Retail Equity Research

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Molbio Diagnostics Ltd.

Subscribe

Nifty: 24,571 | **Sensex: 78,499**

IPO Note | 10th August 2026

Sector: Healthcare

Price Range: ₹768 - ₹807

Scaling Healthcare Through Molecular Innovation

Molbio Diagnostics Ltd (Molbio), incorporated in 2000, is a global point-of-care molecular diagnostics company specializing in diagnostic solutions for infectious and non-communicable diseases. Its proprietary Truenat platform is a portable, battery-operated PCR system designed for resource-limited settings, delivering results within an hour. The company offers 43 tests covering 30 diseases, including TB, COVID-19, HIV, Hepatitis B & C, and HPV. With six manufacturing facilities, operations in over 90 countries, strong R&D capabilities, and WHO-endorsed TB diagnostics, Molbio is a leading diagnostics provider.

- **India's diagnostics market is projected to grow from ₹1,354bn in FY26 to ₹2,356bn in FY31 at 12% CAGR, driven by rising chronic diseases, preventive healthcare demand, an ageing population, and expanded healthcare access initiatives.** ***(Source: 1Lattice analysis)***
- **Molbio delivered strong financial performance over FY24–FY26 with revenue, EBITDA and PAT growing at CAGRs of ~32%, ~17% and ~11%, respectively, driven by increased Truenat platform sales, higher test-kit volumes, product diversification, and improved operational efficiency.**
- **Truenat offers an integrated, point-of-care molecular diagnostics platform comprising the Trueprep extraction device, Truelab analyzers and ready-to-use test kits, with its Truenat TB test being one of only two WHO-endorsed rapid molecular tests for initial TB diagnosis and rifampicin resistance detection.**
- **Molbio's manufacturing network offers ~39mn units of test kit capacity, with utilization improving materially from 27% in FY24 to 58% in FY26, positioning the company well for scalable growth.**
- **The company has strong return ratios, with 3 yr Avg. ROE of 16% and ROCE of 19%, showcasing efficient utilization of the capital.**
- **The company expanded its diagnostics portfolio through strategic acquisitions of Prognosys Medical Systems and OptraScan, strengthening capabilities across radiology, TB screening, veterinary imaging, digital pathology, and AI-powered diagnostics.**
- **At the upper price band of ₹807, Molbio is valued at ~56x FY26E P/E, which is in line with the industry average. The company enjoys a strong leadership position in the molecular diagnostics segment, supported by a scalable device-and-consumables business model, favorable industry tailwinds, significant growth headroom, and strategic acquisitions. Backed by robust fundamentals and a positive long-term outlook, we recommend a 'Subscribe' rating for investors with a medium- to long-term investment horizon.**

Purpose of IPO

The offer consists of a fresh issue of ₹200cr and an offer for sale (OFS) of ₹740cr. The purpose of the issue is i) Capex for R&D facility (~Rs.125cr) (ii) Capex for purchase of plant, machinery and equipment (~Rs.81cr) and iii) general corporate purposes. The sellers also include India Business Excellence Fund III (Motilal Oswal Private Equity).

Key Risks

- High reliance on government and aid agency contracts, which contributed ~85% of FY26 revenue, exposes the company to policy and funding-related risks.
- TB diagnostic kits accounted for ~70% of FY26 revenue, creating significant product concentration risk.

Issue Details	
Date of opening	August 10, 2026
Date of closing	August 12, 2026
Total No. of shares offered (cr.)	1.16
Post Issue No. of shares (cr)	11.5
Face Value	₹1
Bid Lot	18 Shares
Minimum application for retail (upper price band for 1 lot)	₹14,526
Maximum application for retail (upper price band for 13 lot)	₹1,88,838
Listing	BSE,NSE
Lead Managers	Kotak Mahindra Capital Company Ltd, IIFL Capital Services Ltd, Jefferies India Pvt Ltd, Motilal Oswal
Registrar	KFin Technologies Ltd.

