October 2026

Initiating Coverage | Sector: Healthcare

Molbio Diagnostics



Small device, big franchise

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Small device, big franchise

01
Page #3
Summary

02
Page #5
Story in Charts

03
Page #07
Growth strategy

04
Page #08
Truenat: A device-led entry point to a consumable-led growth model

05
Page #18
Prognosys: Extending PoC strategy from molecular diagnostics to imaging

06
Page 21
OptraSCAN: End-to-end digital pathology stacks position beyond scanners

07
Page #26
Earnings momentum poised to endure

08
Page #33
Valuation & view

09
Page #34
Key risks

10
Page #36
ESG initiatives

11
Page #37
SWOT analysis

12
Page #38
Bull and Bear cases

13
Page #39
Management Team

14
Page #40
Financials and valuations

Molbio Diagnostics

BSE Sensex	S&P CNX
71,910	22,422

CMP: INR1,510 **TP: INR1,800 (+19%)** **Buy**

Stock Info	
Bloomberg	MOLBIO IN
Equity Shares (m)	115
M.Cap.(INRb)/(USDb)	174.4 / 1.8
52-Week Range (INR)	1687 / 926
1, 6, 12 Rel. Per (%)	50/-/-
12M Avg Val (INR M)	5662

Financials Snapshot

Y/E MARCH	FY27E	FY28E	FY29E
Sales (INR b)	18.3	22.9	26.8
EBITDA (INR b)	4.8	6.7	8.4
Adj PAT (INR b)	2.8	4.5	5.7
EPS (INR)	25.2	39.9	50.3
EPS Gr. (%)	68.6	58.2	26.3
BV/Sh (INR)	129	169	219
Ratios			
RoE (%)	21.7	26.8	26.0
RoCE (%)	16.8	23.4	25.0
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	60.0	37.9	30.0
P/BV (x)	11.7	8.9	6.9
EV/EBITDA (x)	35.7	25.0	19.2
Div Yield (%)	0	0	0

Shareholding pattern (%)

As On	Sep-26
Promoter	41.0
DII	16.0
FII	2.0
Others	41.0

FII Includes depository receipts

WHO/ICMR-endorsed platform for TB diagnosis and Rifampicin resistance

Small device, big franchise

From Truenat to a diagnostics ecosystem; scaling up molecular, imaging and pathology together

- Molbio is a diagnostics technology company built around Truenat, its portable molecular testing platform that enables rapid point-of-care testing (POCT) with minimal infrastructure — bringing molecular diagnostics closer to the patient.
- With 12,500+ Truenat devices across 90+ countries, 43 assays covering 30 diseases and a USD9.3b global POCT infectious-disease market growing at ~23% CAGR, Molbio has a long runway for growth.
- Molbio is also expanding beyond molecular diagnostics into digital pathology and advanced imaging through Prognosys/OptraSCAN, thereby broadening its addressable market and creating multiple growth opportunities.
- Over FY23-26, Molbio delivered 63% revenue CAGR to INR14.5b, led by Truenat installed-base expansion, recurring test-kit sales, broader assays and international penetration. Higher test-kit mix and operating leverage boosted EBITDA to INR3.2b from INR432m in FY23, with margins of 22.2% and RoE of 16% in FY26.
- With consistent efforts to drive up test-kit sales for new assays like HPV, diversifying beyond tuberculosis (TB) and scaling up sales in digital pathology/ imaging, we estimate 23% CAGR in revenue to INR27b over FY26-29. Operating leverage would drive EBITDA/PAT CAGR of 38%/50% to INR8.4b/INR5.7b over FY26-29.
- Considering the differentiated R&D-driven business model and strong earnings growth potential, we assign 45x (20% premium to sector multiple of 36x) PE on 12-month forward earnings to arrive at a TP of INR1,800. Initiate with BUY.

Truenat: Assay expansion to broaden runway

- Truenat is Molbio's key growth engine, contributing ~90% of FY26 revenue. Its portable, battery-operated PCR platform enables molecular testing at the point of care (PoC), with ~60-minute TAT and limited infrastructure requirements.
- The business is shifting from device-led to recurring test kits-led growth. Over FY23-26, Truenat device/test kit sales clocked 18%/84% CAGR, with TB kits contributing 74% of consumables revenue in FY26.
- Truenat is already deployed at 8,000-9,000 diagnostic centers, with significant scope to replace microscopy-based testing and increase testing intensity.
- Portability and ease of use differentiate Truenat from conventional centralized PCR, making it relevant for PHCs, remote locations and smaller healthcare facilities where centralized testing is less practical.
- We expect Truenat to remain the key growth driver, with an estimated revenue CAGR of ~16% over FY26-29E, led by expansion of the installed base and higher utilization of existing devices through usage for additional indications.

Prognosys: Imaging widens the access play

- Prognosys complements Molbio's PoC portfolio, contributing ~11%/7% to consolidated revenue/earnings in FY26.
- Ultra-portable X-ray can leverage Molbio's TB franchise to expand imaging access across PHCs, mobile camps and remote locations.
- PRORAD deployment could drive incremental Truenat testing by expanding TB screening, while ProDigi integrates imaging, interpretation and remote radiologist review. Notably, veterinary imaging offers a longer-term growth opportunity.
- We expect revenue to increase at 36% CAGR over FY26-29E to INR3.9b.

AI powered, digital pathology solutions enabling remote consultations & collaborations

OptraSCAN: Differentiated pathology play; scale-up to watch out for

- OptraSCAN provides Molbio an entry into digital pathology, integrating whole-slide scanners, cloud infrastructure and AI-enabled analysis.
- The on-demand, usage-linked model lowers upfront capex, while telepathology, AI and cloud capabilities offer scope for recurring software-led revenue and wider adoption among smaller laboratories.
- Recent USFDA clearance marks a key commercial milestone, opening a regulatory pathway into the US market. We expect OptraSCAN revenue to commence in FY27 and scale up to INR2.9b by FY29E.

Test kits to fuel growth with built-in operating leverage

End-to-end TB testing
ProRad: X-ray screening for TB
Truenat: RT-PCR confirmatory test for TB

- Test kits drive Molbio's growth, contributing 72% of sales and powering a 63% revenue CAGR over FY24-26, though TB still makes up 96% of volumes. We expect a 23% CAGR to INR27b by FY29E as installed-base utilization and international expansion scale up.
- Strong revival in sales boosted EBITDA margin by 1,500bp YoY in FY24. In FY26, EBITDA margin fell 600bp to 22% on high employee and overhead costs. Operating leverage should take it to ~31.3% and PAT margin to 21.1% by FY29E.
- Plant utilization stands at about 58% for kits and 42% for devices, enough to support roughly 2x revenue growth without significant additional spending.
- RoE bottomed at 15.8% in FY26 as investment costs squeezed margins. With profitability recovering and interest costs easing, we expect RoE to rise to 26% by FY29E, up 1,020bp. With nominal INR130m net debt, the balance sheet is well-positioned for any organic/inorganic expansions.

Valuation and view: Initiate coverage with BUY rating

Base case implies potential upside of 21%; Bull case implies potential upside of 70%; Bear case implies downside of 27%

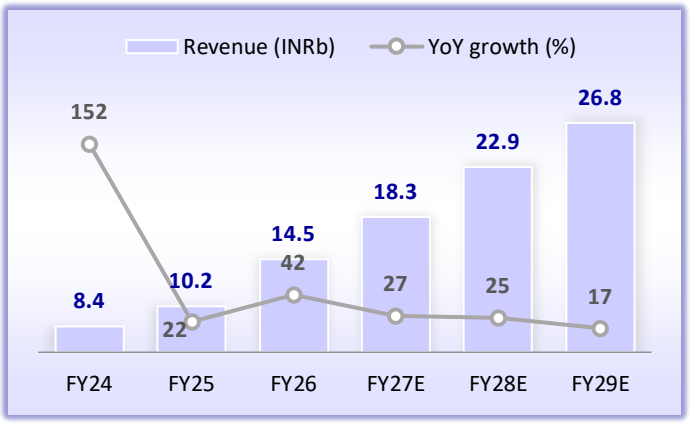
- We believe Molbio is well positioned to capture the opportunity in decentralized molecular diagnostics via its integrated Truenat ecosystem, combining proprietary molecular diagnostic devices with a recurring test-kit franchise. The expanding installed base, widening assay menu and global scale-up are key levers for sustainable growth, while increasing utilization should drive operating leverage.
- We believe successful diversification beyond TB, stronger international adoption and improving cash conversion could support a re-rating, while dependence on government orders and elevated working capital remain key risks.
- We model a 23% revenue CAGR, 910bp margin expansion, and 50% PAT CAGR over FY26-29E. We assign a 45x 12-month forward earnings multiple to arrive at a TP of INR1,800, implying a 21% potential upside. (**Bull case TP:** INR2,575 | **Bear case TP** of INR1,100). We initiate coverage with a BUY rating.

Key risks

- Key risks are customer concentration, high revenue contribution of TB testing, delays in regulatory approvals and slower-than-expected adoption of Truenat.

