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IPO Note

August 07, 2026

Molbio Diagnostics Limited

Issue Snapshot:
Issue Open: August 10 – August 12, 2026

Price Band: Rs. 768 –807 (Discount of Rs 76 for all eligible employees)

*Issue Size: Up to Rs 940.0 crs (Fresh Issue of upto Rs 200 cr + offer for sale of upto 9,166,000 eq sh)

Reservation for:

QIB	upto	50% eq sh
Non-Institutional	atleast	15% eq sh

((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))

Retail	atleast	35% eq sh

Face Value: Rs 1

Book value: Rs 101.51 (March 31, 2026)

Bid size: - 18 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs. 11.28 cr
*Post issue Equity:	Rs. 11.52 cr

Listing: BSE & NSE

Book Running Lead Manager: Kotak Mahindra Capital Company Limited, IIFL Capital Services Limited, Jefferies India Private Limited, Motilal Oswal Investment Advisors Limited

Sponsor Bank: Axis Bank Ltd and ICICI Bank Ltd

Registrar to issue KFin Technologies Limited

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	46.65	43.01
Public	53.35	56.99
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:
Molbio Diagnostics Limited (MDL) is an innovative point-of-care diagnostics company focused on expanding access to accurate, rapid, and cost-effective healthcare technologies for infectious and non-communicable diseases. MDL has developed the 'Truenat' platform, a novel battery-operated polymerase chain reaction system capable of operating in resource-limited settings and delivering decentralized diagnoses within an hour. As of March 31, 2026, Truenat is patented in over 100 countries and offers molecular testing for 30 diseases across 43 assays, including tuberculosis, COVID-19, hepatitis, HIV, and HPV. Operating in an oligopolistic market with high entry barriers, MDL spent 13 years in R&D to secure Indian Council of Medical Research certification, and its Truenat test chip for tuberculosis remains the only one by an Indian company and one of only two rapid molecular tests globally endorsed by the World Health Organization. Additionally, MDL provides radiology, digital pathology, and breast health screening devices through subsidiaries Prognosys and OptraScan and collaboration partner UE Lifesciences.

The total addressable market for global point-of-care testing stands at USD 29.3 billion and is projected to grow at a compound annual growth rate of 17.9% to reach USD 67.1 billion by 2030. Infectious diseases accounted for approximately 31.0% of global deaths in 2023, with diseases like tuberculosis, hepatitis, and HPV causing an average of over 4,100 daily deaths worldwide. Limited diagnostic access, inadequate infrastructure, and a lack of electricity present severe obstacles in underserved populations. Molecular diagnostics overcome these challenges by enabling early and accurate detection, thereby improving patient outcomes and reducing overall healthcare expenses. The Truenat platform addresses these global barriers through fully automated portability, simple workflows, and rapid sample-to-result turnaround times with high sensitivity and specificity. The platform features the Trueprep universal nucleic acid extraction device and the Truelab analyzer available in UnoDx, Duo, and Quattro variants, utilized alongside ready-to-use, room-temperature stable single-use test kits.

MDL offers its products globally to public health programs, diagnostic laboratories, and hospitals, having sold over 12,500 devices across more than 90 countries as of March 31, 2026. A significant portion of revenue is derived from sales to the Indian central and state governments and international aid agencies, accounting for 84.56%, 87.83%, and 91.60% of product sales revenue from contracts with customers in Fiscals 2026, 2025, and 2024, respectively, while the top 10 customers represented 83.26%, 83.62%, and 78.54% over the same periods. MDL's revenue from devices and test kits reached Rs. 12,381.04 million, Rs. 9,339.16 million, and Rs. 7,372.25 million in Fiscals 2026, 2025, and 2024, respectively. Furthermore, the platform connects wirelessly to help providers manage clinical data, transmit notifiable infections, and receive remote software updates.

MDL maintains strong in-house research and development capabilities through its wholly-owned subsidiary Bigtec Private Limited, which accounted for R&D expenditures of Rs. 874.56 million, Rs. 685.69 million, and Rs. 597.77 million in Fiscals 2026, 2025, and 2024, respectively. The multidisciplinary R&D team comprised 153 permanent employees as of March 31, 2026. MDL and its material subsidiaries hold 16 registered patents, 29 trademarks, 11 designs, and 3 copyrights in India, alongside 191 foreign patents in jurisdictions including the United States, China, and Singapore. Strategic acquisitions, such as a 65.47% stake in Prognosys Medical Systems and a majority investment in OptraScan Inc., alongside collaborations with Testi Technologies and animal diagnostics firms, continue to expand MDL's portfolio across digital imaging, pathology, and veterinary health.

MDL operates six manufacturing facilities across India located in Goa, Bengaluru, Visakhapatnam, and Pune, dedicated to producing devices, test kits, radiology products, and digital pathology scanners. As of March 31, 2026, installed capacities stood at 5,400 devices and

39,000,000 Truenat test kits annually, with capacity utilizations for devices and test kits recorded at 42.30% and 58.25% in Fiscal 2026, respectively. MDL's quality management system is certified under ISO 13485 and MDSAP by TUV SUD Product Service GmbH, complying with regulatory standards from the CDSCO, European Union, Brazil, Canada, and the United States. Guided by experienced promoters Sriram Natarajan and Chandrasekhar Nair, alongside backing from institutional investors like Motilal Oswal and Temasek Holdings, MDL posted an operational revenue of Rs. 14,456.87 million and a restated profit of Rs. 1,641.40 million for Fiscal 2026.

Objects of Issue:
The Offer comprises of a Fresh Issue of face value Rs. 1 each, aggregating up to Rs. 2,000.00 million by MDL and an Offer for Sale of up to 9,166,000 Equity Shares of face value Rs. 1 each, by the Selling Shareholders.

Offer for Sale
Each of the Selling Shareholders will receive their respective portion of the proceeds from the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds from the Offer for Sale will not form part of the Net Proceeds.

The Fresh Issue
The Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

- Funding capital expenditure towards the setting up of infrastructure for a research and development facility and Center of Excellence which will be operated by the wholly-owned Subsidiary, Bigtec and connected office space for thr Company, Subsidiaries and Associate,
- 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.

