



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 11 AUGUST 2026

Molbio Diagnostics Limited

Mainboard IPO — Research Note

Healthcare · Point-of-Care Molecular Diagnostics (Truenat platform)

ISSUE DATES	10 – 12 August 2026
PRICE BAND	₹768 – ₹807 per share
LOT SIZE	18 shares (₹14,526 at upper band)
ISSUE SIZE	₹940 Cr (Fresh ₹200 Cr + OFS ₹740 Cr)

SECTOR Healthcare — Molecular Diagnostics	FINANCIALS Rev ₹1,455 Cr (FY26) · PAT ₹164 Cr · Rev CAGR 32%
VALUATIONS ~57x FY26 (post-issue) · scarcity / no clean peer	DEMAND Anchor ~30% · pharma-specialist book · QIB 1.4x, bHNI 4.3x (D2)
GMP +₹113 / ~14% · exp. listing gain 15–20%	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

2. Executive Summary

Molbio Diagnostics is a point-of-care molecular diagnostics company built around one proprietary platform — Truenat, a portable, battery-operated PCR system that runs lab-grade molecular tests (TB, HIV, COVID and a widening disease menu) at the point of care, in use across 90+ countries. FY26 revenue was ₹1,455 Cr with PAT of ₹164 Cr; the top line has compounded ~32% and PAT ~40% over two years, on EBITDA margins in the 22–25% band. This is a genuine Indian MedTech that sells a razor-and-blade model — instruments plus recurring test chips — into public-health and private channels.

The setup is a ₹940 Cr issue that is 79% offer-for-sale — this is overwhelmingly an exit, not a capital raise. What carries it is the book: an anchor round of ₹281 Cr with an unusually specialist tilt — Goldman Sachs (the single largest anchor), IFC (the World Bank's private arm), and a wall of dedicated pharma/healthcare funds (HDFC Pharma, Kotak Healthcare, Mirae Healthcare, Nippon Pharma, WhiteOak Pharma, Tata Pharma). On our base data these anchors habitually buy high-P/E growth names, and Molbio at ~57x fits their profile. GMP is running ~14%.

Our call is APPLY, purely for listing gains — we peg the print at ~15–20% over ₹807. This is a scarcity-and-book trade: a category-leading diagnostics platform with no clean listed peer, backed by the most sector-credible anchor list of the current window. For a BHNI facing a single-application fund constraint, this is our second choice after Dhoot Transmission — Dhoot has the stronger GMP and lighter valuation; Molbio is the quality back-up. Bid the minimum BHNI ticket of 69 lots (1,242 shares) at ₹807 across every available PAN.

Recommendation	Listing-Day View
APPLY (listing gains)	Positive — expected listing gain ~15–20% over ₹807

3. Company Overview & Business Model

Molbio does one hard thing well: it miniaturised the molecular lab. The Truenat system is a battery-operated, chip-based real-time PCR device that delivers a molecular diagnosis in under an hour, at a primary-health-centre counter, without cold-chain or a technician-heavy lab behind it. That is a real engineering moat — the company controls the instrument, the disease-specific test chips, and the chemistry, so once a Truenat box is placed, the recurring revenue is the chips that run on it. Revenue is a classic installed-base model: sell (or place) the analyser, then earn on consumables for years.

The end-markets are global public health and private diagnostics. Truenat's breakthrough was TB — it carries WHO endorsement for TB and drug-resistance testing, which is what took it into national TB programmes across Africa and Asia and underwrites the 90+ country footprint. That same platform now runs an expanding menu, which is the growth lever: every new validated test is incremental chip revenue on an already-placed base. Manufacturing is anchored in Goa, with a Visakhapatnam expansion funded partly by this issue.

What could break the model is less the technology and more the shape of demand and the cap table. A large slice of historical revenue was pandemic- and programme-driven, which raises the question of the normalised run-rate; and the issue is almost entirely a promoter/investor sell-down, which tells you where existing holders think value sits. Both are addressed below.

4. Market Position & Client Base

On positioning, Molbio is the rare Indian company that is a genuine global leader in a molecular-diagnostics niche rather than a domestic distributor of someone else's platform. Truenat's WHO endorsement for TB is the credential that matters — it is a regulatory moat that competitors cannot shortcut, and it is what converts the installed base into a multi-year consumables annuity. The switching cost is real: a health system that standardises on Truenat boxes and chips does not re-tool casually.