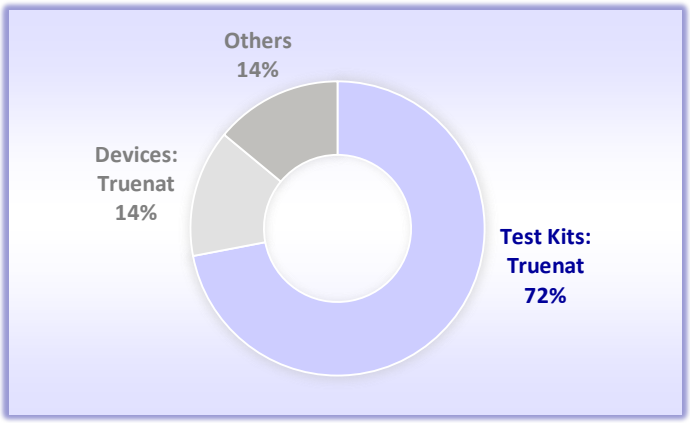
STORY IN CHARTS

Revenue growth to be driven by increasing test kit utilization



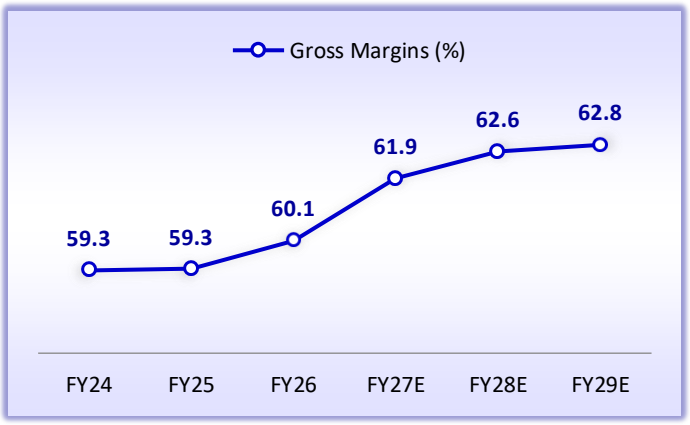
Source: MOFSL, RHP

Product-wise segmentation in FY26



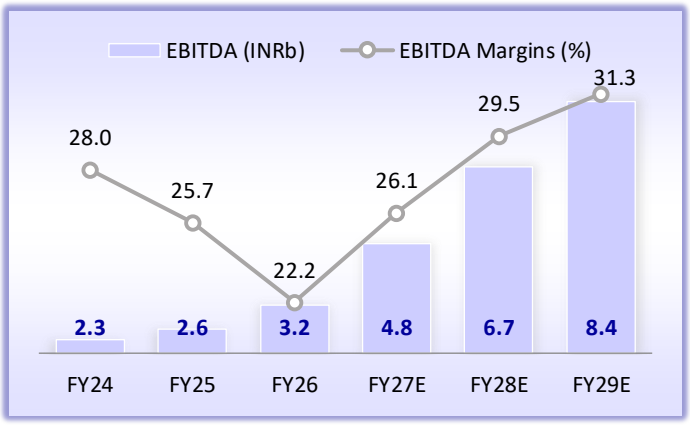
Source: MOFSL, RHP

Gross margins expected to reach 63% by FY29E



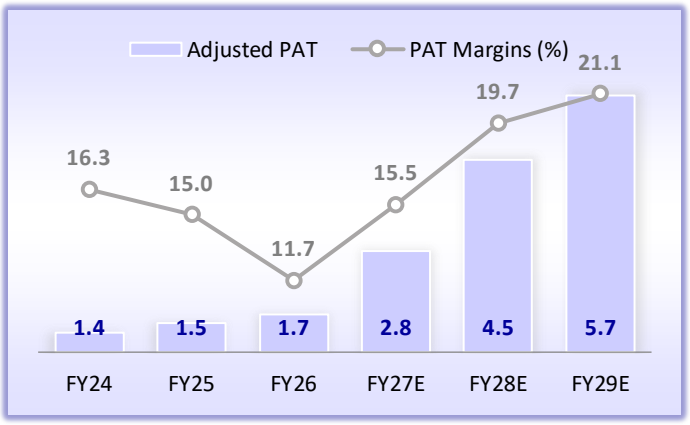
Source: MOFSL, RHP

EBITDA margin on a rising trajectory



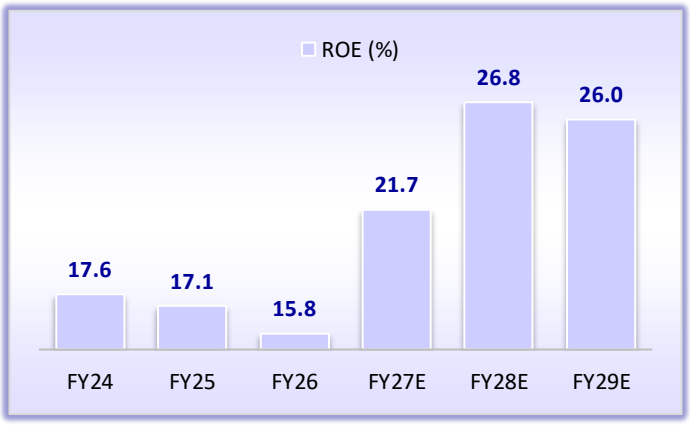
Source: MOFSL, RHP

Over FY26-29E, adjusted PAT to clock 50% CAGR



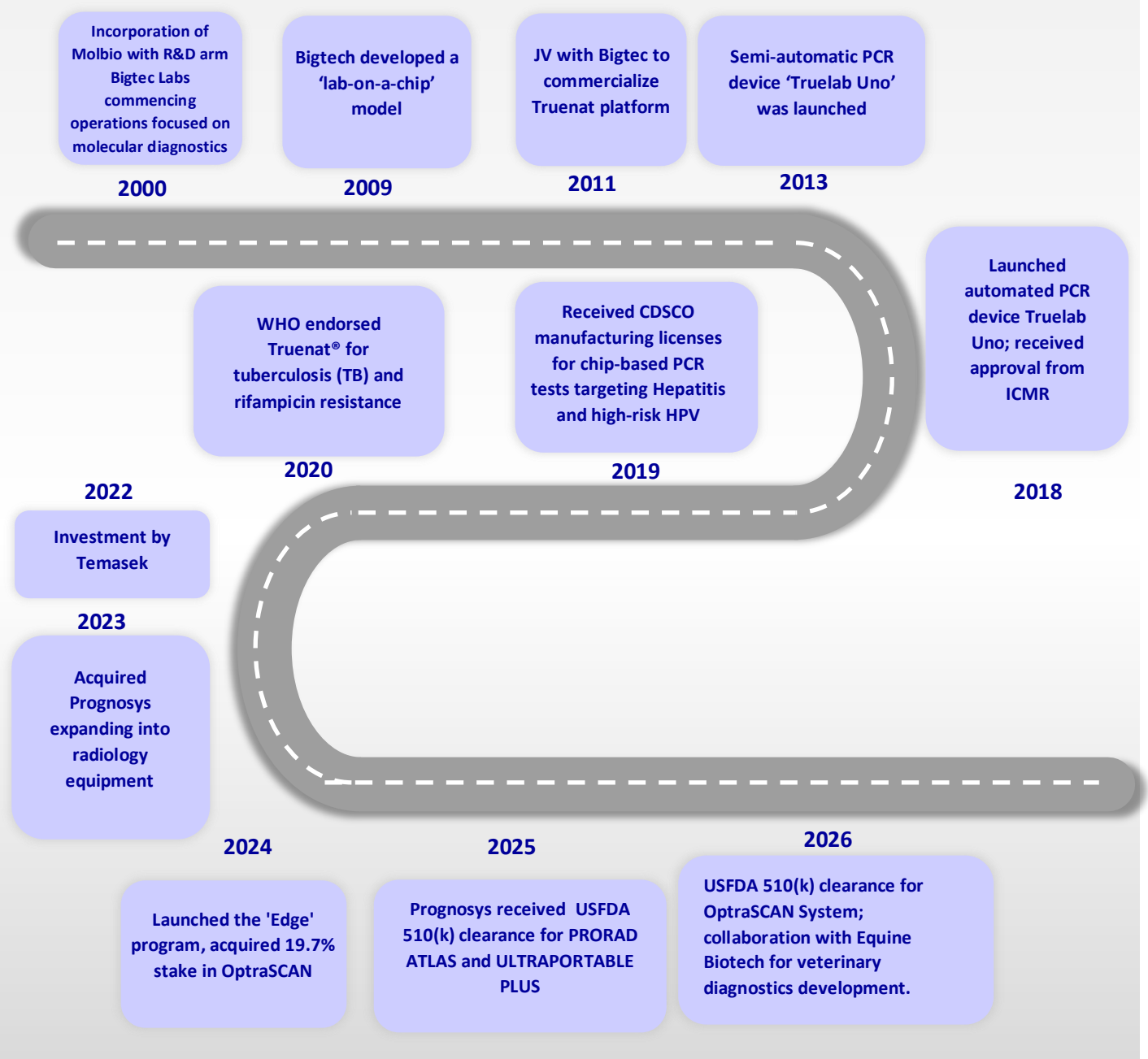
Source: MOFSL, RHP

ROE to reach 26% by FY29E



Source: MOFSL, RHP

Molbio: Major events and milestones for the company

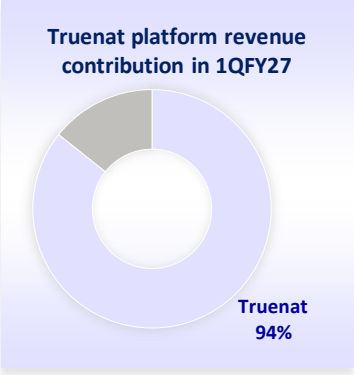


Growth strategy

Expand geographical presence	❖	Focus on boosting exports to Africa/Southeast Asia while planning entry into EU/US markets with Molbio products.
Beyond TB assay expansion	❖	Leverage R&D to create PoC platforms using multiplex PCR technologies for immunochemistry, hematology, histopathology, biochemistry and antimicrobial resistance.
Expand suite of tests	❖	Advance a pipeline containing 34 assays and 22 diseases, highlighting commercialized key tests like TB, HPV, hepatitis, and HIV.
Strategic acquisitions & alliances	❖	Grow inorganically through partnerships with companies like Prognosys, OptraScan, CoGensec, Xcyton, Stellar, and Testi, alongside establishing a center of excellence in Bengaluru.
New products	❖	The expansion into digital pathology (OptraSCAN) and digital radiology (Prognosys) broadens Molbio's addressable market and creates opportunities to offer an integrated diagnostic ecosystem.

Truenat: A device-led entry point to a consumable-led growth model

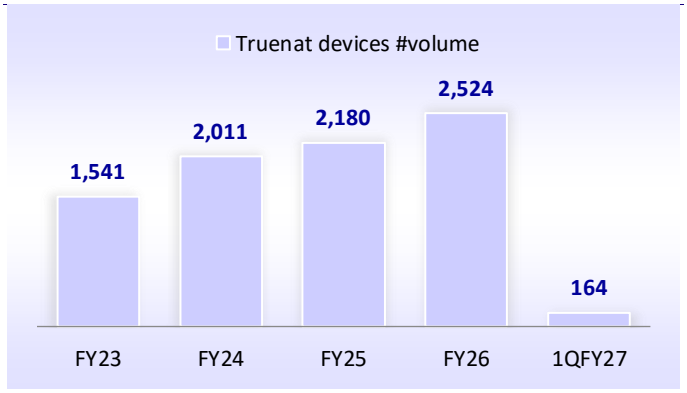
- Truenat offers last-mile solution in molecular diagnostics through a portable, battery-operated platform with ~60-minute TAT, making PCR viable across PHCs, remote centers and resource-constrained settings.
- The device creates the installed base, while proprietary test kits monetize it creating a razor-blade model. With ~75% of revenue derived from test kits, Molbio has shifted toward a recurring, consumables-led revenue stream.
- The closed device kit ecosystem creates customer stickiness, while long operating life of Truenat machines supports multi-year recurring kit consumption without relying on frequent device replacement.
- With 43 assays across 30 diseases and another 34 assays in the pipeline, the same installed base can support multiple diseases, driving higher tests/devices and kit consumption without proportional hardware additions.
- Lower utilization of devices/test kits, currently at 42%/58%, provides a significant growth runway.



From machines to millions of tests, Truenat platform remains core growth engine

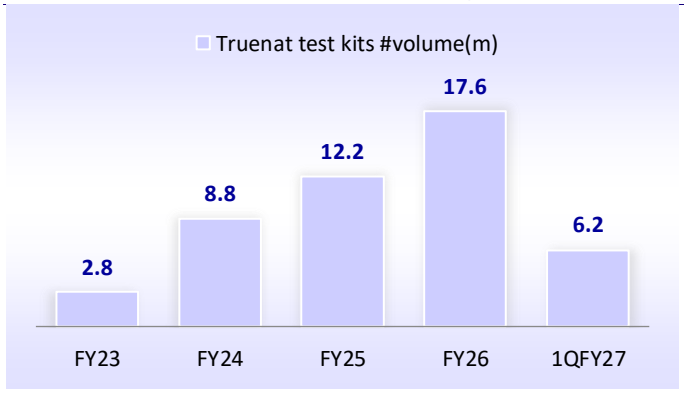
- From centralized labs to PoC, Molbio's Truenat platform is bringing molecular diagnostics closer to patients through a compact, low-infrastructure model with sub-hour results.
- For Molbio, Truenat platform (~2,524 devices/17.6m test kits sold in FY26) is the core growth engine, contributing ~90% of consolidated revenue in FY26. While the segment posted 31% revenue CAGR over FY24-26, the growth remained strong at ~33% YoY in FY26, ahead of its past revenue trajectory.
- Notably, Truenat test kit/device sales contributed ~74%/~14% of consolidated revenue, with TB test kits being the largest contributor at ~70%.

Exhibit 1: Over FY23-26, Truenat devices saw 18% CAGR



Source: MOFSL, Company

Exhibit 2: Over FY23-26, Truenat test kits posted 84% CAGR



Source: MOFSL, Company

Indian innovation meets global healthcare needs: Truenat poised to redefine molecular diagnostics

- Molbio is attempting to address one of the biggest structural gaps in global healthcare diagnostics - the lack of access to rapid, accurate molecular testing outside large centralized laboratories.
- Molecular diagnostics historically evolved around centralized PCR laboratories, which required high infrastructure investment, skilled manpower and sample transportation, resulting in a turnaround time of 2-7 days.
- The industry subsequently moved toward integrated PCR systems during the mid-2000s, bringing down infrastructure requirements and TAT to ~1-2 hours.
- The next transition is to PoC-PCR, which enables molecular testing closer to the patient, with significantly lower infrastructure requirements and TAT of less than an hour.

Exhibit 3: From centralized labs to PoC, bringing molecular diagnostic closer to patient



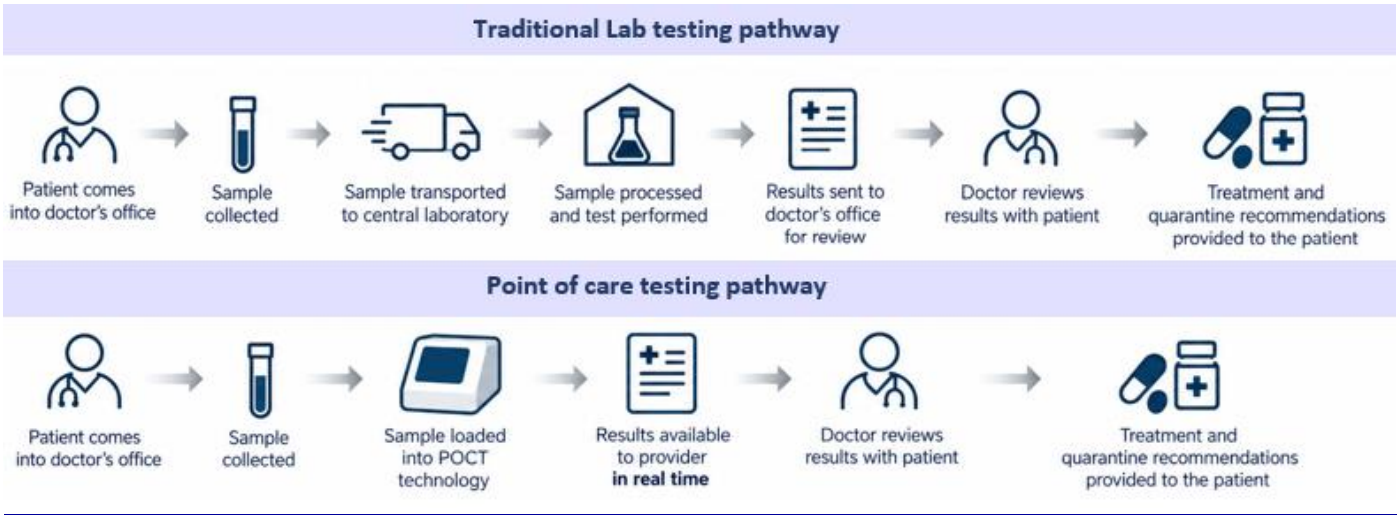
- Molbio has been at the forefront of this transition through Truenat, its proprietary portable, battery-operated real-time PCR platform designed specifically for decentralized molecular testing.
- The platform can operate in resource-constrained settings and deliver results in about an hour, making it particularly relevant for primary healthcare centers and remote geographies.
- Truenat is protected by patents in more than 100 countries and currently supports molecular testing across 30 diseases through 43 assays. As of Mar'26, more than 12,500 Truenat devices had been deployed across 90+ countries, highlighting the global acceptance of the platform.