Requirement of funds and utilisation of Net Proceeds

Particulars	Total estimated cost	Amount deployed as on July 15, 2026	Amount which will be financed from Net Proceeds	Estimated deployment of Net Proceeds in	
				FY27	FY28
Funding capital expenditure towards the setting up of infrastructure for a research and development facility and Center of Excellence which will be operated by the wholly-owned Subsidiary, Bigtec and connected office space for thr Company, Subsidiaries and Associate,	1,251.21	Nil	1,055.35	264.74	790.62
Funding capital expenditure towards the purchase of certain plant, machinery and other equipment for Goa Unit I, Goa Unit II and Visakhapatnam Unit, and	808.05	Nil	722.81	722.81	Nil
General corporate purposes	*	Nil	*	*	*

Competitive Strengths
Well placed to address unmet demand in a large and growing molecular diagnostic market with gaining credence of point-of-care testing: MDL is well-positioned in a rapidly expanding global point-of-care testing market valued at USD 29.3 billion and projected to reach USD 67.1 billion by 2030. Infectious diseases remain a leading cause of global mortality, and traditional centralized diagnostic laboratories often suffer from high costs, extensive transport delays, and logistical bottlenecks. By contrast, the company's 'Truenat' platform decentralizes diagnostics by bringing rapid, cost-effective polymerase chain reaction technology directly to resource-limited settings and primary healthcare centers. As of March 31, 2026, Truenat supports screening for 30 diseases, including tuberculosis, COVID-19, hepatitis B and C, HIV, and HPV. Its tuberculosis test chip is notably endorsed by the World Health Organization as a complete replacement for smear microscopy, highlighting the platform's clinical credibility and its ability to capture significant share within high-growth diagnostic segments.

Innovative, R&D focused business: The company maintains robust in-house research and development capabilities executed through its wholly-owned subsidiary, Bigtec, located in Bengaluru, Karnataka. This commitment is demonstrated by its multidisciplinary team of 153 permanent employees, including 136 scientists, and significant annual investments representing between 6% and 7.15% of operational revenue across recent fiscal years. Sustained innovation has resulted in a strong intellectual property portfolio consisting of 16 registered patents, 29 trademarks, 11 designs, and 3 copyrights in India, alongside 191 foreign patents in major jurisdictions such as the United States,

China, and Singapore. These continuous development efforts have driven critical breakthroughs, including the first Drug Controller General of India emergency-use authorized test chip for the Nipah virus and early point-of-care confirmatory platforms for swine flu.

Developed and commercialized a novel portable multi-disease point-of-care molecular diagnostics platform: MDL has successfully engineered and commercialized the 'Truenat' platform, which comprises the Trueprep universal nucleic acid extraction device and the Truelab real-time PCR analyzer available in UnoDx, Duo, and Quattro variants. Designed for maximum field utility, the system operates on battery power, functions reliably in high temperatures without requiring air conditioning or specialized laboratory infrastructure, and utilizes room-temperature stable, single-use test kits. The platform delivers high sensitivity and specificity with a rapid turnaround time of approximately 60 minutes across diverse specimen types like whole blood, serum, plasma, sputum, swab, tissue, stool, and urine. Furthermore, built-in contamination controls and wireless connectivity enable seamless clinical data management, automated reporting of notifiable infections to health authorities, and remote software updates.

Scalable business model with strong entry barriers, high proportion of recurring revenues and a growing suite of tests: The company operates a closed, highly scalable business model where proprietary Trueprep and Truelab instruments work exclusively with disease-specific Truenat test kits, establishing a reliable stream of recurring revenues. Test kits—comprising chips, cartridges, and reagents—accounted for 73.98% of finished goods revenue in Fiscal 2026. The market features immense entry barriers, exemplified by the 13 years of rigorous research required to secure Indian Council of Medical Research certification for the Truenat platform and its exclusive World Health Organization endorsements. This infrastructure allows the company to continuously expand its menu of commercialized assays—reaching 43 assays across 30 diseases by March 31, 2026—while scaling device distribution globally to over 2,524 units sold in Fiscal 2026 alone.

Strategic collaborations and acquisitions enhancing capabilities and offerings: MDL has aggressively expanded its technological capabilities and market reach through targeted acquisitions and strategic partnerships. The March 2023 acquisition of a 65.47% stake in Prognosys Medical Systems introduced ultraportable and mobile digital X-ray and C-arm systems under the "ProRad" brand, enabling comprehensive community-level screening workflows that combine radiology with molecular confirmation. Additionally, the multi-tranche acquisition of OptraScan Inc. brought advanced digital pathology scanners and artificial intelligence-backed telepathology tools into the ecosystem. The company also maintains active commercial and developmental partnerships with firms such as Xcyton Diagnostics, Stellar Diagnostics, Testi Technologies, Healthseq Precision Medicine, UE Lifesciences, and Equine Biotech to scale multiplex panels, rapid triage tests, saliva-based alcohol strips, host-response TB monitoring, iBreastExam cancer screening tools, and veterinary molecular assays.

Management team with deep domain expertise and track record of delivering strong financial performance: The company is steered by a visionary leadership team possessing decades of specialized experience in in-vitro and molecular diagnostics. Promoter and Chief Executive Officer Sriram Natarajan brings 35 years of industry experience, having previously co-founded and scaled Tulip Diagnostics into India's largest reagent company prior to its successful exit. Promoter and Chief Technology Officer Dr. Chandrasekhar Bhaskaran Nair contributes 34 years of translational research expertise and is a recipient of the prestigious Infosys Prize 2021 in engineering and computer science. Supported by seasoned executives across finance, strategy, and business development, this leadership has driven robust financial growth, culminating in Fiscal 2026 operational revenues of Rs. 14,456.87 million, an EBITDA of Rs. 3,282.43 million, and a restated annual profit of Rs. 1,641.40 million.

Business Strategy:

Expand geographical presence in India and across the globe: MDL intends to significantly expand the deployment of its diagnostic platform across public and private laboratories and hospitals both within India and internationally. The company has already exported its devices and test kits to more than 90 countries—including Nigeria, Bangladesh, and Kenya—as of March 31, 2026. Specifically, device sales outside India recorded 279 units in Fiscal 2024, 753 units in Fiscal 2025, and 340 units in Fiscal 2026, while international test kit sales reached 0.69 million, 1.22 million, and 1.36 million units during the same respective periods. Financially, revenue from customers in India stood at Rs.7,543.13 million (90.17% of total revenue from operations) in Fiscal 2024, Rs.8,232.78 million (80.68%) in Fiscal 2025, and Rs.13,066.43 million (90.38%) in Fiscal 2026. Conversely, revenue from customers outside India accounted for Rs.822.48 million (9.83%) in Fiscal 2024, Rs.1,971.40 million (19.32%) in Fiscal 2025, and Rs.1,390.44 million (9.62%) in Fiscal 2026, bringing total operational revenues to Rs.8,365.61 million, Rs.10,204.18 million, and Rs.14,456.87 million across these fiscal years.