Issue size (upper price)	Rs.cr
Fresh Issue	200.2
OFS	739.7
Total Issue	**939.9**

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	46.6	44.1
Public & others	53.4	55.9
Total	**100.0**	**100.0**

Issue structure	Allocation (%)	Size Rs.cr
QIB	50	469.1
Non-Institutional	15	140.7
Retail	35	328.4
Employee	-	1.5
Total	**100**	**939.7**

Y.E March (Rs.cr) Consol.	FY24	FY25	FY26
Sales	836.6	1020.4	1445.7
Growth YoY(%)	-	22	42
EBITDA	234.2	262.3	321.4
Margin(%)	28.0	25.7	22.2
PAT Adj.	136.7	151.7	166.8
Growth (%)	-	11	10
EPS	11.9	13.2	14.5
Adj. P/E (x)	68.0	61.3	55.7
EV/EBITDA (x)	40.4	35.5	29.2
P/Bv(x)	11.2	9.6	7.1

Peer Valuation

Company	CMP(Rs.)	MCap(Rs.cr)	Sales (Rs.cr)	EBITDA(%)	PAT (%)	EPS(Rs.)	RoE (%)	P/E(x)	P/BV	Mcap/sales	D/E (x)	EV/EBITDA
Molbio Diagnostics Ltd	**807**	**9,300**	**1,445.7**	**22.2**	**11.5**	**14.5**	**14.7**	**55.7**	**7.1**	**6.4**	**0.3**	**29.2**
Dr. Lal Pathlabs Ltd	1,928	32,321	2,762.9	28.3	18.3	30.8	21.6	62.6	12.8	11.7	0.1	26.2
Poly Medicure Ltd	1,709	17,325	1,875.3	23.6	17.2	32.3	11.0	53.0	11.0	9.2	0.1	26.3
Metropolis Healthcare Ltd	565	11,709	1,645.8	24.4	11.5	9.2	13.4	61.4	13.4	7.1	0.2	22.5

Source: Geojit Research, Bloomberg; Valuations of Molbio are based on upper end of the price band (post issue), Financials as per FY26 consolidated.

Business Description:

Molbio is an innovative point-of-care diagnostics provider focused on delivering rapid, accurate, and affordable healthcare solutions. Its patented Truenat platform enables decentralized PCR-based testing in resource-limited settings, offering 43 assays across 30 diseases, including TB, HIV, HPV, COVID, and hepatitis. Operating in a high-entry-barrier market, it has achieved WHO endorsement for TB diagnosis. Through its subsidiaries and partners, it also offers radiology, digital pathology, and breast health screening solutions while advancing a strong product development pipeline.

Sr. No.	Particulars	Unit	As of/ for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
1	Revenue from sale of devices[(1)]	*(₹ in million)*	2,032.84	2,029.58	1,846.80
2	Revenue from sale of test kits[(2)]	*(₹ in million)*	10,348.20	7,309.58	5,525.45
3	Number of devices sold[(3)]	*(in numbers)*	2,524	2,180	2,011
4	Number of test kits sold[(4)]	*(in million)*	17.56	12.24	8.80
5	Diseases commercialized[(5)]	*(in numbers)*	30	30	26
6	Assays commercialized[(6)]	*(in numbers)*	43	42	38

Source: Geojit research, RHP

The company's Truenat platform is a portable, automated PCR-based diagnostic solution designed for rapid, accurate, and cost-effective testing in resource-limited settings. Featuring automated sample preparation, real-time PCR analysis, and disease-specific test kits, it enables swift diagnosis with high sensitivity and specificity. The platform serves public health programs, hospitals, and laboratories globally, addressing challenges such as limited infrastructure and access to diagnostics. As of March 31, 2026, the company had sold over 12,500 devices across more than 90 countries, supporting broader healthcare accessibility worldwide.