From centralized labs to patient's doorstep; the next diagnostic inflection

- The evolution of molecular diagnostics is increasingly moving toward decentralization, driven by the need for faster diagnosis, lower infrastructure requirements and improved access in underserved markets.
- While centralized labs are critical for complex testing, they are often less suited to diseases where early diagnosis and immediate treatment initiation are critical.
- Truenat addresses this gap through a combination of portability, battery operation, automation, rapid turnaround time and multi-disease capability. This makes it particularly relevant for primary healthcare and resource-limited settings where conventional molecular laboratories may not be economically or operationally viable.

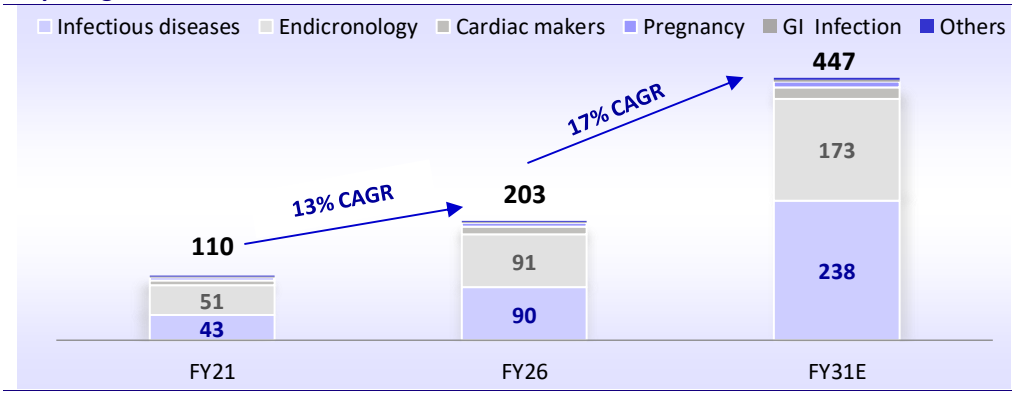
- The opportunity is, therefore, not merely a shift from one PCR technology to another. It represents a structural shift in where molecular diagnostics are performed – from centralized laboratories toward decentralized healthcare facilities.

Exhibit 4: Comparison of traditional and central lab testing pathway



- The decentralization of diagnostics is supported by sizeable and rapidly expanding POC testing market in India. Currently, the India's POC testing market is valued at ~INR203b. Over FY26-31E, the segment is expected to reach INR447b, delivering ~17% CAGR.

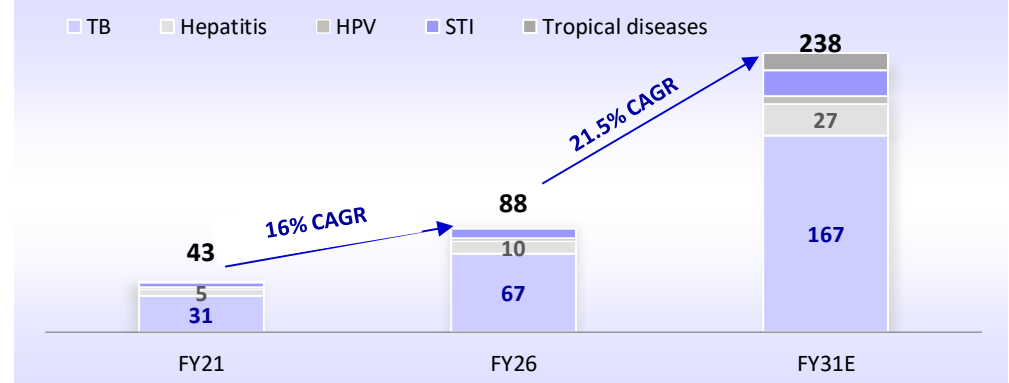
Exhibit 5: Over FY26-31, India POCT market to see 17% CAGR, with infectious diseases outpacing at 21.5% CAGR.



Source: MOFSL, Company

- Within this market, infectious diseases and endocrinology are the two major segments, valued at ~INR89.7b/INR90.5b in FY26. Notably, over FY26-31E, the infectious disease vertical is expected to be the faster-growing segment with ~21.5% CAGR, supported by higher disease surveillance, increasing healthcare infrastructure, greater awareness and growing emphasis on early diagnosis.

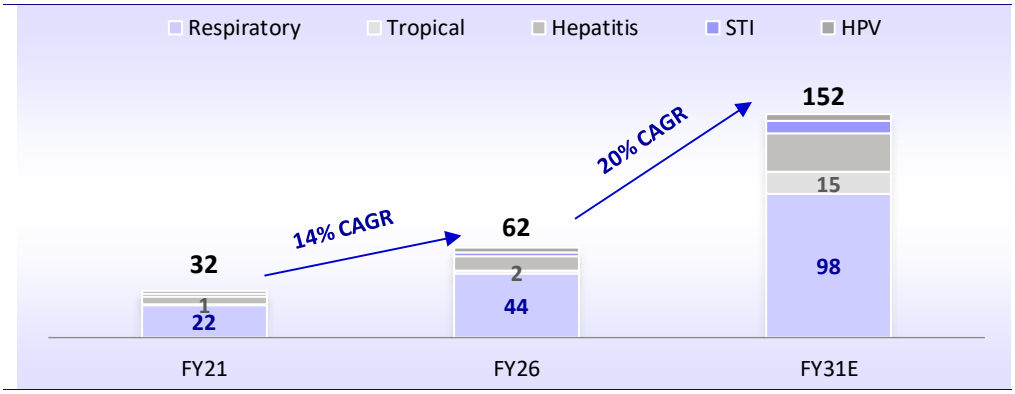
Exhibit 6: Over FY26-31E, India's infectious POC testing market is estimated to clock 21.5% CAGR, supported by TB/Hepatitis/STI



Source: MOFSL, Company

Exhibit 7: Over FY26-31E, India infectious molecular POCT market to deliver 20% CAGR

India's high infectious disease burden, coupled with limited access to rapid molecular diagnostics, creates a long-term demand pool for decentralized molecular POCT



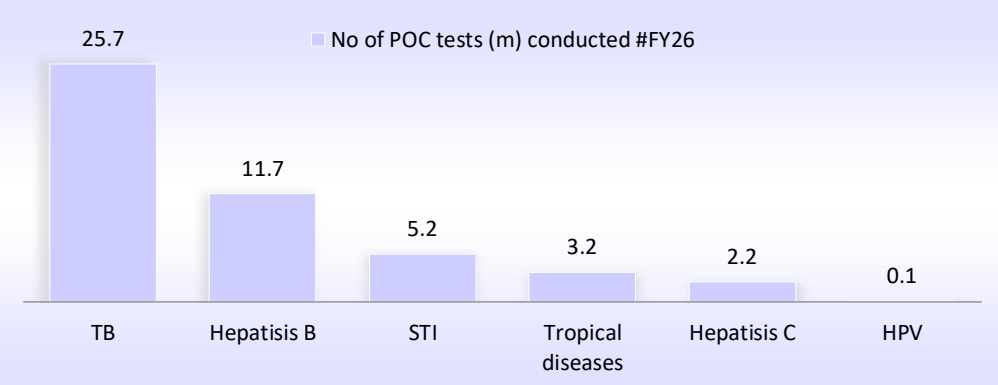
Source: MOFSL, Company

- ***Thus, the opportunity combines three attractive characteristics: a large addressable market, high structural growth and relatively low penetration of molecular testing at PoC.***

India's infectious disease burden provides a natural entry point for Truenat

- India's high infectious disease burden creates a strong structural case for decentralized molecular diagnostics.
- TB is the most significant opportunity, while hepatitis/HIV/dengue/malaria/HPV and other infectious diseases provide a broader set of potential applications for molecular testing.
- The scale of testing already undertaken illustrates the opportunity. Currently, India conducted ~25.7m POC tests for TB, followed by ~11.7m/5.2m tests for Hepatitis-B/HIV & syphilis. Despite these volumes, access to rapid molecular diagnosis remains uneven, particularly outside major urban centers.

Exhibit 8: 25m+ TB tests in India: scale exists, molecular penetration is the opportunity



Source: MOFSL, Company

- 10.7m people were diagnosed with TB in 2024
- 1.2m people died of TB in 2024.
- ~2 in 5 people with drug resistant TB accessed treatment

- The adoption of molecular testing is moving in the right direction. In CY22, ~47% of patients tested for TB were diagnosed using rapid molecular tests, up from 38% in CY21.
- ***Interestingly, this gap between disease burden and molecular-testing penetration provides a meaningful runway for Truenat.*** Its ability to perform molecular testing closer to the patient makes it particularly relevant in settings where conventional laboratory infrastructure, sample transportation and skilled manpower remains constraint.

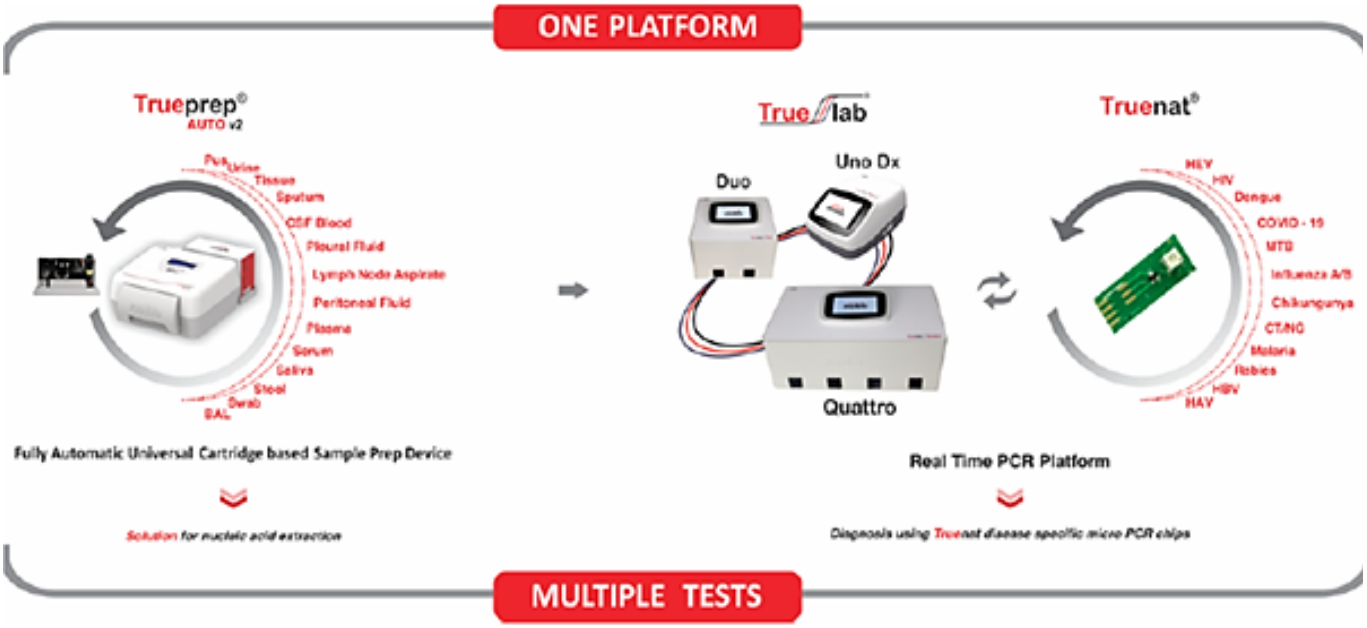
33,000+ PHCs create a structural decentralization opportunity:

- India's extensive primary healthcare network provides large addressable base for decentralized molecular diagnostics.
- With 33,000+ PHCs, the country has a wide network of frontline healthcare facilities serving rural and semi-urban populations. Yet, sophisticated molecular diagnostics remains concentrated in larger cities and centralized laboratories.
- The industry assessment points to a significant supply-demand gap. India has ~8,300 molecular testing laboratories, including ~8,000 PHCs, while private-sector molecular testing infrastructure remains relatively limited.
- ~1,400 private healthcare facilities currently possess molecular diagnostics capabilities, compared with estimated potential install base of ~17,000 facilities.
- ***This creates two complementary growth pools for Molbio:***
- ***Public healthcare:*** *Expanding molecular-testing access across PHCs can strengthen decentralized disease surveillance and enable earlier diagnosis and treatment, particularly for infectious diseases ~TB.*
- ***Private healthcare:*** *Smaller hospitals, diagnostic centers and healthcare facilities can adopt molecular testing without the patient volumes, infrastructure or skilled manpower required to establish conventional centralized laboratories.*

Truenat: Installed base is the moat; test kits are the monetization engine

- The Truenat platform creates classic razor-and-blade model; the instrument establishes the installed base, while recurring test-kit consumption monetizes that base.
- Truenat is a closed proprietary system. The company's reagents and consumables work only with Truenat devices, while third-party kits cannot be used on the platform. This creates significant recurring revenue visibility once a machine is installed.

Exhibit 9: Truenat platform comprising Trueprep/Truelab



Source: MOFSL, Company

Exhibit 10: Truenat workstation comprising Trueprep/Truelab devices along with accessories





Source: MOFSL, Company

- Truenat addresses constraints through four critical features:
  Small-batch economics: Testing can be performed on a few samples rather than waiting for large batches.
  Battery operation: Reduces dependence on grid electricity.
  Portability: The platform can be deployed at remote healthcare facilities.
  Rapid TAT: Molecular results can be generated in approximately 60 minutes

Exhibit 11: Current PCR vs. Truenat PCR machine

Parameters	Current PCR machine (Centralized)	Truenat (Decentralized)
TAT	120 min	60 min
Power source	Primary power source	Battery operated
Temperature	4C to 99C	High temperature
Samples	Batch processing up to 96 tests (require fixed no of samples to start the test)	1/2/4 samples processed simultaneously
Portability	Not portable	Portable, designed for field use
Training	training is required	user friendly, minimal training
Maintenance	Proper & routine maintenance	Low maintenance, minimal calibration

Source: MOFSL, Company

- The device comprises Uno/Duo/Quattro configurations allowing testing of one, two or four samples at a time, with random access capability on the higher-throughput systems.