The concentration risk here is different from a typical auto-ancillary. It is less about a handful of named OEMs and more about channel and programme dependence — a meaningful share of demand runs through public-health procurement and donor-funded TB programmes, which are lumpy, tender-driven, and sensitive to global health-funding cycles. The private-diagnostics and menu-expansion push is the diversification story, but it is still maturing. For a listing-window trade this is context rather than a swing factor; for anyone underwriting the hold, the normalised, post-programme revenue mix is the whole question.

5. Geographic Distribution & Revenue Model

Molbio is export- and programme-weighted in a way most Indian IPOs are not: the Truenat footprint spans 90+ countries, and a material portion of demand originates outside India through public-health and donor channels. That gives genuine geographic diversification, but it also brings currency exposure and the lumpiness of tender-based, foreign-government procurement into the revenue line.

The revenue model itself is the attraction: an installed-base annuity where analysers seed the field and disease-specific test chips generate recurring, higher-margin consumable sales. Growth comes from two compounding levers — more boxes placed, and more validated tests per box. That is a structurally better model than one-time equipment sales, and it is a large part of why the market is willing to pay a premium multiple.

6. Innovation / R&D

For Molbio, R&D is the business, not a line item — the entire equity story rests on a proprietary platform and the pace at which new validated assays are added to it. The single largest use of fresh proceeds (₹125 Cr of the ₹200 Cr) is a dedicated R&D Centre of Excellence, which tells you where management believes the next leg of value sits: broadening the Truenat test menu beyond TB into a wider infectious-disease and syndromic panel. The WHO endorsement for TB is the proof-point that the R&D engine can clear the highest regulatory bar.

The read-through for a listing call is simple. The scarcity premium the market is paying is, in effect, a bet on the R&D pipeline converting into menu expansion and a deeper consumables annuity. That is the bull case and the risk in the same sentence — it is priced for execution. For the listing window itself, the pipeline is narrative support for the multiple, not a near-term earnings driver.

7. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	200	21.3%
Offer for Sale (OFS)	740	78.7%
Total Issue Size	940	100%

Use of Proceeds (Fresh Issue)

Objective	Amount (₹ Cr)	% of Fresh Issue
R&D facility / Centre of Excellence	125.12	62.6%
Manufacturing equipment (Goa / Visakhapatnam)	80.81	40.4%
General corporate purposes	balance	—

OFS at 78.7% of the issue means existing investors are taking nearly four-fifths of the proceeds off the table — only ₹200 Cr of the ₹940 Cr reaches the company, and even that is for R&D and plant, not for fixing the balance sheet. Read the structure plainly: this is a promoter-and-investor sell-down with a small growth top-up attached. It does not sink a listing-window call, but it is the loudest single caveat on the issue and the reason we rank it behind a lighter-OFS name.

The public issue is split QIB / NII / Retail in the usual mainboard proportions, with an anchor round of ₹281 Cr (~30% of the issue) placed ahead of opening — 67.5% of it to nine domestic mutual funds across nineteen schemes. The book is run by a four-member syndicate: Kotak Mahindra Capital, IIFL Capital Services, Jefferies India and Motilal Oswal Investment Advisors. Track records are dissected in Section 10.

8. Financial Performance Analysis

Profit & Loss (₹ Cr)

Particulars	FY24	FY25	FY26	2Y CAGR
Revenue from Operations	840.66	1,027.94	1,455.17	31.6%
EBITDA	185.09	256.64	328.24	33.2%
EBITDA Margin (%)	22.0%	25.0%	22.6%	~
PAT	83.54	138.58	164.14	40.2%
PAT Margin (%)	9.9%	13.5%	11.3%	~

Balance Sheet (₹ Cr)

Particulars	FY24	FY25	FY26
Net Worth	807.94	952.95	1,144.68
Total Borrowings	174.58	123.16	412.64
Debt / Equity (x)	0.22	0.13	0.36
RoNW (%)	—	—	14.55%

The trajectory is the best of the two names we are covering this window. Revenue compounded ~32% and PAT ~40% over two years, and margins sit in a genuinely healthy 22–25% EBITDA band — this is a high-margin platform business, not a thin-margin manufacturer. The FY25 margin bump to 25% and the pull-back to 22.6% in FY26 is the one thing to read carefully: some of the earlier profitability carried pandemic- and programme-era pricing, and the FY26 print is closer to the normalised run-rate. Even normalised, a low-20s EBITDA margin on 30%+ growth is a strong financial profile.