A major global market driver is the ongoing transition from smear tuberculosis tests to molecular diagnostics, presenting an addressable shift for an estimated 150 to 200 million annual smear tests worldwide, according to a 1Lattice Report. The top 30 high tuberculosis burden countries account for 87.0% of all global cases, with eight nations alone representing two-thirds of the estimated 10.7 million new active cases globally in 2024: India at 25.0%, Indonesia at 10.0%, the Philippines at 6.8%, China at 6.5%, Pakistan at 6.3%, Nigeria at 4.8%, the Democratic Republic of the Congo at 3.9%, and Bangladesh at 3.6%. Because MDL's 'Truenat' platform is already deployed in a majority of these high-burden nations, the company plans to intensely target export enhancements in existing regional footholds like Africa and

Southeast Asia, alongside scaling operations in high-potential new territories such as Latin America. To support this broader international outreach, MDL is actively registering the 'Truenat' platform across several new countries and mapping out strategic entries into the highly regulated United States and European Union markets.

Continue to expand suite of diagnostic solutions for multiple diseases: As of March 31, 2026, MDL offers molecular testing capabilities for 30 distinct diseases through a robust portfolio of 43 assays, encompassing critical conditions such as tuberculosis, COVID-19, Hepatitis B and C, HIV viral load, and human papillomavirus (HPV). Demonstrating continuous product evolution, six of these 43 assays were successfully introduced within the last three fiscal years. The inherent technological flexibility of the company's platform allows it to consistently scale its menu to accommodate a comprehensive range of both infectious and non-communicable diseases. Building upon this foundation, MDL intends to introduce an additional 34 assays targeting 22 new diseases, further elevating the clinical utility and versatility of its diagnostic architecture.

To sustain this extensive product pipeline development, MDL remains committed to making substantial ongoing capital investments in its core business operations, heavily prioritizing research and development while simultaneously scaling up its global sales and marketing networks. In tandem with molecular assay expansion, the enterprise also aims to capitalize on the emerging clinical potential of advanced imaging-based technologies. By integrating these complementary modalities, MDL seeks to deliver holistic, end-to-end diagnostic solutions that address complex clinical requirements across diverse healthcare settings.

Develop new POC platforms for other communicable and non-communicable diseases: MDL intends to leverage its robust internal research and development capabilities to pioneer an entirely new generation of point-of-care (POC) platforms driven by advanced multiplex polymerase chain reaction (PCR) technologies. These next-generation systems are specifically engineered to bridge critical diagnostic gaps across specialized clinical domains, including immunochemistry, hematology, histopathology, antimicrobial resistance detection, and biochemistry. By targeting these complex scientific verticals, the company aims to address an extensive spectrum of supplementary communicable and non-communicable diseases that extend beyond its current molecular assay menu. This strategic initiative is designed to broaden MDL's technological footprint at the grassroots level of healthcare delivery, ensuring timely, decentralized diagnostics for multifaceted medical conditions.

Grow through strategic acquisitions and alliances and establish a centre of excellence: MDL actively evaluates selective inorganic growth opportunities—including mergers and acquisitions—to accelerate market share expansion and integrate complementary product categories. Target criteria focus on consolidating market positions in existing verticals, unlocking operational efficiencies and key market synergies, expanding product depth, and acquiring deep domain know-how. Exemplifying this strategy, MDL acquired a 65.47% equity stake in Prognosys in March 2023, bringing digital imaging solutions under the "ProRaD" brand to offer end-to-end point-of-care screening and confirmatory testing. This integration harnesses Prognosys's e-clinic approach—leveraging digital connectivity to transmit remote radiology, pathology, and medical device data to clinicians for immediate consultation and treatment planning—which directly benefits underserved rural populations. Prognosys has additionally established a dedicated veterinary division to market animal healthcare imaging products and software internationally, supported by active conference participation and targeted outreach.

Further expanding its global technological footprint, MDL entered into a stock purchase agreement in October 2024 to acquire a 60.00% equity stake in OptraScan Inc., a United States-based enterprise specializing in digital pathology scanners, AI-powered analysis tools, and telepathology services. Following an initial 19.68% tranche acquisition completed in November 2024, MDL acquired the remaining 40.32% balance on November 1, 2025, bringing its total ownership to 60.00%. To maintain financial discipline during expansion, MDL rigorously evaluates prospective acquisitions based on management expertise, operational scale, technological capabilities, valuation alignment, and cultural fit, supported by its strong balance sheet and manufacturing excellence.

To nurture grassroots medical innovation, MDL launched the EDGE program in February 2024 to identify, curate, and collaborate with medical technology start-ups and small-and-medium enterprises, providing them with bespoke guidance and resources to fast-track commercialization and forge joint manufacturing or global sales partnerships. Complementing this initiative, MDL is establishing a Center of Excellence (COE) in Bengaluru by Fiscal 2028. Designed to help medical innovators transition prototype-stage medical devices into scalable, commercially viable products, the COE will utilize the R&D expertise of MDL and its subsidiary Bigtec. Equipped with advanced equipment, skilled personnel, and seasoned mentors, the COE will address systemic innovation gaps across low- and middle-income nations by forging collaborative networks with domestic and international incubators, particularly across Africa and Southeast Asia.

Industry Overview

Macro-Economic Overview

Global real GDP is projected to average 3.2% growth from Calendar Year 2025 to 2030, following a growth rate of 3.1% in Calendar Year 2025 despite persistent macroeconomic headwinds such as higher interest rates, tighter financial conditions, and multiple geopolitical conflicts including the Russia-Ukraine war, Middle Eastern conflicts, and US-China trade tensions. Global per capita income stood at approximately USD 14,714.7 in Calendar Year 2025 and is projected to reach approximately USD 18,168.2 by Calendar Year 2030 at a compound annual growth rate of 4.3%, propelled by public and private investments across infrastructure, education, healthcare, and technology.