Exhibit 12: Truelab Uno



Source: MOFSL, Company

Exhibit 13: Truelab Duo



Source: MOFSL, Company

Exhibit 14: Truelab Quattro



Source: MOFSL, Company

- The second layer of the installed-base thesis is assay expansion. The same Truenat machine can be used for different diseases, with the consumables changing according to the test. The platform currently offers 43 assays across 30 diseases, while management is developing another 34 assays across 22 diseases.
- The Truenat kits are available for infectious/non-communicable diseases across respiratory/viral/STI/vector borne/hepatitis/hepatitis/zoonotic/hepatitis.

Exhibit 15: Wide range of assays

Category	Truenat assays
Respiratory infections	❖ MTB; MTB Plus; MTB-RIF Dx; MTB-INH; Influenza A/B; H3N2/H1N1; COVID-19; Inf A,B/COVID-19
Vector-borne diseases	❖ Malaria Pv/Pf; Dengue/Chikungunya; Dengue; Chikungunya
Hepatitis	❖ HBV; HCV; HAV; HEV
Sexually transmitted infections	❖ HIV-1/HIV-2; HPV-HR; HPV-HR Plus; HSV 1/2; CT/NG; Trich; MGen
Zoonotic diseases	❖ Rabies; Nipah
Viral infections	❖ EBV; CMV
Bacterial infections	❖ Salmonella; GBS; LTS; Scrub T; Shigella; CDI; Cholera; M. leprae
Others / NCD-related	❖ HLA-B27

Source: MOFSL, Company

TB test kits continue to build base momentum

- Truenat test-kit segment emerged as core growth engine for Molbio, contributing ~75% of consolidated revenue in FY26. The segment posted 39% revenue CAGR over FY24-26, and the growth remained strong at ~44% YoY in FY26, ahead of the revenue trajectory of historical years.
- The strong revenue growth has been accompanied by a sharp increase in test-kit volumes. Notably, TB accounted for 96% of total volumes in FY26, up from 94% in FY24, highlighting the continued dependence of the platform on TB.
- Non-TB volumes remained broadly stagnant at ~0.7m units annually, indicating that the broader assay portfolio is yet to translate into meaningful utilization.
- TB remains the anchor application for Truenat in India and has played a critical role in establishing Molbio's installed base. Truenat is currently deployed across ~8,000-9,000 of India's estimated 25,000-30,000 TB diagnostic centers.
- Importantly, management indicates that the vast majority of the remaining centers continue to rely on traditional smear microscopy rather than another molecular platform.



- Notably, Truenat is one of only two WHO-endorsed molecular technologies for TB and the only battery-operated platform capable of decentralized PoC testing.
- Further expansion of the installed base should be driven primarily by conversion of microscopy-based testing to molecular diagnostics rather than displacement of another molecular competitor.
- This creates two distinct avenues for TB-led growth: (1) expanding Truenat's installed base into the remaining microscopy-led centers, and (2) increasing recurring test-kit consumption as existing centers migrate from microscopy to molecular testing.
- However, the more interesting medium-term opportunity lies in monetizing the installed base beyond TB.

HPV to emerge as next major utilization driver for Truenat

- While TB remains the anchor application that has helped Molbio establish a large installed base, HPV represents an important opportunity to broaden Truenat utilization beyond TB.
- The opportunity is particularly attractive because HPV screening is moving from conventional methods towards molecular HPV DNA testing, creating a potential structural shift in the diagnostic workflow.

Truenat HPV assay; validation process led by AIIMS with WHO/Gates foundation

- Molbio's Truenat HPV assay has undergone an extensive validation process, led by AIIMS, in collaboration with international agencies, including the WHO/Gates Foundation.
- Management indicated that multiple indigenous HPV DNA tests were evaluated where Truenat was the only Indian test to meet the prescribed international criteria, following which a recommendation was made to GOI for its rollout under the national program.
- Importantly, the opportunity received validation from an economic standpoint. The GOI conducted a health technology assessment and concluded that Truenat's HPV test was cost-effective at the price offered for screening women in the 30-45 age group. ***This is significant because it improves the probability of HPV testing being incorporated into a large-scale public-health screening program rather than remaining a niche diagnostic application.***
- The addressable opportunity is sizeable. Under the proposed screening protocol, women in the 30-45 age group are expected to undergo HPV screening, while the government is pursuing HPV vaccination for younger girls. ***This creates a two-pronged prevention strategy; vaccination for younger cohorts and molecular screening for women in the target age group, which could support sustained demand for HPV diagnostics over the long term.***

HPV vaccination for younger girls & molecular screening for women aged 30-45; to support volume growth with diversification beyond TB.

- Notably, the opportunity could extend beyond India if Truenat's HPV assay receives WHO prequalification, for which Molbio is currently in the process of applying.
- Hence, the approval could facilitate participation in international procurement programs and support adoption across emerging markets pursuing cervical-cancer screening and elimination, thereby expanding the addressable market for the HPV assay.

Strategic collaboration: Expanding the Truenat ecosystem

- Molbio is building an ecosystem around Truenat by partnering with external innovators, allowing it to broaden its diagnostic menu without relying entirely on in-house R&D.
- Collaborations with Xcyton for sepsis/meningitis panels, Stellar/HealSeq for TB triage and treatment monitoring, UE Lifesciences for breast-cancer screening, and Equine Biotech for veterinary assays can broaden the platform's applications and increase utilization of its installed base.
- The partnership with Testi Technologies further expands Molbio's PoC portfolio through Promilless. Overall, the collaboration strategy provides an asset-light pathway to add new assays, enter adjacent markets and create additional recurring revenue opportunities.

Exhibit 16: Multiple partnerships

Partner	Collaboration/Product	Strategic Relevance	Potential Opportunity
Xcyton Diagnostics	Multiplex RT-PCR panels for sepsis, fever, bacterial & viral meningitis	Converts existing panels to Truenat-compatible RT-PCR format	Expands assay menu & utilization
Stellar Diagnostics	Rapid TB triage test based on antibody detection	Helps identify patients likely to have active TB before molecular confirmation	Strengthens TB screening-to-confirmation workflow
HealSeq	Host-response biomarker TB assay	Detects TB and potentially monitors treatment response	Moves beyond diagnosis towards treatment monitoring
UE Lifesciences	iBreastExam (IBE) breast-health screening device	Portable, battery-operated POC screening solution	Expands into cancer screening & NCDs
Equine Biotech	Veterinary molecular diagnostic assays for Truenat	Leverages Truenat platform for animal diagnostics	Opens a new veterinary diagnostics TAM
Testi Technologies	Promilless saliva-based alcohol test strips	Manufacturing and commercialization partnership	Extends Molbio's POC product portfolio

Source: MOFSL, Company

Truenat's edge: PCR portability meets WHO-backed TB testing

- Truenat competes with established molecular POC platforms such as Cepheid's GeneXpert/Abbott's ID NOW, but is differentiated by its battery-operated architecture, low infrastructure requirements and small-batch economics.
- Notably, both Truenat/GeneXpert received WHO recommendation for TB molecular testing applications, reinforcing their relevance in decentralized TB diagnosis.

Exhibit 17: Peer analysis of Truenat Platform

Parameter	Molbio - Truenat	Cepheid - GeneXpert	Abbott - ID NOW	bioMérieux - BioFire
Core technology	Chip-based real-time micro-PCR	Cartridge-based real-time PCR	Isothermal molecular amplification	Multiplex PCR
Primary positioning	Decentralized / near-patient molecular testing	POC / near-patient molecular testing	Rapid POC molecular testing	Near-patient / laboratory molecular testing
Key geographical markets	India, Africa, Southeast Asia, Latin America; expanding into Europe/US	Global; strong presence across US, Europe and emerging markets	Primarily US and developed healthcare markets; global presence	US, Europe and other developed healthcare markets; global distribution
Portability	High; battery-operated	Moderate	High	Relatively low
Infrastructure requirement	Low	Moderate	Low	Moderate-high
Typical TAT	~60 minutes	~1-2 hours, depending on assay	As low as ~13 minutes for selected assays	~1 hour
TB positioning	Core franchise; WHO-endorsed	Core franchise; WHO-endorsed	Not a major TB franchise	Not a core TB franchise
Key differentiation	Portable PCR + low infrastructure + small-batch economics	Established installed base + broad menu	Speed + simplicity	Multiplexing + broad syndromic testing

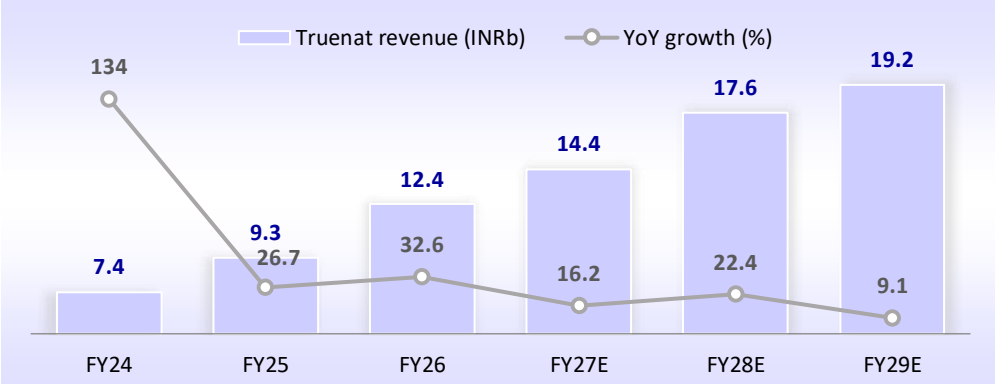
Source: MOFSL, Company

TB/HPV test kits to drive compounding revenue

- We expect the Truenat platform to remain the key growth driver for Molbio, with ~16% revenue CAGR over FY26-29E, supported by continued expansion of the installed base and increasing utilization of existing devices.
- While TB is likely to remain the primary volume contributor in the near term, the growing assay menu and potential ramp-up of HPV should provide incremental utilization-led growth.
- The combination of device placements, recurring test-kit consumption and assay expansion provides visibility on revenue growth, while the shift toward decentralized molecular diagnostics offers a structural tailwind for the platform.

Device placement + recurring test kit consumption + expanding assays; to create a scalable, utilization led growth model

Exhibit 18: Over FY26-29E, Truenat platform revenue is expected to deliver 16% CAGR



Source: MOFSL, Company

Prognosys: Extending PoC strategy from molecular diagnostics to imaging

- Prognosys provides Molbio with a strategic entry into PoC imaging, with PRORAD's ultra-portable X-ray systems well positioned to benefit from India's push toward decentralized TB screening.
- We believe this can position Prognosys as the screening arm of Molbio's PoC diagnostics ecosystem, with potential to drive both imaging revenue and incremental Truenat kit utilization.
- Key moniterables for the thesis include PRORAD adoption in TB programs, ultra-portable device growth, AI integration, international expansion and veterinary imaging.

Building an integrated screening to confirmatory platform

- Prognosys represents a strategically complementary extension of Molbio's PoC diagnostics franchise, allowing the company to move upstream from disease confirmation into population-level screening.
- Currently, Prognosys' ~70% controlling stake contributed ~11%/3% to consolidated revenue at ~INR1.5b/INR110m in FY26/1QFY27. It is an earnings-accretive segment and contributed ~7% to consolidated earnings rather than a pre-commercial investment.
- It offers digital imaging solutions under the ProRad brand spanning ultra-portable, mobile, fixed and ceiling-suspended X-ray systems as well as C-arm systems. Its ProDigi platform adds digital workflow, AI-assisted interpretation and remote radiology capabilities.
- The product portfolio includes ultra-portable/mobile/fixed/ceiling suspended/ high frequency C-arm X-ray systems.

Exhibit 19: Ultraportable X-ray system



Source: Company, MOFSL

Exhibit 20: Mobile X-ray system



Source: Company, MOFSL

Exhibit 21: Ceiling suspended X-ray system



Source: Company, MOFSL

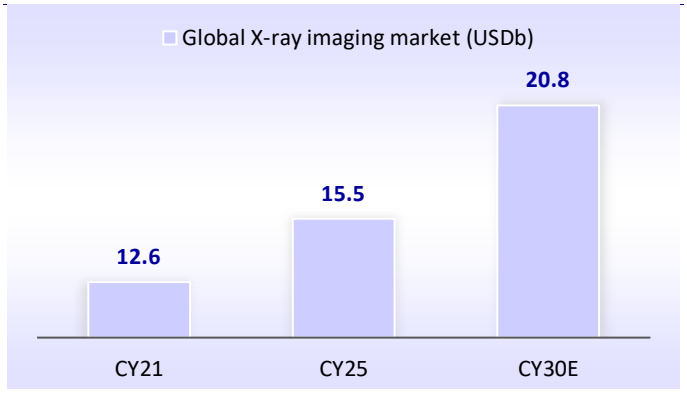
- While Prognosys has a broader radiology portfolio, we believe its ultra-portable X-ray offering is the most strategically relevant for Molbio, given the strong overlap with its existing TB franchise.