Geographic split

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ in million)	Percentage of Revenue from Operations (%)	Amount (₹ in million)	Percentage of Revenue from Operations (%)	Amount (₹ in million)	Percentage of Revenue from Operations (%)
Revenue from customers in India	13,066.43	90.38%	8,232.78	80.68%	7,543.13	90.17%
Revenue from customers outside India	1,390.44	9.62%	1,971.40	19.32%	822.48	9.83%
Revenue from Operations	**14,456.87**	**100.00%**	**10,204.18**	**100.00%**	**8,365.61**	**100.00%**

Source: Geojit research, RHP

Country	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of revenue from customers - outside India (%)	Amount (₹ million)	Percentage of revenue from customers - outside India (%)	Amount (₹ million)	Percentage of revenue from customers - outside India (%)
Nigeria	258.05	18.56%	615.59	31.23%	0.05	0.01%
Peru	150.47	10.82%	94.70	4.80%	3.65	0.44%
Indonesia	105.12	7.56%	183.68	9.32%	12.35	1.50%

Source: Geojit research, RHP

Key strengths

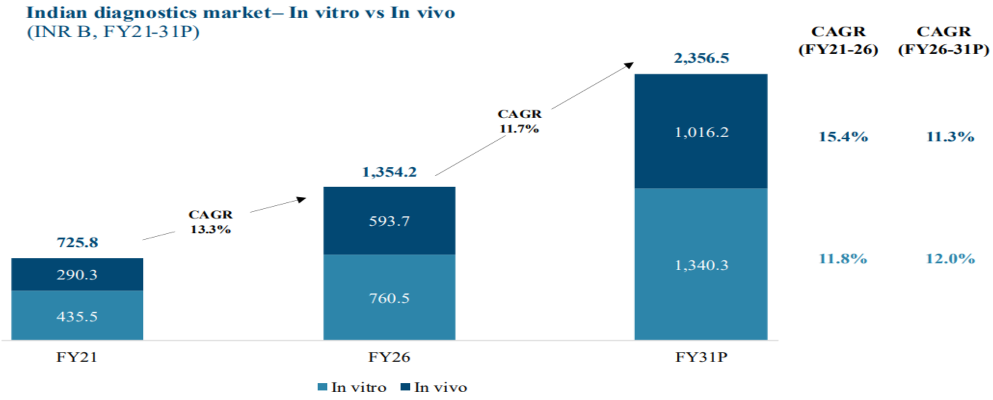
- Well placed to address unmet demand in a large and growing molecular diagnostic market with gaining credence of point-of-care testing.
- Innovative, R&D focused business.
- Developed and commercialized a novel portable multi-disease point-of-care molecular diagnostics platform.
- Scalable business model with strong entry barriers, high proportion of recurring revenues and a growing suite of tests.
- Strategic collaborations and acquisitions enhancing capabilities and offering.
- Management team with deep domain expertise and track record of delivering strong financial performance.

Key strategies

- Expand geographical presence in India and across the globe.
- Continue to expand suite of diagnostic solutions for multiple diseases.
- Develop new POC platforms for other communicable and non-communicable diseases.
- Grow through strategic acquisitions and alliances and establish a centre of excellence.

Industry Outlook

The Indian diagnostics market was valued at ₹1,354.2bn (USD 15.3bn) in FY26, having grown from ₹725.8 bn (USD 10.3bn) in FY21 at a CAGR of 13.3%. Diagnostics remains a key pillar of India's healthcare sector, covering in vitro diagnostics (IVD) and in vivo diagnostics (radiology). The IVD segment accounted for 56.1% of the market, valued at ₹760.5bn (USD 8.6bn) in FY26. Looking ahead, the market is expected to grow at a CAGR of 11.7%, reaching ₹2,356.5 bn (USD 26.6bn) by FY31, driven by rising chronic diseases, growing preventive healthcare awareness, an ageing population, and government-led healthcare initiatives.



Source: Geojit research, RHP

Manufacturing Facilities

The Company operates six manufacturing facilities across India, including plants in Goa, Bengaluru, Visakhapatnam, and Pune through its subsidiaries. These facilities manufacture diagnostic devices, test kits, radiology systems, and digital pathology scanners. As of March 31, 2026, installed capacity stood at 5,400 devices and 39mn Truenat test kits annually, supporting future growth through significant capacity investments.