In comparison, India's nominal GDP reached USD 3.9 trillion in Calendar Year 2025 and is projected to scale to USD 6.2 trillion by Calendar Year 2030, expanding at a compound annual growth rate of 9.5%. India is positioned as the fourth-largest economy globally and is anticipated to become the third-largest by Calendar Year 2028, reinforced by structural reforms such as the Goods and Services Tax, corporate tax revisions, and foreign direct investment limit modifications. India's per capita income is expected to grow from USD 2,675.3 in Calendar Year 2025 to USD 4,047.8 by Calendar Year 2030 at a compound annual growth rate of 8.6%, outperforming major economies like China, the United Kingdom, the United States, and Germany. Furthermore, India surpassed China to become the world's most populous nation in Calendar Year 2023, with its population projected to reach 1.5 billion by Calendar Year 2030. India maintains a favorable demographic dividend with a projected median age of 30.8 years and a working-age population share of 69.1% by Calendar Year 2030, supplying nearly a quarter of the incremental global workforce over the decade.

Healthcare Sector Overview

India allocated 1.9% of its gross domestic product to healthcare in Calendar Year 2024, lagging behind developing peers such as Indonesia and Brazil at 2.7% and 5.9% respectively, and developed economies like the United States, Germany, and the United Kingdom which spend between 11.1% and 17.2%. Government budgetary allocations toward healthcare grew from USD 9.2 billion in Fiscal 2020 to USD 12.6 billion in Fiscal 2026, driven by national programs such as the National Health Mission, Pradhan Mantri Jan Arogya Yojana, and the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission. India's per capita health expenditure rose from USD 60.7 in Calendar Year 2019 to USD 85.0 in Calendar Year 2023. However, government health expenditure accounted for only 39.0% of total health expenditure in Calendar Year 2023, indicating a heavy reliance on out-of-pocket and private expenditures compared to developed nations where government spending constitutes upwards of 79% of total healthcare outlays.

Global and Indian Disease Burden

Infectious diseases remain a primary global health challenge, accounting for approximately 31.0% or 19.4 million of global deaths in Calendar Year 2023, with communicable agents such as tuberculosis, viral hepatitis, and human papillomavirus heavily impacting low- and middle-income nations. Tuberculosis remains the world's leading single-agent infectious cause of death, recording 10.7 million new cases and approximately 1.2 million deaths globally in Calendar Year 2024. Eight countries account for 67% of global tuberculosis cases, led by India at 25.0%, Indonesia at 10.0%, and the Philippines at 6.8%. Globally, the tuberculosis detection rate improved from 57.8% in Calendar Year 2020 to 77.6% in Calendar Year 2024, though approximately 2.4 million cases remain undiagnosed annually.

Viral hepatitis infections (hepatitis B and C combined) declined globally from 318.0 million cases in Calendar Year 2015 to 287.0 million cases in Calendar Year 2024, resulting in 1.3 million deaths annually. Despite this progress, severe diagnostic gaps persist, with 72.9% of hepatitis B cases and 64.7% of hepatitis C cases remaining undiagnosed. In parallel, human papillomavirus remains the primary driver of cervical and oral cancers, accounting for over 1.1 million new cancer cases and 757.7 thousand deaths globally in Calendar Year 2024. Other vector-borne and respiratory conditions, including malaria, dengue, and seasonal influenza, continue to exact a heavy toll, causing hundreds of thousands of deaths annually, particularly among children under five.

Within India, infectious diseases constitute a major proportion of the top ten causes of mortality, with disease burden rates for conditions like tuberculosis and diarrheal illnesses standing at 2.5 to 3.5 times the global average. India reported a record 2.7 million notified tuberculosis cases in Calendar Year 2024, accompanied by a sharp improvement in case detection rates from 59.0% in Calendar Year 2020 to 97.0% in Calendar Year 2024. India's tuberculosis mortality rate declined from 28 to 21 per 100,000 population between Calendar Year 2019 and Calendar Year 2024, while drug-resistant tuberculosis cases decreased by 7.1%. For viral hepatitis, India carries a chronic burden of 29.8 million hepatitis B infections and 5.5 million hepatitis C infections. Human papillomavirus-associated cervical cancer accounts for a significant portion of female oncology burdens in India, with annual incidence reaching 135.0 thousand cases and 84.9 thousand deaths by Calendar Year 2024, driven by low screening coverage of under 2% among susceptible female populations.

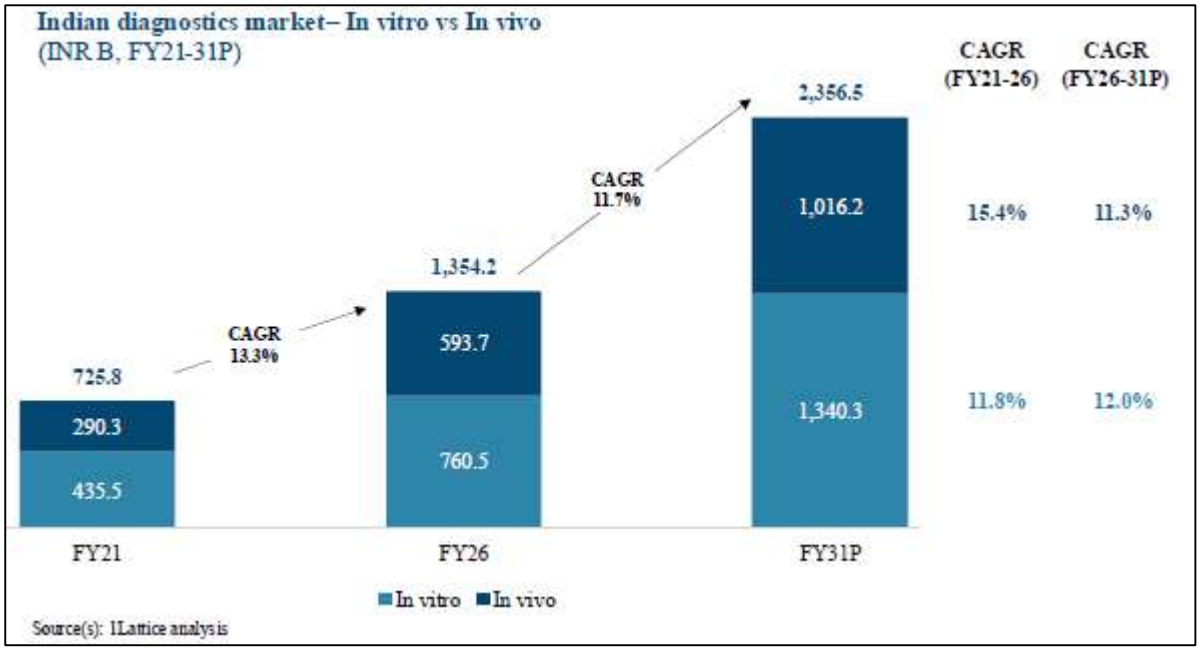
Funding Initiatives to Fight Infectious Diseases