PoC X-ray to be the next leg of diagnostic decentralization

- The broader global X-ray imaging market ~USD15.5b in CY25 is projected to reach ~USD20.8b by CY30, implying a ~6% CAGR. X-ray remains the largest radiology modality, accounting for ~35% of the global imaging market, supported by its relatively low cost and wide applicability across chest, skeletal and routine diagnostic imaging.

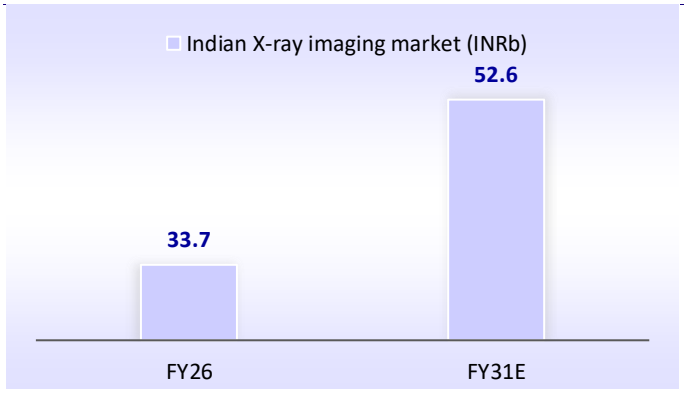
- India offers a relatively stronger growth opportunity, with the X-ray market of ~INR33.7b in FY26 is projected to reach INR52.6b by FY31, implying a ~9.3% CAGR. However, the more relevant opportunity for Prognosys lies within PoC imaging, where technological miniaturization is enabling X-ray systems to move beyond conventional hospitals and diagnostic centers into PHCs, CHCs, mobile health camps and remote locations.

Exhibit 22: Over CY25-31, the global X-ray imaging market to deliver~6% CAGR



Source: MOFSL, Company

Exhibit 23: Over FY26-31, Indian X-ray imaging market to deliver ~9.3% CAGR

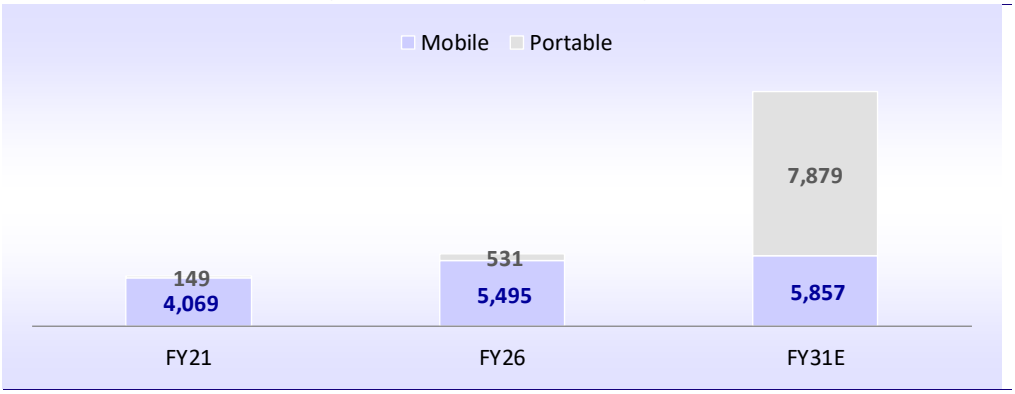


Source: MOFSL, Company

- This transition has similarities with what Truenat achieved in molecular diagnostics. Just as Truenat miniaturized PCR and brought molecular testing closer to the patient, ultra-portable X-ray systems are enabling imaging to move closer to the patient.
- Battery-operated, lightweight systems reduce dependence on fixed radiology infrastructure and can be deployed in locations where conventional X-ray installations may not be economically or operationally viable.
- While the current Indian portable X-ray devices market with ~531 units is estimated to grow at ~71.5% CAGR over FY26-31, reaching ~7,900 units by FY31.

Battery-operated, lightweight systems enable deployment beyond conventional radiology infrastructure

Exhibit 24: Portable POC X-ray device (#units sold annually) in India to deliver 71% CAGR



Source: MOFSL, Company

- The opportunity is particularly attractive in India, where government-led TB screening is driving demand for portable imaging. Notably, over FY26-31, 9.8k handheld/ultra-portable devices are expected to be included in the market.

PRORAD & Truenat create a natural 'screen-to-confirm' TB proposition

ProRad Atlas Ultraportable received USFDA clearance & ICMR validation for chest X-ray imaging

- The strategic rationale for Prognosys becomes compelling when viewed alongside Molbio's existing strength in TB diagnostics.
- X-ray and molecular testing address two different stages of TB diagnostic pathway. Ultra-portable X-ray can be used to screen large populations and identify individuals with suspected TB, while Truenat provides molecular confirmation of disease.
- This creates a potentially integrated screening-to-confirmation model.
- PRORAD can be deployed for active case finding across communities, PHCs and mobile screening programs, following which individuals with X-ray findings can be tested using Truenat.
- This expands Molbio's addressable opportunity from simply providing a confirmatory molecular test to participating across a larger portion of the TB diagnostic pathway.
- The synergy is relevant since India's TB elimination strategy requires active case finding rather than relying only on symptomatic patients reaching healthcare facilities.
- Higher deployment of ultra-portable X-ray devices can increase the number of individuals screened, which can increase the number of suspected TB cases identified and consequently, create additional demand for Truenat confirmatory tests and recurring test-kit consumption.
- Hence, Prognosys has potential to support not only its own equipment revenue but also utilization of Molbio's core Truenat installed base.

ProDigi adds digital and AI layer to portable imaging

- Prognosys' proposition extends beyond X-ray hardware via its ProDigi digital health platform. The platform captures patient information, integrates X-ray images generated through PRORAD devices and uses artificial intelligence to assist with interpretation. It also enables registered radiologists to remotely review X-rays through its Tele-Rad application.

Prognosys moves beyond X-ray hardware by combining image acquisition, AI assisted interpretation & remote radiology.

- This digital layer is important for POC imaging since deployment of an X-ray machine to a remote location does not necessarily solve the shortage of radiologists.
- By combining portable image acquisition with AI-assisted interpretation and remote radiology, Prognosys can potentially separate the physical location of the patient from that of the specialist interpreting the scan. This improves the scalability of the platform across rural and underserved locations.
- The company has developed a Digital platform lite for TB, connecting ultra-portable X-ray system with AI algorithm and Molbio's molecular platform.
- This brings together imaging, digital interpretation and molecular confirmation within the same diagnostic ecosystem and reinforces the strategic fit between Prognosys and Truenat.

Mobile units expand last-mile diagnostics access

- Interestingly, Molbio has combined Prognosys imaging systems and its molecular platform within mobile healthcare units deployed through vans, trucks and jeeps.

- It effectively creates a mobile diagnostic center capable of reaching populations that may otherwise have limited access to conventional diagnostic infrastructure.

Exhibit 25: Mobile healthcare units via jeeps/vans



Veterinary imaging to provide additional optionality

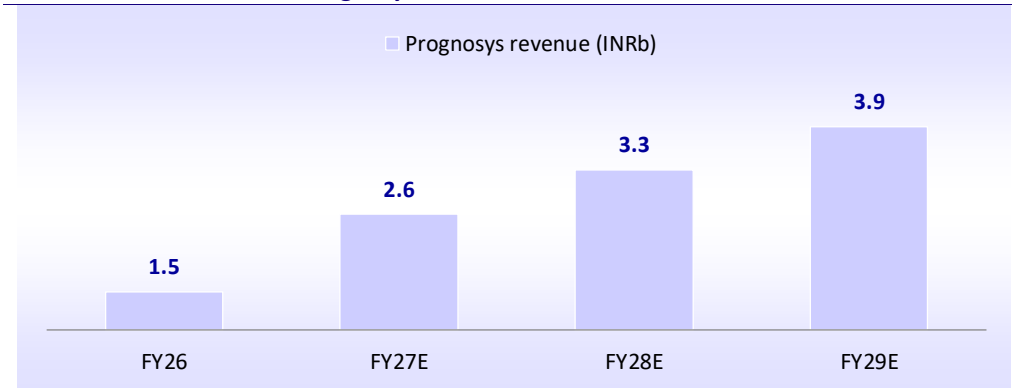
Veterinary imaging offers incremental growth optionality by leveraging Prognosys' existing technology and capabilities.

- Prognosys expanded into veterinary diagnostic imaging, offering imaging products and software solutions across India/international markets.
- Hence, veterinary imaging is a longer-term optionality rather than central component of near-term thesis. However, it offers an additional avenue to leverage Prognosys existing imaging technology and regulatory capabilities across a new end-market without requiring Molbio to build an entirely new technology platform.

Complementary growth engine built around decentralized imaging

- Over FY26-29E, we expect Prognosys to deliver ~36% CAGR to reach ~INR3.9b by FY29E, driven by increasing adoption of PRORAD's ultra-portable X-ray systems, particularly across government-led TB screening programs.
- The integration of portable imaging with AI-enabled interpretation and Molbio's Truenat platform should strengthen the screen-to-confirm proposition, while expansion into mobile diagnostics and international/veterinary markets provides additional growth optionality.

Exhibit 26: Over FY26-29E, Prognosys revenue to deliver 36% CAGR



Source: MOFSL, Company

OptraSCAN: End-to-end digital pathology stacks position beyond scanners

- With OptraSCAN, Molbio enters the fast-growing digital pathology market, combining whole-slide imaging, software, cloud infrastructure and AI-enabled analysis in an integrated workflow.
- The recent US FDA 510(k) clearance is a key inflection point, opening access to US, which accounts for ~60% of the global pathology market. Discussions are already underway with large laboratory and hospital networks.

Remains early-stage; with profitability deferred beyond FY27

Currently OptraSCAN is in scale-up phase, with profitability expected to strengthen beyond FY27, providing scope for meaningful operating leverage.

- Optra-scan gives Molbio strategic entry into digitalization of pathology, transforming a traditionally microscope-driven workflow into a connected, software-enabled platform.
- Despite Molbio's ~60% controlling stake, OptraSCAN's contribution to consolidated revenue remains minuscule in FY26/1QFY27, reflecting its early stage of commercialization. Currently, the segment reported loss of ~INR90m in 1QFY27, where the management does not expect segment to turn profitable in FY27.
- The product portfolio of Optra-scan includes 5 scanner models; OS-Ultra/OS-Lite/OS-Six/OS-FS/OS-FII, which scans in under 60 seconds without compromising image quality. Notably, it offers an end to end; AI enabled digital pathology workflow:

  Cloud-enabled: *Secure storage and remote access to pathology images*
  Integrated: *Seamless connectivity with existing laboratory systems*
  AI-enabled: *Machine-learning algorithms for image analysis and decision support*
  Workflow-driven: *Customizable solutions across diagnosis, collaboration and second opinions.*

Exhibit 27: Product portfolio of OptraSCAN



Source: MOFSL, Company

- The business offers an integrated digital pathology stack comprising whole-slide scanners, image-management software, cloud infrastructure and AI-based analysis enabling pathology laboratories to convert conventional glass slides into digital images that can be viewed, analyzed and shared remotely.

Tiered scanner portfolio broadens addressable market:

- The breadth of OptraSCAN's portfolio expands its addressable customer base across laboratory sizes.
- OS-SiX/OS-Lite are suited to lower-volume laboratories, where a smaller footprint and lower upfront investment can support initial digitization, while OS-Ultra enables participation in higher-volume reference laboratories.
- This tiered offering could help OptraSCAN penetrate beyond large hospitals and reference labs, particularly as digital pathology adoption broadens across smaller and mid-sized laboratories.

Exhibit 28: OptraSCAN covers the pathology spectrum from small labs to reference laboratories

Scanner	Capacity	Scan speed	Proposition	Investment relevance	Customer segment
OS-six	6 slides	240s @40×/120s @20x	Compact, walk-away scanner	Lower entry barrier for first-time digitization	❖ **Small la**bs: Ideal entry point for labs with low-to-medium volume considering their first digital pathology adoption. ❖ Researchers: Individual researchers or small teams needing high-resolution WSI for publication-quality analysis. ❖ Education: Training hospitals and universities building digital slide libraries for pathology education
OS-lite	15 slides	40s @20x/90s @40×	Compact higher-throughput system; cloud-enabled workflow	Potential sweet spot for decentralized labs	
OS-ultra	80-480 slides	30s @20x /60s @40×	Continuous/no-touch loading; AI-enabled workflow	Extends offering to enterprise workloads	❖ **Large vo**lume labs: No-touch loading reduces errors and contamination. Designed for 24/7 operation. ❖ Research: High-resolution imaging of tissue samples for in-depth studies. Capture cellular structures and morphology with exceptional clarity. ❖ Education: Build vast digital slide archives for learning, training, and mentoring

*15×15 mm tissue area; quoted scan times vary with tissue area and scanning conditions

Source: MOFSL, Company

OptraSCAN challenges incumbents with flexible deployment and integrated workflow:

- The competitive landscape highlights a segmentation opportunity for OptraSCAN. Established players such as Leica, Hamamatsu and Philips have strong positions in high-volume laboratories supported by large-capacity scanners, clinical regulatory clearances and established ecosystems.
- In contrast, OptraSCAN spans 6-480 slides through OS-SiX, OS-Lite and OS-Ultra, allowing it to address both lower-volume laboratories and larger reference centers. We believe the smaller-format scanners, combined with the on-demand/pay-per-use model, could lower the upfront investment hurdle for digital pathology and support penetration into the relatively under-digitized small and mid-sized laboratory segment.
- At the enterprise end, OptraSCAN faces peers with faster quoted scan speeds and established installed bases. We therefore see scanner speed as a less differentiated part of the proposition; rather, OptraSCAN's competitive positioning rests on the combination of scanner hardware, image-management software, AI, telepathology and flexible OPEX economics.

