth depends on protecting intellectual property and obtaining patents across multiple jurisdictions, where regulatory requirements vary.

Relies on licensed intellectual property from subsidiary Bigtec, with ongoing royalty obligations linked to revenue.

Sustaining growth requires ongoing investment in research and development to expand the diagnostic menu and maintain technological competitiveness.

Statutory auditors' reports for FY24芳Y26 included emphasis of matter paragraphs and certain qualifications/observations.

Low-capacity utilization across key manufacturing facilities, with Truenat device capacity utilization at 42.3% and digital pathology scanners at 27.5% in FY26.

Valuation

Net sales increased 42% to Rs 1,445.69 crore in FY26 as compared with FY25. OPM fell 347 bps to 22.23%, leading to 23% increase in OP to Rs 321.45 crore. OI increased 26% to Rs 9.48 crore. Interest cost rose 90% to Rs 33.47 crore. Depreciation cost went up 43% to Rs 63.64 crore. PBT before exceptional items increased 13% to Rs 231.63 crore. Exceptional items were an expense of Rs 0.49 crore, against an expense of Rs 11.13 crore. Tax expenses were Rs 67 crore as compared with Rs 55.85 crore. Net profit increased 15% to Rs 166.59 crore.

The FY26 EPS (excluding extraordinary items and relevant tax) on post-issue equity works out to Rs 14.5. At the upper price band of Rs 807, P/E is 56.

Molbio Diagnostics has long-term potential driven by its proprietary Truenat platform, recurring consumables and global public-health opportunities. However, its heavy dependence on government and aid-agency procurement remains a key risk. Overall, Molbio has the potential to become a strong diagnostics company, but its future success will depend on expanding beyond government business, and improving margins. At the IPO valuation, the price reflects expectations of continued growth in the coming years.

There are no directly comparable listed companies in India or globally, that are of a comparable size and engage in a similar business.

Molbio Diagnostics: Issue Highlights	
For Fresh Issue Offer size (in no of shares)	
- On lower price band	26,04,167
- On upper price band	24,78,315
Offer size (in Rs crore)	200
For Offer for Sale Offer size (in Rs crore)	
- On lower price band	703.95
- On upper price band	739.7
Offer size (in no of shares)	91,66,000
Price band (Rs)	768-807
Minimum Bid Lot (in no. of shares)	18
Post issue capital (Rs crore)	
- On lower price band	11.54
- On upper price band	11.52
Post-issue promoter & Group shareholding (%)	43.01
Issue open date	10-08-2026
Issue closed date	12-08-2026
Listing	BSE, NSE
Rating	**45/100**

Molbio Diagnostics: Restated Consolidated Financials			
	2403 (12)	2503 (12)	2603 (12)
Sales	836.56	1,020.42	1,445.69
OPM (%)	27.99%	25.70%	22.23%
OP	234.18	262.22	321.45
Other inc.	4.10	7.52	9.48
PBIDT	238.28	269.74	330.93
Interest	14.45	17.66	33.47
PBDT	223.83	252.08	297.46
Dep.	41.01	44.55	63.64
PBT	182.83	207.53	233.82
Share of Profit/(Loss) from Associates/JV	(0.02)	(1.97)	(2.20)
PBT before EO	182.81	205.56	231.63
Exceptional items	(53.17)	(11.13)	(0.49)
PBT after EO	129.64	194.42	231.14
Taxation	46.10	55.85	67.00
PAT	83.54	138.57	164.14
Minority Interest	(18.41)	(6.52)	(2.45)
Net Profit	101.95	145.10	166.59
EPS (Rs)*	11.8	13.3	14.5
* EPS is annualized on post issue equity capital of Rs 11.52 crore of face value of Re 1 each			
# EPS is not annualised due to seasonality of business			
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax			

Figures in Rs crore			
Source: Capitaline Corporate Database			