Global and domestic funding initiatives play a critical role in combating targeted infectious diseases through multilateral developmental assistance, grants, and concessional loans. The Global Fund committed substantial investments between Calendar Year 2020 and Calendar

Year 2025, allocating USD 7.5 billion toward tuberculosis programs and USD 12.8 billion toward HIV initiatives. Major philanthropic organizations like the Bill & Melinda Gates Foundation pledged USD 912.0 million for tuberculosis, HIV, and malaria through Calendar Year 2030. In India, targeted financing includes a USD 400.0 million loan agreement signed with the World Bank for the Program Towards Elimination of Tuberculosis, alongside dedicated state-level funding initiatives such as the Mukh-Mantri Punjab Hepatitis C Relief Fund which achieved treatment cure rates exceeding 92%.

Overview of the Diagnostics Market

The Indian diagnostics market reached ₹ 1,354.2 billion (USD 15.3 billion) in Fiscal 2026, expanding at a compound annual growth rate of 13.3% from Fiscal 2021, and is projected to scale to ₹ 2,356.5 billion (USD 26.6 billion) by Fiscal 2031 at a compound annual growth rate of 11.7%. In vitro diagnostics represent 56.1% of the total diagnostics market, valued at ₹ 760.5 billion (USD 8.6 billion) in Fiscal 2026. Across techniques, clinical chemistry dominates with a 31.0% market share valued at ₹ 235.7 billion (USD 2.6 billion), followed by immunodiagnostics at ₹ 178.7 billion (USD 2.0 billion). India's per capita spending on diagnostics stands at USD 10, which is markedly lower than developed economies such as the United States at USD 295, the United Kingdom at USD 280, and Germany at USD 264, reflecting an under-penetrated domestic diagnostics landscape where diagnostics comprise only 6.0% of the broader healthcare market compared to 15.0% in the United States.



Next-Generation Diagnostic Services and Decentralisation

The Indian diagnostics industry is undergoing a structural shift from traditional centralised laboratory testing toward decentralised, point-of-care delivery models designed to overcome logistical bottlenecks, high capital expenditure, and prolonged turnaround times of 2 to 7 days associated with centralised PCR machines. Public health infrastructure has expanded significantly, marked by a 90% increase in Designated Microscopy Centres from approximately 13,500 in Calendar Year 2014 to 26,000 in Calendar Year 2025, alongside the deployment of roughly 9,500 molecular testing laboratories across public and private facilities. Regulatory frameworks under the Medical Devices Rules 2017 and oversight by the Central Drugs Standard Control Organization have fostered domestic innovation, supporting advanced molecular platforms, next-generation sequencing, and portable testing devices.

Molecular Diagnosis Market

The global molecular diagnostics market was valued at USD 19.8 billion in Calendar Year 2025 and is projected to reach USD 31.1 billion by Calendar Year 2030, growing at a compound annual growth rate of 9.4%. Infectious diseases represent the largest segment at 46.0% of the global market (valued at USD 9.1 billion in Calendar Year 2025), followed by oncology at 21.7% and genetic testing at 15.1%. Polymerase chain reaction technology commands the largest technology share at 42.9%, followed by microarrays at 12.6% and nucleic acid hybridisation at 10.5%. Regionally, North America leads the market with a 47.0% share in Calendar Year 2025, followed by Europe at 23.3% and the Asia-Pacific region at 20.7%.

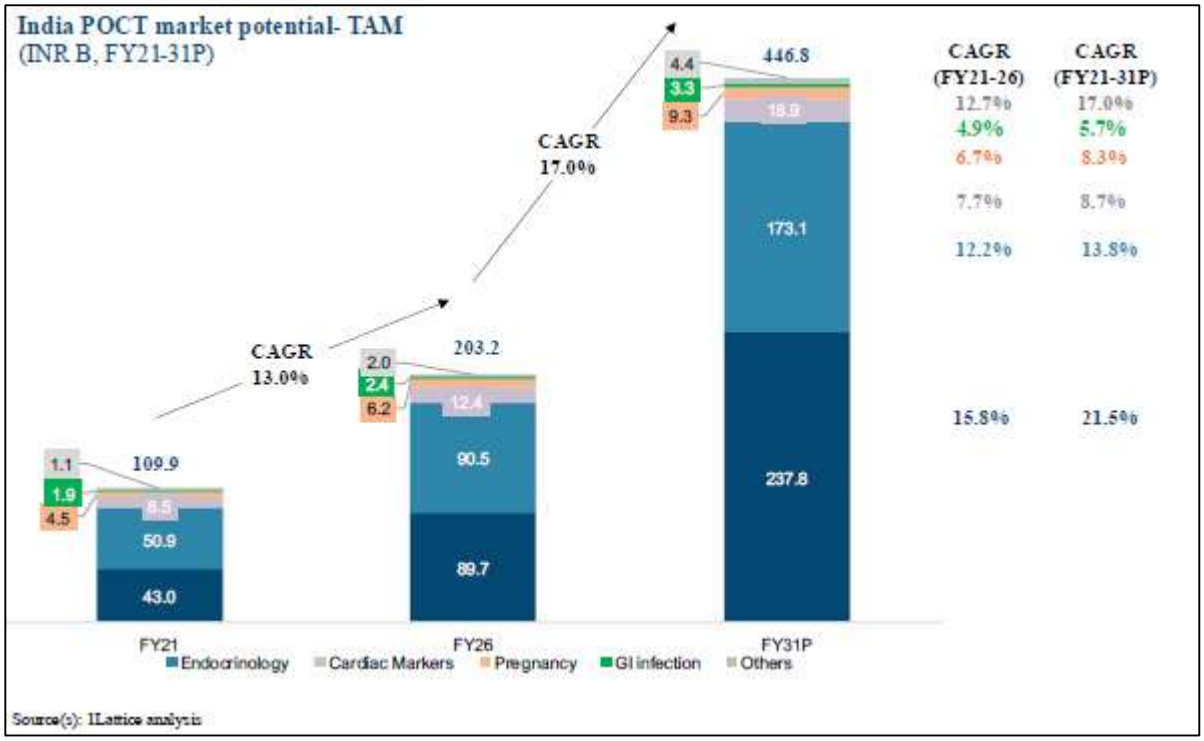
Overview of the Global Molecular POCT Market