- If successfully scaled, this model could allow OptraSCAN to capture revenue beyond the initial hardware sales through scanning, software, AI and digital pathology services, creating a potentially more recurring revenue stream.

Exhibit 29: Competitive landscape of digital scanners

Lab segment	Vendor / scanner	Slide capacity	Scan speed / throughput*	Market positioning	Investment relevance
Small / mid-sized Indian labs	OptraSCAN OS-SiX / OS-Lite	6 / 15 slides	240s / 120s @20×; 240s / 90s @40×	❖ Compact scanners; on-demand / pay-per-use model	❖ Lower upfront investment and footprint could broaden digital pathology adoption
Small / mid-sized Indian labs	Hamamatsu NanoZoomer S20MD / Philips SG20, SG60	20 / 20–60 slides	~30s @20×/40× / ~45s @40×	❖ Established platforms with mature workflows	❖ Strong installed base and brand; predominantly suited to established lab workflows
Large reference labs	OptraSCAN OS-Ultra	80–480 slides	30s @20× / 60s @40×	❖ High-volume WSI; continuous loading; integrated IMS/AI	❖ Enterprise capability combined with on-demand economics
Large reference labs	Leica Aperio GT450 DX	450 slides	~32s @40×	❖ Enterprise WSI; established clinical ecosystem	❖ Faster scanning + significant installed base
Large reference labs	Hamamatsu NanoZoomer S360MD / S540MD	360 / 540 slides	~30s @20×/40×	❖ High-throughput clinical WSI	❖ High throughput + established scanner ecosystem
Large reference labs	Philips UFS / SG300	300 slides	~45–60s @40×	❖ Enterprise digital pathology workflow	❖ Strong workflow / image-management integration
Large reference labs	3DHISTECH PANNORAMIC 1000 / 1000 DX	Up to 1,200 slides	~25s/slide @40×	❖ Ultra-high-capacity WSI	❖ Capacity advantage for very high-volume laboratories

*15×15 mm tissue area; quoted scan times vary with tissue area and scanning conditions

Source: MOFSL, Company

Digitization can transform traditionally manual workflow

- The underlying opportunity stems from the highly manual nature of conventional pathology. Pathologists examine large numbers of glass slides under microscopes, creating constraints around throughput, specialist availability and geographical access.
- OptraSCAN replaces the microscope-centric workflow with whole-slide imaging, converting physical biopsy slides into high-resolution digital images that can be stored, analyzed and shared remotely.

Exhibit 30: Automated workflow



Source: MOFSL, Company

Exhibit 31: Converting physical biopsy slides into high-resolution digital images



Source: MOFSL, Company

- The proposition extends beyond replacing the microscope. Its integrated software and cloud infrastructure can enable remote consultations, second opinions, collaborative diagnosis, digital archiving while AI-based image analysis can potentially help pathologists identify slides or areas requiring greater attention.
- This could improve laboratory productivity and allow scarce pathology expertise to be accessed across geographies.

Differentiating factor; on-demand digital pathology

With ~60% of the global pathology market, US commercialization can materially expand OptraSCAN's addressable market.

- OptraSCAN differentiates itself via asset-light 'on-demand digital pathology' model, allowing laboratories to adopt digital pathology without the large upfront capex typically associated with scanner purchases.
- Labs can pay based on actual usage; per scan, slide or analysis while choosing scanners, software and AI capabilities modularly as their requirements scale.
- This converts a traditionally capex-heavy investment into a predictable operating expense and lowers the adoption barrier, particularly for smaller/mid-sized laboratories.
- The model could accelerate digital pathology penetration while creating a recurring, utilization-linked revenue stream for OptraSCAN.

Building a foothold in India; now targeting the US

Ongoing discussions and demonstrations with large US laboratory and hospital networks could drive initial commercial wins.

- With manufacturing capacity of 120 devices, OptraSCAN established ~35-40 systems installed base in India, implying a ~27% utilization rate with significant headroom for growth.
- Molbio's investment of ~USD30m of fresh equity for its 60% stake provides OptraSCAN with funding to pursue its US commercialization strategy.
- The opportunity is significant given that US accounts for ~60% of global pathology market.
- The Jul'26 USFDA 510(k) clearance is key commercial inflection point. The clearance covers the integrated OptraSCAN System, including the OS-Ultra whole-slide scanner, ImagePath software and HER2 image-analysis workflow for the specified clinical use case.
- While the clearance should not be interpreted as approval for all OptraSCAN applications, it provides an important regulatory gateway into the US market.
- OptraSCAN has already started discussions and demonstrations with large laboratory and hospital networks, making customer conversion the most important near-term catalysts.
- Notably, OptraSCAN remains at early stage of commercialization, with minuscule contribution to Molbio's consolidated revenue in FY26. We expect the segment to scale meaningfully, with revenue reaching ~INR2.9b by FY29E, supported by higher scanner placements and increasing adoption of its digital pathology workflow.

Earnings momentum poised to endure

- Molbio clocked a revenue CAGR of 31% during FY24-26, aided by the Truenat device/test kits, which delivered 5%/37% CAGR.
- EBITDA margin is likely to expand to 31.3% over FY26-29E, aided by operating leverage.
- PAT margin reached ~11.7% in FY26 and is expected to rise to 21.1% by FY29E.
- We expect 23% revenue CAGR, led by market share gain, driving 38%/50% CAGR in EBITDA/PAT over FY26-29E.

Increasing Truenat test-kit utilization to drive revenue momentum

- Currently, the Truenat device/test kit segments accounted for ~14%/72% of consolidated revenue in FY26, delivering growth of 0.2%/41.6% YoY.
- Over FY24-26, Molbio delivered revenue CAGR of 31%, with growth accelerating to ~3x YoY in 1QFY27, well ahead of its past revenue trajectory.
- Notably, 1Q growth was primarily led by consumables rather than devices, with Truenat test-kit volumes surging to 6.2m units. The quarter also benefited from INR570m of export orders deferred from 4QFY26 due to Gulf-related disruptions.

Exhibit 32: Revenue trend over FY23-FY29E

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY24-26 CAGR (%)	FY26-29E CAGR (%)
Revenue from sale of Truenat devices (INR m)	1,409	1,847	2,030	2,033	2,300	2,300	2,300	5	4
YoY growth (%)	*NA*	*31.1*	*9.9*	*0.2*	*13.1*	*0*	*0*		
Revenue from sale of Truenat test kits (INR m)	1,785	5,525	7,310	10,348	12,090	15,309	16,908	37	18
YoY growth (%)	*NA*	*209.5*	*32.3*	*41.6*	*16.8*	*26.6*	*10.4*		
Sale of TB test kits (INR m)	1,338	5,087	6,799	9,820	NA	NA	NA	39	
Sale of test kits other than TB (INR m)	448	438	511	528	NA	NA	NA	10	
Consolidated sales (INRm)	**3,325**	**8,366**	**10,204**	**14,457**	**18,305**	**22,855**	**26,842**	**31**	**23**
YoY growth (%)	*NA*	*151.6*	*22.0*	*41.7*	*26.6*	*24.9*	*17.4*		

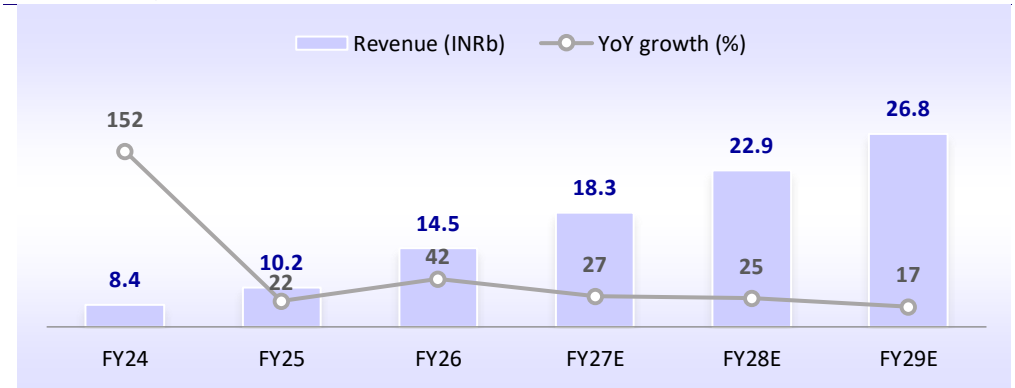
- Truenat test-kit segment emerged as core growth engine for Molbio. While the segment posted 39% revenue CAGR over FY24-26, growth remained strong at ~44% YoY in FY26, ahead of the revenue trajectory of historical years.
- Over FY24-26, the strong revenue growth has been accompanied by a ~41% surge in test-kit volumes, partially offset by a decline in realizations. Notably, TB accounted for 96% of total volumes in FY26, up from 94% in FY24; highlighting the continued dependence of the platform on TB.
- Non-TB volumes were broadly stagnant at ~0.7m units annually, indicating that the broader assay portfolio is yet to translate into meaningful utilization.

Exhibit 33: Test kit volume (units in m) over FY24-26

	FY24		FY25		FY26	
Volume of test kits: disease	No of units (m)	% of unit	No of units (m)	% of unit	No of units (m)	% of unit
TB	8.3	94%	11.6	95%	16.9	96%
Hepatitis B	0.1	1%	0.2	1%	0.2	1%
HLA-B27	0.1	1%	0.1	1%	0.1	1%
Other	0.4	4%	0.4	3%	0.4	2%
TOTAL	**8.8**	**100%**	**12.3**	**100%**	**17.6**	**100%**

- Truenat devices segment posted 5% revenue CAGR over FY24-26, the growth remained stable in FY26, lagging the revenue trajectory of historical years.
- Over FY24-26, the subdued revenue growth was due to a ~6% decline in realizations, partially offset by an increase in volumes.
- We expect Molbio's revenue to increase at a robust CAGR of 23% over FY26-29E, from INR14.4b in FY26 to INR26.8b in FY29, driven by higher utilization of its expanding Truenat installed base, increasing test-kit consumption and international market penetration.
- The company's consumables-led model for Truenat, supported by a growing assay menu and entry into non-TB indications, should drive higher tests/device and recurring revenue. Further, expansion across Africa/Southeast Asia, along with increasing government and institutional procurement, provides a strong runway for volume growth.

Exhibit 34: Expect revenue CAGR of 23% over FY26-29E



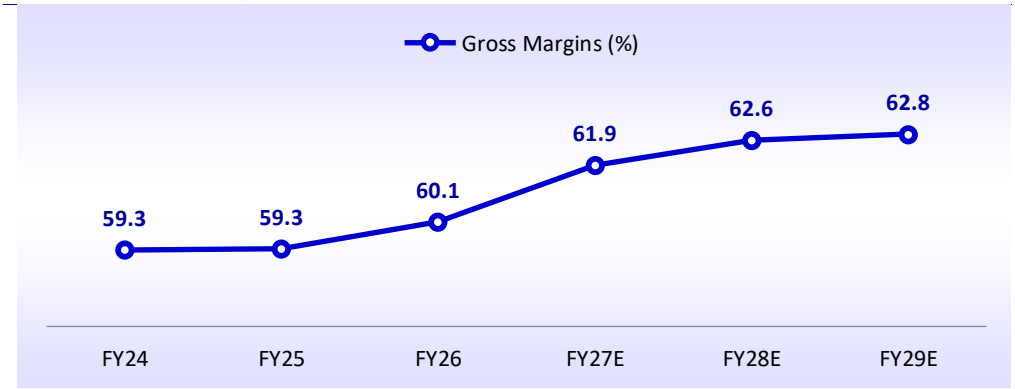
Source: MOFSL, Company

Gross margins to remain range-bound at ~60-63%

Going ahead, gross margin of 60-63% to remain intact for Trunat device/test kits

- Molbio's gross margins stood at ~63% (down 140bp) in 1QFY27.
- Over FY24-26, gross margins remained broadly stable at 59-60%. The stability was supported by the increasing contribution of Truenat test kits/consumables, which carry structurally higher recurring revenue potential compared with one-time device sales.
- Going ahead, we expect GM to expand 270bp to ~63% over FY26-29E, as higher utilization of installed Truenat base and increasing test-kit consumption support consumables-led mix.