Products	As of/ For the year ended March 31, 2026			As of/ For the year ended March 31, 2025			As of/ For the year ended March 31, 2024		
	Installed Capacity(1) (Number of Units)	Actual Production (2) (Number of Units)	Capacity Utilisation (3)	Installed Capacity(1) (Number of Units)	Actual Production (2) (Number of Units)	Capacity Utilisation (3)	Installed Capacity(1) (Number of Units)	Actual Production (2) (Number of Units)	Capacity Utilisation (3)
Truenat devices	5,400	2,284	42.30%	3,600	2,120	58.89%	3,600	714	19.83%
Truenat test kits	39,000,000	22,716,566	58.25%	39,000,000	16,943,080	43.44%	39,000,000	10,707,041	27.45%
Xray devices	1,820	923	50.71%	1,820	350	19.23%	3,640	423	11.62%
Digital Pathology Scanner(4)	120	33	27.50%	NA	NA	NA	NA	NA	NA

Source: Geojit research, RHP

Promoter and promoter group

The Promoters of the Company are Sriram Natarajan, Chandrasekhar Bhaskaran Nair, Sangeetha Sriram, Shiva Sriram, Sowmya Sriram, and Exxora Trading LLP.

As on the date of this Red Herring Prospectus, Promoters collectively hold 52,597,450 Equity Shares, representing 46.65% of the pre-Offer issued, subscribed and paid-up Equity Share capital of Company.

Brief Biographies of directors

- **Sriram Natarajan,** Executive Director and Chief Executive Officer, responsible for business management and corporate strategy. With over 35 years of experience in diagnostics, he co-founded Tulip Diagnostics and has received several prestigious industry and entrepreneurship awards
- **Dr. Chandrasekhar Bhaskaran Nair**, Executive Director and Chief Technology Officer, leading research and development. With over 34 years of experience in translational research and innovation, he has developed diverse products and received the Infosys Prize 2021.
- **Sangeetha Sriram**, Executive Director and Director of Operations, overseeing operations and administration. She holds advanced qualifications in science and botany and brings experience in the diagnostics sector, contributing to efficient organizational management and execution.
- **Dr. Arun Kumar Jha,** Independent Director with 36 years of experience in public policy and economics. A retired Indian Economic Service officer, he has held senior government positions and currently serves as Chancellor of NIAMT, Ranchi.
- **Dr. Balram Bhargava,** Independent Director and renowned cardiologist with over 30 years of medical experience. He previously led ICMR and the Department of Health Research, and currently serves as a director on the board of Cipla Limited.
- **Nupur Garg,** Independent Director with more than 23 years of experience in finance, private equity, and investments. An MIT MBA and Chartered Accountant, she serves on multiple boards and has been recognized among India's leading women professionals.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY24	FY25	FY26
Sales	**836.6**	**1,020.4**	**1,445.7**
% change	-	*22.0*	*41.7*
EBITDA	**234.2**	**262.3**	**321.4**
% change	-	*12.0*	*22.6*
Depreciation	41.0	44.6	63.6
EBIT	**193.2**	**217.7**	**257.8**
Interest	14.4	17.7	33.5
Other Income	4.1	7.5	9.5
Exceptional items	-53.2	-11.1	-0.5
PBT	129.7	196.5	233.3
% change	-	51.5	18.8
Tax	46.1	55.8	67.0
Tax Rate (%)	35.6	28.4	28.7
Reported PAT	83.6	142.6	168.5
Adj	53.2	9.2	-1.7
Adj. PAT	**136.7**	**151.7**	**166.8**
% change	-	11.0	9.9
Post issue No. of shares (cr)	**11.5**	**11.5**	**11.5**
Adj EPS (Rs)	11.9	13.2	14.5
% change	-	*11.0*	*9.9*

BALANCE SHEET

Y.E March (Rs cr)	FY24	FY25	FY26
Cash	22.1	129.1	367.1
Accounts Receivable	425.4	271.7	408.7
Inventories	315.1	435.9	449.3
Other Cur. Assets	60.5	93.2	159.7
Investments	39.0	45.6	6.0
Deff. Tax Assets	29.1	46.9	51.6
Net Fixed Assets	182.1	232.9	303.4
CWIP	1.6	27.3	11.3
Intangible Assets	74.3	56.6	232.9
Other Assets	71.9	122.4	158.4
Total Assets	1,221.1	1,461.6	2,148.4
Current Liabilities	143.9	270.5	276.7
Provisions	48.2	50.3	42.8
Debt Funds	183.6	146.9	450.1
Other Fin. Labilities	13.4	26.2	36.9
Deferred Tax liability	3.1	0.3	33.1
Equity Capital	2.3	2.3	11.3
Reserves & Surplus	821.1	966.1	1,158.1
Shareholder’s Fund	828.8	967.3	1,308.8
Total Liabilities	**1,221.1**	**1,461.6**	**2,148.4**
BVPS (Rs)	71.9	83.9	113.6