The global point-of-care testing total addressable market stands at USD 29.3 billion in Calendar Year 2025 and is projected to expand at a compound annual growth rate of 17.9% to reach USD 67.1 billion by Calendar Year 2030, propelled by rising demands for rapid diagnostics

in infectious and chronic disease management. Infectious disease testing constitutes 32.6% of the global point-of-care market, with tuberculosis serving as the primary contributor followed by human papillomavirus, hepatitis B, hepatitis C, and sexually transmitted infections. Point-of-care testing serves as a critical healthcare equalizer in low- and middle-income countries, providing immediate, battery-operated, instrument-based diagnostics that bypass infrastructural deficits in remote regions. The global molecular point-of-care equipment market grew at a compound annual growth rate of 20.3% from Calendar Year 2020 to 2025, reaching USD 2,739.6 million, and is expected to accelerate at a compound annual growth rate of 27.1% through Calendar Year 2030.

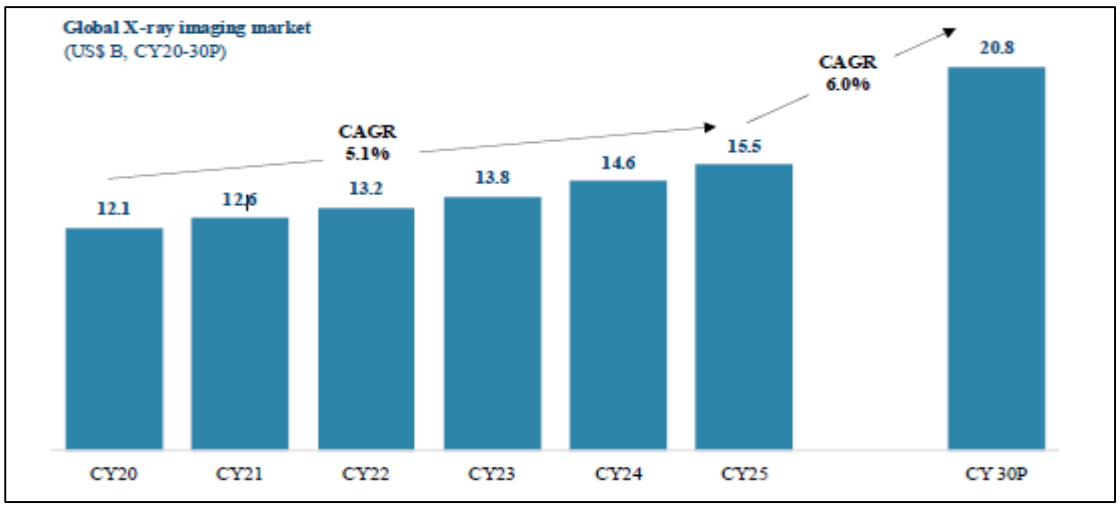
Overview of Indian Molecular Diagnostics and POCT Market

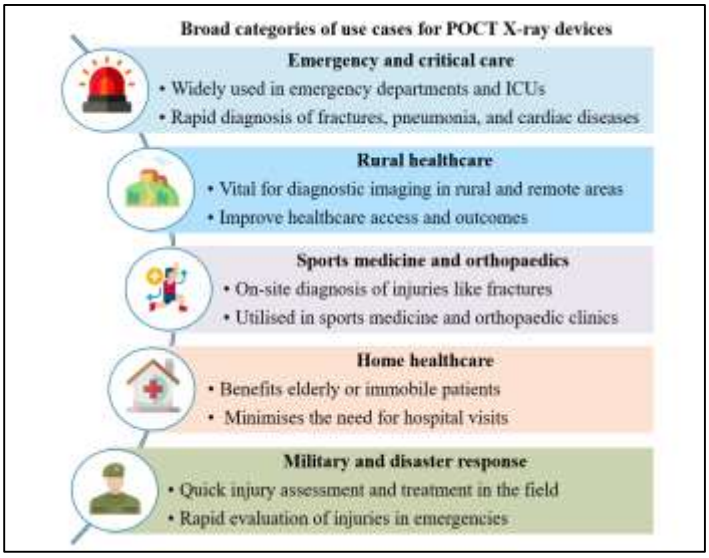
The Indian point-of-care testing market potential is valued at approximately ₹ 203.2 billion (USD 2.2 billion) in Fiscal 2026 and is projected to expand at a compound annual growth rate of 17.0% to reach ₹ 446.8 billion (USD 5.0 billion) by Fiscal 2031. Within this landscape, the infectious disease point-of-care segment accounts for ₹ 89.7 billion (USD 1.0 billion) in Fiscal 2026 and is forecasted to scale to ₹ 237.8 billion (USD 2.7 billion) by Fiscal 2031 at a compound annual growth rate of 21.5%. The Indian molecular point-of-care testing market for infectious diseases specifically is valued at ₹ 61.6 billion (USD 0.7 billion) in Fiscal 2026, with respiratory and tuberculosis diagnostics comprising approximately 70.9% of the market share, driven by 25.7 million tuberculosis point-of-care tests conducted annually. Clinical care settings account for 85% of these tests, with district hospitals representing 40% of the market distribution due to established infrastructure and high patient throughput. Furthermore, the Indian molecular point-of-care equipment market stands at ₹ 31.4 billion in Fiscal 2026 and is projected to surge at a compound annual growth rate of 26.3% to reach ₹ 101.1 billion by Fiscal 2031.