Exhibit 35: Gross margin to remain within the range of 60-63% over FY26-29E

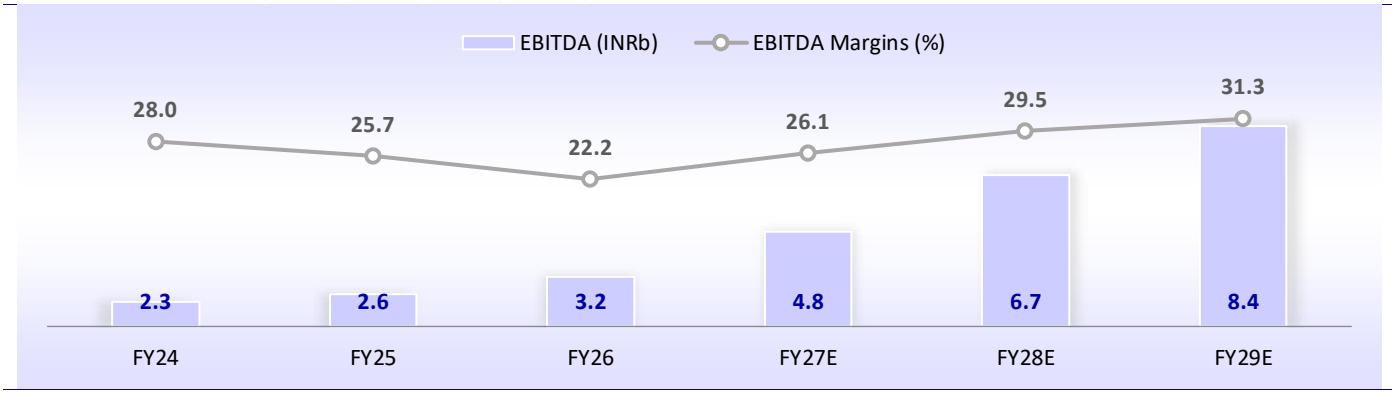


Source: MOFSL, Company

EBITDA margin improving owing to better operating leverage

- Molbio's EBITDA margins stood at ~24.6% in 1QFY27 (vs. EBITDA loss of 15.3% in 1QFY26).
- However, EBITDA margin declined from 28% in FY24 to 22% in FY26, down 600bp, due to an increase of ~420bp/240bp in other expenses/employee costs as % of sales.
- Over FY24-26, the employee cost CAGR was 51%, materially ahead of the sales CAGR of 30%. This was due to an increase in headcount from 800 in FY24 to 1,220 by FY26 (incl. hiring of KMPs/SMPs, R&D scientists) and annual increment.
- Over FY24-26, other expenses increased at a 43% CAGR, significantly outpacing revenue growth, led by the increase of 1.1x/0.8x in commission expenses/marketing consultancy charges.
- The increase reflects higher sales-related costs and investments in overseas market development as Molbio expands its international footprint. Manpower costs also grew at 46.1% CAGR, driven by higher contractual labor requirements to support production.
- Looking ahead, we expect EBITDA margins to expand to ~31.3% by FY29, supported by operating leverage.

Exhibit 36: EBITDA margin likely to expand by ~910bp over FY26-29E to reach 31.3%

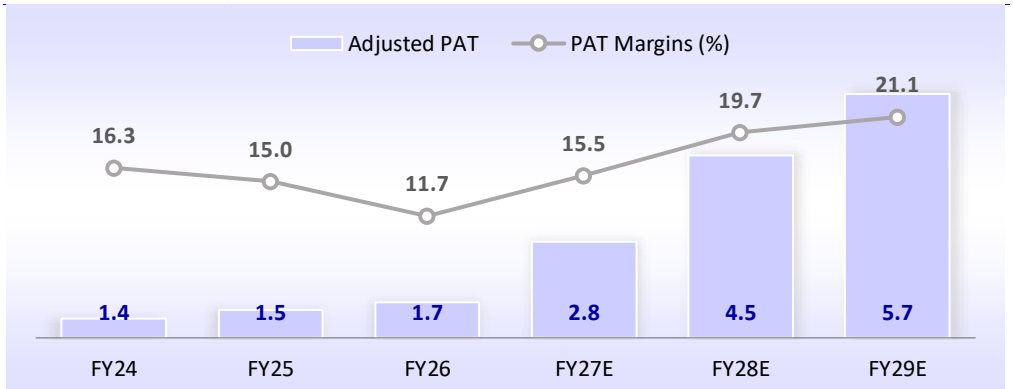


Source: MOFSL, Company

Higher finance cost/D&A weigh on PAT, margin recovery expected ahead

- PAT margins for Molbio stood at ~14.4% in 1QFY27 (vs. PAT loss of 23.8% in 1QFY26).
- Over FY24-26, PAT delivered 11% CAGR due to a surge in finance charges (52% CAGR) owing to higher working-capital utilization, OptraSCAN acquisition term loan and rise in D&A expenses (21% CAGR), reflecting higher manufacturing investments and amortization of OptraSCAN-related scanner technology.
- Consequently, PAT margins contracted from 16.3% in FY24 to a trough of 11.7% in FY26 (~460bp decline).
- We anticipate PAT margin to improve to ~21% (up 950bp) over FY26-29E, driven by EBITDA expansion.

Exhibit 37: PAT margin to reach ~21% in FY29

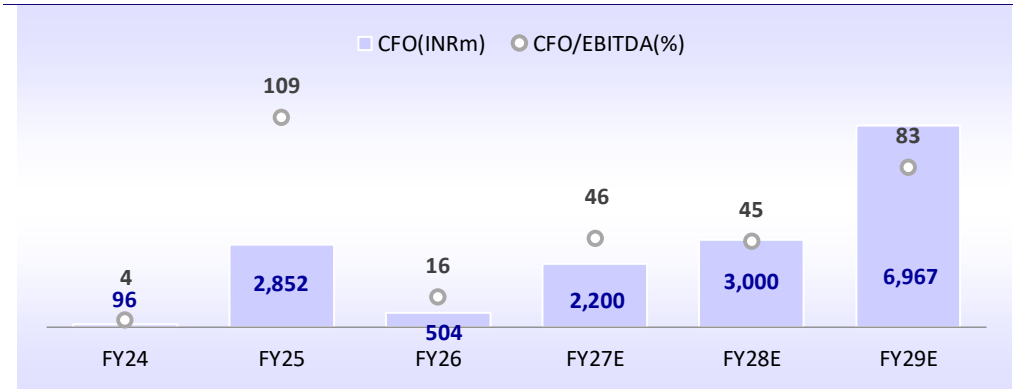


Source: MOFSL, Company

CFO/EBITDA remains volatile; reflecting WC intensity

- Over FY24-26, CFO remained volatile despite continued growth in profitability, primarily reflecting the working-capital requirements associated with its rapid scale-up.
- In FY24, CFO rapidly scaled down to INR96m since money was tied-up in debtors (~INR2.6b), resulting in a CFO-to-EBITDA ratio of ~4%. Notably, the debtor growth of ~1.2x YoY remained below the sales growth of ~1.5x YoY.
- Interestingly, CFO jumped ~29x to INR2.8b due to inflows of money from creditors (~INR1.4b), while the release of money from debtors was offset by cash tied in inventory. CFO was ~INR504m in FY26 as money was tied-up in debtors and inventory (~INR1.7b), resulting in a CFO-to-EBITDA ratio of ~16%. The debtor growth of ~50% YoY remained above the revenue growth of ~42% YoY in FY26.
- We expect CFO to scale up to INR8.9b in FY29 which shall result in an increase in the CFO-to-EBITDA ratio to ~83% in FY29E.

Exhibit 38: CFO to reach INR7b FY29



Source: MOFSL, Company

Capex: Existing capacity to support 2x revenue; limiting incremental capacity intensity

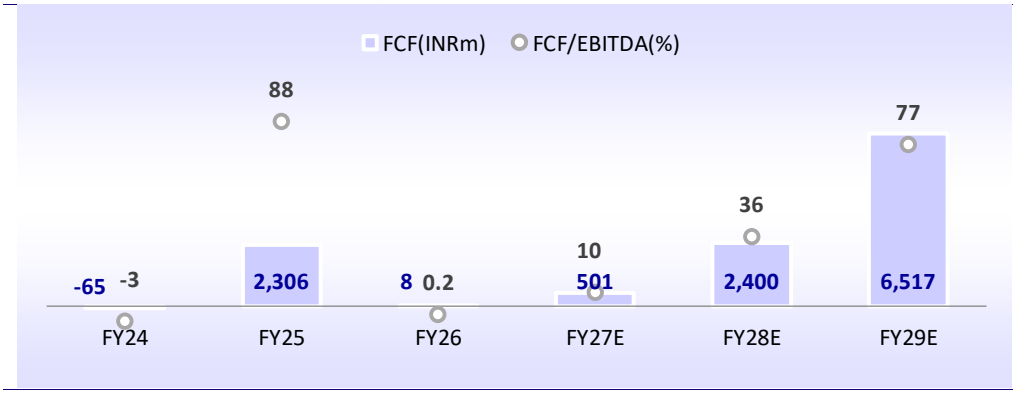
- Notably, over FY26-29, Molbio's capex intensity is expected to moderate as existing manufacturing infrastructure provides significant headroom for growth.
- The IPO proceeds (INR2b) are being deployed in the Bengaluru R&D/Center of excellence infrastructure (INR1.05b) and the purchase of PPE for Goa and Visakhapatnam facilities, including ~INR720m for automation.
- The existing capacity utilization rates at ~58%/42% for Truenat test kits and devices have ample headroom to scale volumes without proportional capex.
- The existing footprint, aided by automation, has the potential to support ~2x current revenue with limited incremental capex.
- Further manufacturing consolidation of Goa plant is expected to be funded through internal accruals, implying that future growth should be increasingly volume- and utilization-led rather than capex-led, supporting better asset turns.

Capex intensity to moderate;
Existing capacity provides ample headroom to support growth without proportional capex

FCF recovery hinges on WC release; capex moderation to support FY29E

- Over FY24-26, FCF remained volatile, mirroring sharp fluctuations in CFO, while high capex further constrained cash generation. FCF declined from INR65m in FY24 to INR2.3b in FY25 and ~INR8m in FY26, despite EBITDA growing at 12%/23% YoY in FY25/26.
- In FY24, FCF outflow was INR65m as the sharp increase in receivables absorbed OCF, while capex of INR161m further constrained cash generation. The subsequent recovery in FY25 was driven primarily by CFO of INR2.8b, supported by a working-capital release, resulting in FCF of INR2.3b.
- However, the improvement was unsustainable, with FCF falling sharply to INR8m in FY26 as INR2.3b was absorbed by working capital and capex remained elevated at INR496m.
- Over FY26-29E, we expect FCF to rise to INR500m by FY27E, despite elevated capex of INR1.7b. With capex expected to moderate sharply to INR600m/450m in FY28E/FY29E, FCF is estimated at INR2.4b/6.5b, translating into an FCF-to-EBITDA ratio of 36%/77%.

Exhibit 39: FCF to reach INR6.5b by FY29



Source: MOFSL, Company

RoE inflection over FY26-29E, driven by margin expansion

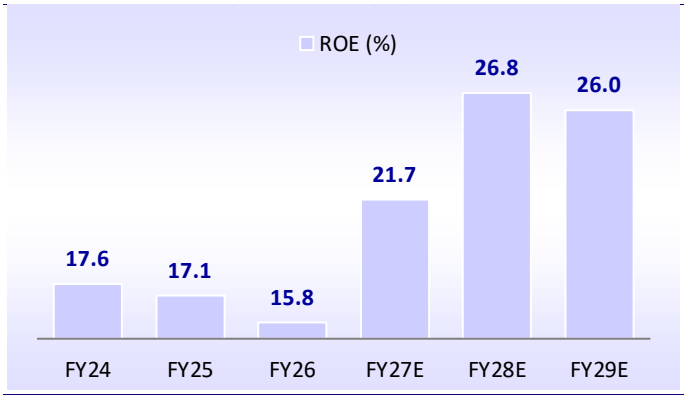
- Return on Equity (RoE) for Molbio moderated ~190bp over FY24-26 from 17.6% to ~15.8%, primarily due to ~500bp compression in EBIT margin from 23% to 18%, partly offset by higher financial leverage. The decline reflects elevated operating costs, higher depreciation and finance costs during the company's investment and expansion phase.
- Tax burden declined from 105% in FY24 to ~73% in FY26, reflecting normalization of the tax profile. Meanwhile, the interest burden improved from 67% to ~90%, despite higher absolute finance costs as the company's earnings base strengthened. We expect further improvement in the interest burden to ~100% in FY29E as earnings growth outpaces finance costs.
- EBIT margin compressed from 23% in FY24 to ~18% in FY26, reflecting higher employee costs, depreciation and other expenses amid investments in manufacturing, R&D and new platforms. However, margin is expected to recover to ~25%/28% in FY28E/FY29E, supported by operating leverage, higher test-kit volumes and better absorption of the existing cost base.
- Asset turnover remained broadly stable at ~0.8x, moving from 0.76x in FY24 to 0.82x in FY26, indicating relatively stable asset utilization. With existing capacity offering significant headroom for revenue growth, we expect asset turnover to remain ~0.9x in FY29E.
- Financial leverage increased from 1.4x in FY24 to 1.6x in FY26 reflecting higher borrowings during the investment phase, including funding requirements around OptraSCAN and working capital. Leverage is expected to rise to 1.7x in FY27E before moderating to 1.4x in FY29 as earnings scale up.
- Overall, the FY24-26 moderation in RoE was primarily margin-led, partially offset by higher leverage. Going forward, margin expansion and improving interest burden are expected to drive a sharp recovery in RoE to ~26% in FY29, implying a ~1020bp improvement from the FY26 trough.