The balance sheet needs one flag. Net worth has built steadily to ₹1,145 Cr, but borrowings jumped from ₹123 Cr to ₹413 Cr in FY26, taking D/E from 0.13x to 0.36x. It is still a lightly-levered balance sheet, but the direction reversed in the year going into the IPO, and none of the ₹200 Cr fresh money is going to repay it — it is earmarked for R&D and plant. That is a reasonable use of capital for a growth company, but it means the debt build stays on the books post-issue. RoNW at ~15% is respectable but not spectacular, and it is the number that sits least comfortably next to a ~57x multiple.

On screen this is the cleaner business of the pair — higher margins, faster PAT growth, a real moat. The tension is entirely price and structure: you are paying ~57x for it, on FY26 earnings that already normalise some pandemic-era froth, in an issue that is four-fifths a sell-down. Good company, demanding entry.

9. Valuation

Valuation (at ₹807 upper band)

Metric	Value
Post-issue P/E (FY26)	~56.7x
Post-issue Market Cap	₹9,300 Cr
RoNW (FY26)	14.55%
EBITDA Margin (FY26)	22.6%
Revenue CAGR (FY24–26)	31.6%
PAT CAGR (FY24–26)	40.2%

At ₹807 the issue is asking ~57x FY26 earnings, and there is no clean listed peer to anchor that against — Molbio is the only scaled molecular-diagnostics platform on the exchange. The nearest listed reference points are diagnostic-services chains such as Dr Lal PathLabs and Metropolis Healthcare, which trade in a broadly comparable premium P/E band — but they are lab-network operators, a fundamentally different model from a product-and-consumables platform, so the comparison flatters neither side cleanly. The honest read: you are paying a scarcity premium for the only listed way to own this category, on a name growing 30%+ with 20%-plus margins.

We would not pretend it is cheap. At ~57x with ~15% RoNW, the multiple is discounting years of menu-expansion and installed-base compounding going right. That is a demanding hurdle, and it is precisely why this is a listing-and-book trade for us rather than a valuation call — the setup is carried by scarcity and the anchor list, not by a margin of safety in the price. For the listing window, the absence of a peer cuts both ways: nothing obvious caps the multiple on day one, but nothing underpins it either if sentiment turns.

10. Demand, Anchor Quality & BRLM Track Record

10.1 Subscription Trajectory (live)

Category	Day 1 (10 Aug, close)	Day 2 (11 Aug, ~5 PM live)	Final
QIB	~0.4x	1.39x	pending
NII — bHNI (>₹10 L)	~0.6x	4.31x	pending
NII — sHNI (₹2–10 L)	~1.0x	7.01x	pending
Retail (RII)	~0.9x	3.18x	pending
Employee	n.a.	4.78x	pending
Overall	0.83x	3.11x	pending

The shape is healthy and, notably, better-balanced than a typical HNI-front-loaded issue. Overall moved from 0.83x on Day 1 to 3.11x by Day 2 evening, with sHNI at 7.01x and bHNI at 4.31x — and, importantly, QIB already through at 1.39x with a day still to run. That early QIB coverage is a real positive; it is the piece that was still open on some peers this window. Retail at 3.18x is comfortable. The issue closes 12 August and the numbers will build on the last day.

10.2 The bHNI Bid — quantity and price

The bHNI category is already well subscribed — 4.31x by Day 2 evening (live) — and will be oversubscribed further by the close. With demand at that level, the way to raise the probability of an allotment is to apply from every available PAN in the bHNI category.

The specific bid: 69 lots — 1,242 shares — at ₹807 (the upper end of the ₹768–807 band; NII must bid at the top, not cut-off), a blocked ₹10,02,294 per PAN, spread across every available PAN.