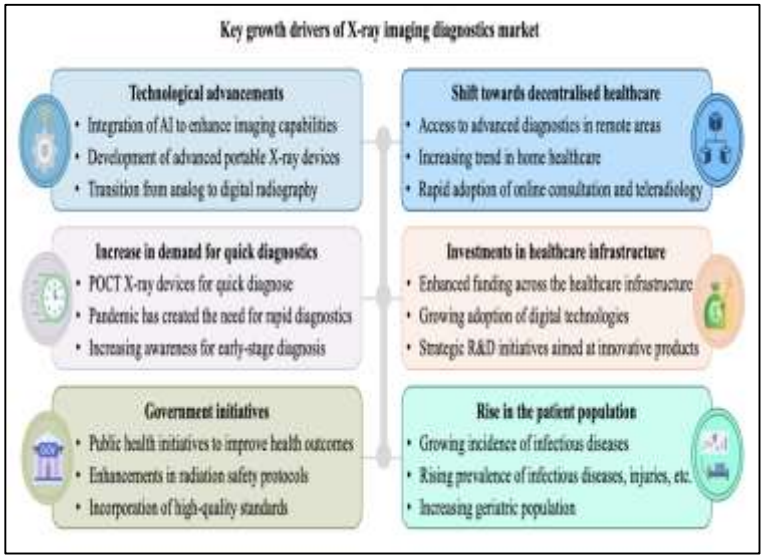


Global and Indian X-Ray Imaging Diagnostics Market Overview

The global X-ray imaging market expanded from USD 12.1 billion in Calendar Year 2020 to USD 15.5 billion in Calendar Year 2025 and is projected to reach USD 20.8 billion by Calendar Year 2030 at a compound annual growth rate of 6.0%, maintaining the largest share within soft radiology modalities at 35%. In India, the installed base of X-ray units grew substantially post-COVID-19, registering annual growth rates of 11.7%. The Indian X-ray market is valued at ₹ 33.7 billion (USD 0.4 billion) in Fiscal 2026 and is projected to reach ₹ 52.6 billion (USD 0.6 billion) by Fiscal 2031 at a compound annual growth rate of 9.3%. Point-of-care and ultra-portable handheld X-ray devices are experiencing rapid adoption, particularly within government-led national tuberculosis screening programs, with annual portable unit sales projected to grow at a staggering compound annual growth rate of 71.5% from Fiscal 2026 to Fiscal 2031.

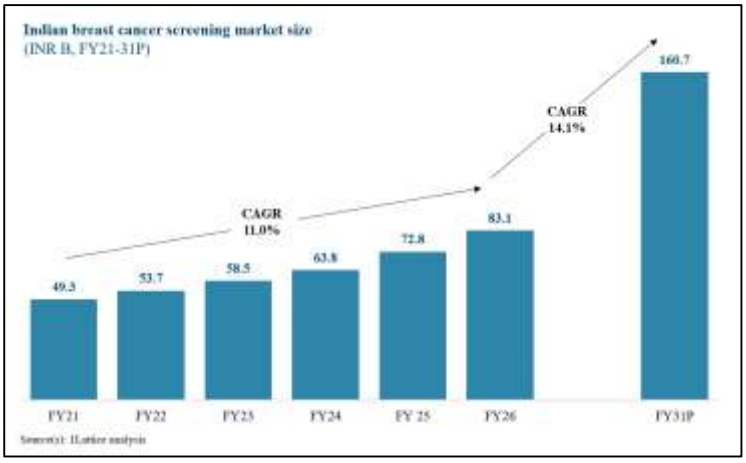






Breast Cancer Screening Market Overview

The global breast cancer screening market was valued at USD 5.7 billion in Calendar Year 2025 and is anticipated to reach USD 8.5 billion by Calendar Year 2030 at a compound annual growth rate of 8.3%, driven by heightened awareness, advanced digital mammography, and tomosynthesis. In India, the breast cancer screening market reached ₹ 83.1 billion (USD 0.9 billion) in Fiscal 2026 and is projected to expand to ₹ 160.7 billion (USD 1.8 billion) by Fiscal 2031 at a compound annual growth rate of 14.1%, supported by an annual incidence of approximately 0.2 million new cases and the introduction of non-invasive, radiation-free screening technologies suitable for younger populations with dense breast tissue.



Competitive Landscape in Molecular Diagnostics and POCT

The molecular diagnostics and point-of-care testing industry is highly competitive, characterised by extensive research and development investments and rapid technological evolution. Industry participants range from established multinational corporations with broad geographic footprints to specialized innovators. Among domestic pioneers, Molbio Diagnostics—founded in 2000 alongside Bigtec Labs—has commercialized the 'Truenat' real-time micro-PCR platform, establishing it as the only Indian-engineered and globally endorsed point-of-care molecular system certified by the World Health Organization, Indian Council of Medical Research, and Foundation for Innovative New Diagnostics as an initial diagnostic test and complete replacement for smear microscopy in tuberculosis detection. Molbio's battery-operated platform supports over 40 validated infectious disease assays, operates across resource-limited primary healthcare settings with room temperature-stable reagents, and delivers sample-to-result turnaround times of under 60 minutes. While major global competitors possess greater financial and manufacturing resources, key competitive differentiators in this sector center upon diagnostic accuracy, turnaround time economics, multi-disease assay versatility, and commercial execution under public health frameworks.

Key Concerns

- Revenue dependence on Indian Central and State governments and international aid agencies for public healthcare programs, accounting for 84.56%, 87.83%, and 91.60% of product sales revenue in Fiscals 2026, 2025, and 2024 respectively, alongside significant customer concentration with top 10 customers contributing 83.26% in Fiscal 2026.
- High revenue reliance on diagnostic test kits for tuberculosis (TB), which represented 70.20%, 69.11%, and 62.40% of product sales revenue in Fiscals 2026, 2025, and 2024 respectively, with TB test kits comprising 96.02% of total test units sold in Fiscal 2026.
- Substantial ongoing investments in research and development (R&D) through subsidiary Bigtec Private Limited (totaling ₹874.56 million in Fiscal 2026) without assurance of successful commercialization or regulatory approvals for planned new assays.
- Past net losses and negative operating cash flows incurred by certain subsidiaries (such as Prognosys Medical Systems, Prognosys Healthcare (India), and OptraScan INC), which may require continued financial support.
- Substantial promoter shareholding and influence, with Exxora Trading LLP holding 41.23% and Dr. Chandrasekhar Bhaskaran Nair holding 5.42% of the pre-Offer paid-up equity share capital.
- Risks related to intellectual property protection, including reliance on registered patents (16 in India, 191 abroad) and a major IP licensing agreement with Bigtec requiring royalty payments capped at up to 10% of topline revenue.
- Statutory auditor observations, qualifications, and modifications in past financial reports under CARO and Rule 11(g), including historical delays in statutory dues and instances of internal/external fraud.
- Proposed utilization of Net Proceeds (up to ₹1,055.35 million for an R&D/Center of Excellence facility and equipment for Goa and Visakhapatnam units) based on third-party quotations and project reports without firm fixed-price contracts, exposing the company to cost escalations.
- Potential product liability claims and contractual liabilities, including historical payouts of liquidated damages amounting to ₹22.25 million in Fiscal 2026, ₹22.17 million in Fiscal 2025, and ₹2.93 million in Fiscal 2024, alongside warranty provisions of ₹232.17 million as of March 31, 2026.
- Historical instances of delays in the payment of statutory dues (such as PF, ESIC, professional tax, and TDS) ranging from 1 to 770 days across Fiscals 2024 to 2026.
- Significant under-utilization of manufacturing capacities in certain segments, such as Truenat devices at 42.30% and X-ray devices at 19.23% in Fiscal 2026.
- Extensive government regulations requiring numerous statutory and regulatory licenses, permits, and approvals under acts like the Medical Devices Rules, 2017 and Drugs and Cosmetics Act, 1940.
- Competitive and rapidly changing molecular diagnostics industry pressures requiring continuous technological adaptation and significant capital deployment.
- Leasehold-only status for all major manufacturing facilities, R&D units, and the registered corporate office in Goa, Visakhapatnam, and Bengaluru, exposing the company to non-renewal or relocation risks.