CASH FLOW

Y.E March (Rs cr)	FY24	FY25	FY26
PBT Adj.	129.7	196.5	233.3
Non-operating & non cash adj.	143.5	90.7	121.7
Changes in W.C	90.7	81.9	-231.8
C.F.Operating	**9.6**	**289.1**	**52.6**
Capital expenditure	-59.3	-54.7	-50.0
Change in investment	7.9	-61.0	-48.4
Sale of investment	5.8	0.1	0.4
Other invest.CF	0.7	-7.0	4.7
C.F - investing	-45.0	-122.7	-93.2
Issue of equity	-	0.7	-
Issue/repay debt	-22.5	-13.9	303.5
Dividends paid	-	-	-
Other finance.CF	-9.1	-12.9	-27.4
C.F - Financing	**-31.6**	**-26.1**	**276.1**
Change. in cash	-67.0	140.3	235.4
Opening Cash	-8.1	-75.1	63.2
Closing cash	-75.1	65.3	338.0

RATIOS

Y.E March	FY24	FY25	FY26
Profitab. & Return			
EBITDA margin (%)	*28.0*	*25.7*	*22.2*
EBIT margin (%)	23.1	21.3	17.8
Net profit mgn.(%)	*16.3*	*14.9*	*11.5*
ROE (%)	16.5	16.9	14.7
ROCE (%)	*19.1*	*20.5*	*17.9*
W.C & Liquidity			
Receivables (days)	*185.6*	*97.2*	*103.2*
Inventory (days)	337.9	330.5	280.4
Payables (days)	*100.8*	*156.7*	*158.3*
Current ratio (x)	4.5	3.0	4.4
Quick ratio (x)	*3.1*	*1.5*	*2.8*
Turnover & Levg.			
Net asset T.O (x)	*4.6*	*4.9*	*5.4*
Total asset T.O (x)	0.7	0.8	0.8
Int. covge. ratio (x)	*13.4*	*12.3*	*7.7*
Adj. debt/equity (x)	0.2	0.2	0.3
Valuation ratios			
EV/Sales (x)	11.3	9.1	6.5
EV/EBITDA (x)	*40.4*	*35.5*	*29.2*
P/E (x)	68.0	61.3	55.7
P/BV (x)	*11.2*	*9.6*	*7.1*

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DISCLAIMER & DISCLOSURES

Certification: I, Sheen G, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please [Click here.]

Regulatory Disclosures:

Geojit Investments Limited is a wholly owned subsidiary of Geojit Financial Services Limited. Group companies/Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Geojit Private Wealth (DIFC) Limited (a company incorporated under Companies Law DIFC Law No. 5 of 2018), Qurum Business Group Geojit Securities LLC (a fellow subsidiary in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), BBK Geojit Consultancy and Information KSC (C) (an associate of the holding Company in Kuwait engaged in Financial Services) and Aloula Geojit Capital Company (a joint venture in Saudi Arabia under liquidation).

Geojit Investments Limited is an investment services company with memberships in National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) and National Commodity & Derivatives Exchange (NCDEX). GIL offers advanced trading and investing platforms, and in-depth research reports & recommendations on equities, commodities, currencies and bonds. As a depository participant of NSDL and CDSL, GIL offers comprehensive investment-related services like dematerialization, transmission and hassle-free distribution of benefits from corporate actions. In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports/ research analysis etc. that are prepared by our Research Analysts.

We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities. In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. **Disclosures regarding Ownership:**

GIL confirms that:

(i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. **Disclosures regarding Compensation:**

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3**. Disclosure by GIL regarding the compensation paid to its Research Analyst:**

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. **Disclosure regarding the Research Analyst's connection with the subject company**: It is affirmed that I, Sheen G, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. **Disclosure regarding Market Making activity:** Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. Disclosure regarding conflict of interests: GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11.Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools

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Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

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GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances:grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at https://smartodr.in

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