10.3 GMP

GMP is running around ₹113, an indicated ~14% premium over the ₹807 band, pointing to a listing near ₹920. We carry a modestly higher ~15–20% expected gain given the scarcity of the name and the quality of the anchor list, but we flag the gap: the grey market is below our expected range, so this needs the demand to keep building into the close. We treat GMP as a sentiment read, not a transactable quote — it is unofficial, thin, and it moves fast. It tells you the direction of demand, not the settled listing price.

10.4 Anchor Quality — the backtest

Anchor	Prior Issues	Avg Listing Gain	Typical P/E Band
Goldman Sachs	131	~24%	~57x
Nippon India Mutual Fund	154	~27%	~75x
HDFC Mutual Fund	147	~24%	~49x
Mirae Asset Mutual Fund	89	~33%	~34x
WhiteOak Capital	64	~19%	~62x
BlackRock	26	~20%	~45x

Anchor	Prior Issues	Avg Listing Gain	Typical P/E Band
IFC (World Bank arm)	DFI anchor	—	development-mandate

This is the most sector-credible anchor book of the current window, and the fit is unusually good. Two things stand out. First, the specialist tilt: this book is thick with dedicated pharma and healthcare funds — HDFC Pharma, Kotak Healthcare, Mirae Healthcare, Nippon Pharma, WhiteOak Pharma, Tata Pharma — which is exactly the money you want to see in a diagnostics name, because it is domain buyers, not generalists reaching for an allocation. Second, the P/E fit: Goldman Sachs, the single largest anchor, has a 7-year average participation P/E of ~57x on our base file — essentially identical to where Molbio is priced — and WhiteOak (~62x) and Nippon (~75x) habitually buy in this rich band too. Add IFC, the World Bank's private-sector arm, whose presence is a development-mandate endorsement of Truenat's public-health reach. This is not an anchor set stretching for the name; it is one buying exactly its usual profile.

10.5 BRLM Track Record — the backtest

Lead Manager	IPOs (7Y)	Hit Rate	Avg Listing Gain
Jefferies India	27	78%	15.4%
Kotak Mahindra Capital	90	76%	17.2%
IIFL Capital Services	100	68%	17.1%
Motilal Oswal Investment Advisors	43	67%	16.3%

A clean, dependable syndicate with no weak leg. Jefferies (78% hit rate over 27 issues) and Kotak (76% over 90) are the strongest hands, and both IIFL (100 issues, ~17% average listing gain) and Motilal Oswal (43 issues) carry solid double-digit average gains. There is no low-conviction name dragging the blend here — all four sit in the mid-to-high-teens on average listing gain and around 70% on hit rate. That is a book that has historically listed in the black more often than not. Strong anchor participation and a credible BRLM record reduce listing risk; they do not eliminate it.

11. Risk Factors

Numbered, most material first. The OFS structure and the valuation are the two we would lead with.



[PRIMARY CONCERN] OFS-heavy structure (78.7%) — the exit signal

Nearly four-fifths of the ₹940 Cr issue is existing investors selling; only ₹200 Cr of fresh money reaches the company. When promoters and early backers take this much off the table at ~57x, the base case has to be that they consider the price full. It does not by itself break a listing trade, but it is the single loudest caveat on the name and the main reason we rank it behind a lighter-OFS peer this window.

2. **Rich valuation with no clean peer.** At ~57x FY26 earnings and ~15% RoNW, the multiple already discounts years of successful menu-expansion. With no direct listed comparable, there is nothing obvious to underpin the price if sentiment turns — the scarcity that helps on the way up offers no floor on the way down.
3. **Normalised revenue after the programme era.** A share of the historical top line and the FY25 margin peak carried pandemic- and TB-programme-era pricing. The FY26 print looks closer to normal, but the durable, post-programme growth and margin run-rate is not yet fully proven in the numbers.
4. **Programme and channel dependence.** Meaningful demand runs through public-health procurement and donor-funded TB programmes, which are lumpy, tender-driven and exposed to global health-funding cycles. A pullback in donor budgets or a tender loss would show up directly.
5. **Debt build into the IPO.** Borrowings nearly tripled to ₹413 Cr in FY26 (D/E 0.13x → 0.36x), and none of the fresh proceeds repay it. Still light in absolute terms, but the direction reversed in the year going into listing.
6. **Currency and geographic exposure.** With a 90+ country footprint, a large slice of revenue is foreign-currency and foreign-procurement linked, adding translation and geopolitical/tender risk that a domestic-only issuer would not carry.
7. **Single-platform concentration.** The entire equity story rests on one platform, Truenat. A competing point-of-care technology, a reimbursement shift, or a regulatory setback on a key assay would hit the whole franchise at once.