- Inventory management challenges and demand forecasting risks, resulting in large provisions for obsolescence such as ₹531.25 million net provision as of March 31, 2026, and a product shelf-life limitation of two years for Truenat kits.
- Capital expenditure requirements and potential needs for additional debt or equity financing (capital expenditure was ₹630.85 million in Fiscal 2026 and ₹857.48 million in Fiscal 2025).
- Exposure to international markets and foreign exchange risks, with exports covering over 90 countries and generating 9.62% of operational revenue in Fiscal 2026, coupled with a lack of a formal hedging policy.
- Heavy dependence on key managerial personnel and a skilled technical workforce, reflected by a permanent employee attrition rate of 14.38% in Fiscal 2026, 16.45% in Fiscal 2025, and 22.18% in Fiscal 2024, alongside the lack of a formal business succession policy.
- Incurrence of various royalty and commission expenses, including commission expenses totaling ₹1,682.87 million (11.64% of operational revenue) in Fiscal 2026, and external licensing royalties ranging from 6% to 20% of gross product sales.

Profit & Loss

Particulars (Rs in million)	FY26	FY25	FY24
Revenue from operations	14456.9	10204.2	8365.6
Other Income	94.8	75.2	41.0
Total Income	**14551.7**	**10279.4**	**8406.6**
Total Expenditure	**11242.4**	**7582.0**	**6023.8**
Cost of raw material and components consumed	5699.2	4347.7	3199.3
Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods	12.9	-224.7	196.8
Purchase of traded goods	49.7	25.4	8.2
Employee benefits expense	1452.3	1027.9	638.9
Other expenses	4028.4	2405.7	1980.7
PBIDT	**3309.3**	**2697.4**	**2382.8**
Interest	334.7	176.6	144.5
PBDT	**2974.6**	**2520.8**	**2238.3**
Depreciation and amortization	636.4	445.5	410.1
Exceptional items (net)	4.9	111.3	531.7
PBT	**2333.4**	**1964.0**	**1296.6**
Share of loss of associates, net of tax	-22.0	-19.7	-0.2
Tax (incl. DT & FBT)	**670.0**	**558.5**	**461.0**
Current tax	732.9	759.6	649.5
Tax in respect of earlier years	0.0	3.0	3.9
Deferred Tax Charge/(Benefit)	-63.0	-204.1	-192.4
Adj. PAT	**1641.4**	**1385.8**	**835.4**
EPS (Rs.)	14.8	12.9	9.1
Face Value	1	1	1
OPM (%)	22.2	25.7	28.0
PATM (%)	11.4	13.6	10.0

Balance Sheet

Particulars (Rs in million) As at	FY26	FY25	FY24
Non-current assets			
Property, plant and equipment	2,480.8	2,040.6	1,679.1
Capital work-in-progress	113.2	273.3	15.8
Investment properties	0.0	0.0	329.7
Right of use assets	553.6	288.3	142.2
Goodwill	621.3	38.4	38.4
Other intangible assets	1,708.1	527.8	704.2
Investments accounted for using the equity method	59.8	455.7	59.8
Financial assets			
Investments	0.0	0.0	0.0
Loans	0.0	93.3	0.0
Other financial assets	819.3	327.8	261.1
Non current tax assets (net)	168.8	185.8	145.5
Deferred tax assets (net)	515.5	469.4	291.1

Other non-current assets	595.5	616.8	311.9
Total non-current assets	**7,635.8**	**5,317.2**	**3,979.0**
Current assets			
Inventories	4,492.6	4,359.1	3,151.4
Financial assets			
Trade receivables	4,087.4	2,716.6	4,254.5
Cash and cash equivalents	3,555.3	1,147.5	221.1
Bank balances other than above	115.8	143.1	0.0
Other financial assets	255.3	65.7	92.2
Other current assets	1,342.1	866.4	512.4
Total current assets	**13,848.4**	**9,298.3**	**8,231.6**
Total assets	**21,484.2**	**14,615.6**	**12,210.6**
EQUITY & LIABILITIES			
Equity			
Equity share capital	112.8	22.6	22.5
Other equity	11,580.6	9,661.4	8,211.3
Non controlling interest	1,394.4	-11.1	54.6
Total equity	**13,087.8**	**9,672.9**	**8,288.4**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	2,124.1	61.4	151.2
Lease liabilities	272.0	174.1	46.3
Other financial liabilities	0.0	247.0	247.0
Net employee defined benefit liabilities	95.7	40.5	19.0
Deferred tax liabilities (net)	331.1	2.9	31.0
Total non-current liabilities	**2,822.9**	**526.1**	**494.6**
Current liabilities			
Financial liabilities			
Borrowings	2,002.3	1,170.2	1,594.5
Lease liabilities	102.4	63.6	44.1
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	244.9	395.2	56.0
Total outstanding dues of other than micro enterprises and small enterprises	1,750.1	1,906.9	883.9
Other financial liabilities	369.1	262.2	133.6
Net employee defined benefit liabilities	18.5	9.2	8.4
Other current liabilities	772.3	402.8	499.1
Provisions	314.1	206.7	208.0
Total current liabilities	**5,573.6**	**4,416.7**	**3,427.6**
Total liabilities	**8,396.5**	**4,942.7**	**3,922.2**
Total equity and liabilities	**21,484.2**	**14,615.6**	**12,210.6**

Source: Company, RHP

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