Listing Volatility

Even with a marquee, sector-specialist anchor book and a credible BRLM syndicate, mainboard IPOs in the current regime have shown sharp swings on the listing print and through the first sessions. GMP is running below our expected gain range, so this name in particular needs demand to keep building into the close; a soft finish, a weak open, or a broad-market gap-down can undo the setup. GMP is an unofficial, fast-moving sentiment read, not a guaranteed listing price. We do not consider this a risk-free recommendation.

12. Investment Strengths & Positive Indicators

Numbered, most relevant first.

- 1. Category-leading platform with a regulatory moat.** Truenat's WHO endorsement for TB is a credential competitors cannot shortcut, and it underwrites a 90+ country installed base. This is genuine global leadership in a molecular-diagnostics niche, not domestic distribution of a foreign platform.
- 2. High-quality financial profile.** ~32% revenue and ~40% PAT CAGR over two years, on 22–25% EBITDA margins. This is the cleaner, higher-margin business of the current window — a platform economic model, not a thin-margin manufacturer.
- 3. Installed-base annuity.** The razor-and-blade model — analysers placed, then recurring test-chip revenue — compounds on two levers: more boxes and more validated tests per box. Structurally superior to one-time equipment sales.
- 4. Best-fitted anchor book of the window.** ₹281 Cr anchor round led by Goldman Sachs, thick with dedicated pharma/healthcare specialist funds, plus IFC's development-mandate endorsement. Crucially the book buys at its habitual ~55–60x P/E — a fitted, domain-buyer list, not a stretch.
- 5. Early QIB coverage.** QIB already through 1.39x by Day 2 with a day to run — the institutional leg is covered, which is the piece still open on some peers this window.
- 6. Scarcity value.** The only listed pure-play molecular-diagnostics platform. For institutions wanting the theme, there is no alternative on the exchange — which supports demand on listing.
- 7. R&D-funded growth runway.** The bulk of fresh proceeds funds an R&D Centre of Excellence to widen the test menu — the direct driver of the installed-base annuity.

13. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

The five pillars split — three clearly for, two against — and the call rests on the book winning the argument for the listing window. Financial quality is the standout positive: 30%+ growth, 40% PAT CAGR, 22%-plus margins, a real moat. Demand quality is the other: the most sector-credible anchor list of the window, buying at its habitual P/E band, with QIB already covered. Working against the issue: valuation at ~57x with no peer floor, and an OFS at 79% that reads as a full-price exit. GMP at ~14% sits just below our expected range, which is the tension we are underwriting.

So the call is APPLY for listing gains — we expect a print ~15–20% over ₹807, with the exit on listing day. This is a scarcity-and-book trade, not a valuation call; we have no interest in defending a ~57x multiple as a hold. The specific action for BHNI: bid the minimum ticket of 69 lots (1,242 shares) at ₹807 — ₹10,02,294 blocked per PAN — across every available PAN, since the bucket is heading into oversubscription and each PAN is one more draw. On ranking: for a BHNI with the funds for only one bHNI application this window, Dhoot Transmission is our first priority — stronger GMP, lighter OFS, cheaper multiple — and Molbio is the second choice, the quality back-up you take if capital allows both or if you prefer the diagnostics franchise. If both are affordable, both are APPLY.

This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains — anchors are locked in and cannot support the price on day one — and with GMP below our expected range, this name needs demand to keep building into the close. Apply for the listing pop, take the print, and do not confuse a scarce, high-quality franchise for a cheap one.

BHNI Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains) — 2nd choice after Dhoot	Bid 69 lots (1,242 shares) @ ₹807 = ₹10,02,294 per PAN, across every available PAN; second priority if funds are constrained	Listing day (~15–20%)

14. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.