Exhibit 40: DuPont analysis

Particulars	FY24	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	105	79	73	76	77	75
Interest Burden (%)	67	89	90	95	100	101
EBIT Margin (%)	23	21	18	22	25	28
Asset Turnover Ratio	0.76x	0.78x	0.82x	0.81x	0.90x	0.87x
Financial Leverage	1.4x	1.5x	1.6x	1.7x	1.5x	1.4x
ROE (%)	17.6	17.1	15.8	21.7	26.8	26.0

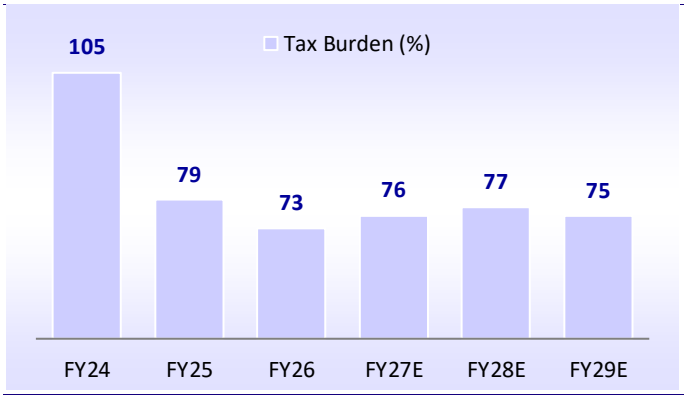
Source: MOFSL, RHP

Exhibit 41: RoE to expand 1020bp by FY29



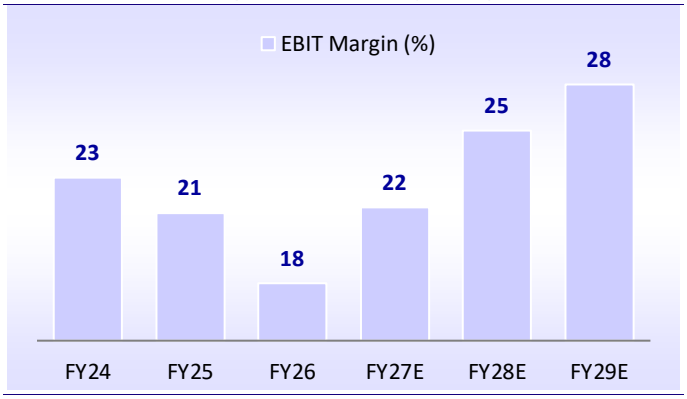
Source: MOFSL, RHP

Exhibit 42: Tax burden to stabilize over FY26-29E



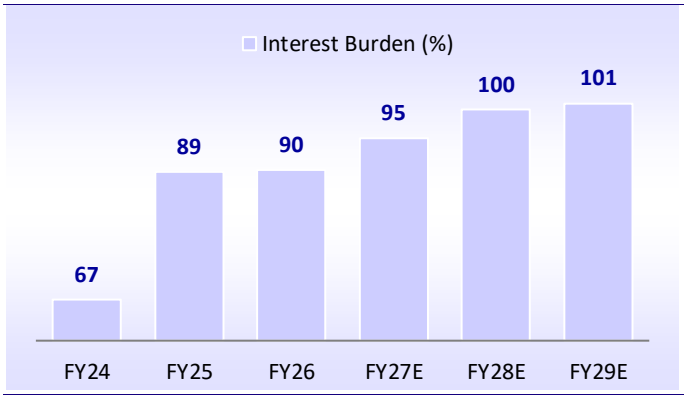
Source: MOFSL, RHP

Exhibit 43: EBIT margin to increase by 980bp over FY26-29E



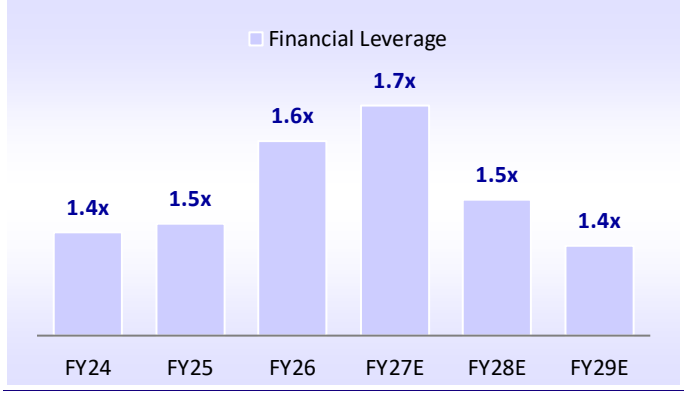
Source: MOFSL, RHP

Exhibit 44: Interest burden over FY26-29



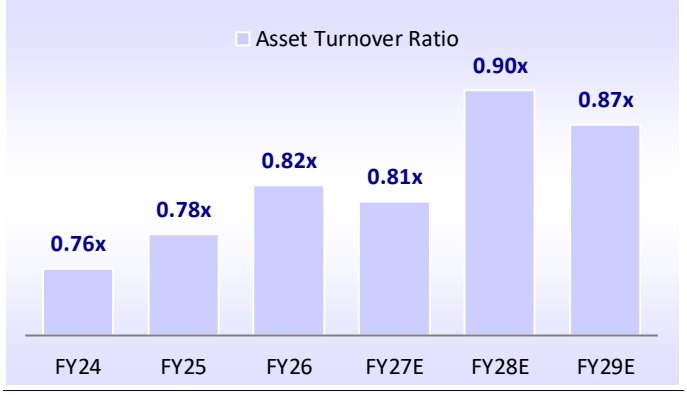
Source: MOFSL, RHP

Exhibit 45: Financial leverage to decline over FY26-29E



Source: MOFSL, RHP

Exhibit 46: Asset turnover to stabilize at ~0.9x



Source: MOFSL, RHP

Base case implies potential upside of 21%; Bull case implies potential upside of 70%; Bear case implies downside of 27%

Valuation and view

- The POCT market is expanding to decentralized molecular diagnostics, with increasing demand for rapid, accessible and reliable testing. While the opportunity is large, adoption is dependent on government procurement, affordability, regulatory approvals and the ability of players to build sufficient installed bases.
- We believe Molbio is well positioned to capture this opportunity through its integrated Truenat ecosystem, combining proprietary molecular diagnostic devices with a recurring test-kit franchise. The expanding installed base, widening assay menu and international scale-up provide multiple levers for sustainable growth, while increasing utilization should drive operating leverage.
- We expect the business mix to gradually expand beyond TB to a broader molecular diagnostics portfolio, improving the quality and visibility of earnings. We believe its successful diversification beyond TB, stronger international adoption and improving cash conversion could support a re-rating, while dependence on government orders and high working capital are key risks.
- **We model** a 23% revenue CAGR, 910bp margin expansion, and a 38% PAT CAGR over FY26-29E under our **base case scenario**. We also assign a 45x 12-month forward earnings multiple to arrive at our TP of INR1,800, implying a potential upside of 19%.
- **The bull case scenario** builds in a 26% revenue CAGR, 1465bp margin expansion, and a 58% PAT CAGR over FY26-29E, aided by a stronger utilization rate of Truenat test kits. This would lead to a TP of INR2,575, based on 50x 12-month forward earnings multiple, implying a potential upside of 70%.
- **The bear case scenario** assumes a 19% revenue CAGR and 640bp margin expansion due to a less favorable market, slower commercialization of Truenat test kits. These factors would result in a TP of INR1,100, based on the 35x 12-month forward earnings multiple, implying a potential downside of 27%.

We initiate coverage on the stock with a BUY rating.

Key risks

- Top 10 customers accounted for ~83% of FY26 revenue, implying customer concentration risk.
- Significant revenue is derived from government and international aid-funded healthcare programs, exposing growth to procurement cycles and policy changes.
- TB test kits contributed ~70.2% of FY26 revenue/96% of volume, creating concentration risk if TB-testing demand or program spending moderates.
- Delays in product registrations, manufacturing licenses or regulatory approvals could impact product launches, manufacturing and entry into new markets.
- Slower-than-expected adoption or utilization of Truenat instruments could constrain recurring test-kit and consumables revenue.
- Manufacturing, product-quality or regulatory-compliance issues could result in recalls, supply disruptions, penalties or reputational damage.
- Changes in government or global-health program, particularly infectious-disease testing initiatives, could adversely impact demand.

Company Overview

Expanding access to rapid diagnostics via global POC platform

Patented in 100+ countries; offers 42 assays covering 30+ infectious and non-communicable diseases

- Incorporated in 2000, Molbio is an innovative PoC diagnostics company focused on expanding access to accurate, rapid and cost-effective healthcare technologies to diagnose infectious and non-communicable diseases.
- It has developed the Truenat platform, which is a novel PoC-PCR platform that can operate in resource-limited settings since it is battery operated, facilitating decentralized diagnosis within an hour.
- Molbio operates in the oligopolistic segment of molecular PoC diagnostics, characterized by high technological, regulatory and clinical-validation barriers to entry.
- Its flagship Truenat platform has received regulatory and clinical validation for TB testing, including endorsement by the World Health Organization (WHO) for molecular testing for the initial diagnosis of TB and detection of rifampicin resistance.
- Molbio acquired Prognosys, which offers digital imaging solutions, including radiology products such as ultraportable X-ray systems, mobile digital X-ray systems, floor-mounted and ceiling-suspended X-ray systems and C-arm systems, under the brand 'ProRad'. This acquisition enabled Molbio to provide end-to-end screening and confirmatory tests for TB at the community level.
- Molbio also acquired US-based OptraSCAN, which provides digital pathology solutions, offering a range of digital pathology scanners, AI-powered analysis tools and telepathology services enabling remote consultations.
- The company has one R&D center in Bangalore and six manufacturing facilities in Goa, Vishakapatnam, Bangalore and Pune.
- The revenue mix is dominated by domestic business, contributing ~90% of FY26/ 1QFY27 revenue. It has delivered a CAGR of 31%/17%/19% in revenue/EBITDA/ PAT over FY24-26. Notably, the momentum accelerated in 1QFY27, with revenue surging 3x YoY to INR4.1b. From operational/net loss of INR153m/ INR237m in FY23, Molbio delivered EBITDA/PAT of INR1b/INR588m in 1QFY27.

Exhibit 47: Manufacturing capacity/capability snapshot

Manufacturing Facility	Products Manufactured	Installed Capacity (No of Units): FY26 ('000)	Capacity Utilization: FY26	Installed Capacity (No of Units): FY24 ('000)	Capacity Utilization: FY24
Verna, Goa Facility I	Test Kits and its components	9,000	58%	9,000	30%
Visakhapatnam, AP	Devices	5.4	42%	3.6	20%
Visakhapatnam, AP	Test Kits Components	14,400	71%	25,200	13%
Verna, Goa Facility II	Test Kits and its components	30,000	58%	30,000	27%
Bengaluru Facility I	Test Kits Components	22,500	96%	15,000	91%
Bengaluru Facility II	Xray Devices	1.8	51%	3.64	12%
Pune	Digital Pathology Scanner	0.1	28%	NA	NA

Source: MOFSL, Company

ESG initiatives



Environment

- Molbio has been working towards expanding access to diagnostics in remote and resource-constrained locations through portable and solar-enabled diagnostic solutions, including Truelux solar charging station supporting deployment in off-grid settings.
- The company has initiated efforts towards greenhouse gas inventory and energy-efficiency monitoring, with a focus on establishing a more systematic approach to measuring and improving its environmental footprint.

Social

- The company has strengthened healthcare infrastructure in Goa via donation of Advanced Life Support (ALS) ambulances and hearse vans, supporting emergency medical response and road-safety requirements.
- Molbio has established occupational therapy and audiology units at Aastha's Centre of Excellence in Goa to improve access to specialized healthcare services for children with disabilities.
- The company supports public health programs and disease-control initiatives, particularly via its molecular diagnostic solutions for tuberculosis.
- It undertakes initiatives focused on education, scientific research and STEM empowerment supporting development of scientific capabilities and healthcare innovation.

Governance

- Molbio has a Board-level CSR Committee responsible for overseeing CSR strategy, implementation and monitoring in line with statutory requirements.
- The company follows a formal CSR Policy aligned with the Companies Act, 2013, with annual action plans and periodic Board review.
- Molbio emphasizes ethical business practices, stakeholder value creation and responsible corporate citizenship as part of its governance philosophy.

SWOT analysis



Strengths

- Truenat is a portable and battery-operated molecular diagnostics platform that enables rapid testing in decentralized and resource-limited settings.
- Strong entry barriers are supported by extensive R&D, regulatory approvals, proprietary technology and a broad global patent portfolio.
- WHO's endorsement of Truenat for initial TB diagnosis and rifampicin-resistance detection enhances its credibility and adoption potential.
- Expanding test-kit portfolio across multiple indications beyond TB.



Weaknesses

- Dependency is yet to reduce on TB, which contributes a significant share of test-kit volumes/revenue.
- Revenue is heavily concentrated in government/public-health programs, increasing dependence on government procurement and tender cycles.
- Test kits' off-take is subject to infection rate in the population.



Opportunities

- Greater adoption of non-TB assays can improve device utilization.
- The combination of X-ray screening via Prognosys and molecular testing via Truenat creates opportunity to offer end-to-end TB screening.
- OptraScan provides exposure to the digital pathology market, including AI-enabled diagnostics, remote pathology/telepathology.
- Available manufacturing capacity provides headroom to scale device/test-kit volumes.



Threats

- Competition from established global diagnostics companies and emerging PoC molecular technologies could increase pricing and innovation pressure.
- Reduction in global TB funding or shift in public-health priorities to impact demand.
- Patent challenges, competing technologies and faster innovation by global peers.
- Delays in product registrations, manufacturing licenses or regulatory approvals.

Bull and Bear cases



Bull case

- ☑ We assume a 26% CAGR in total sales over FY26-29E. Considering a stronger utilization rate of Truenat test kits, we factor in 1465bp margin expansion.
- ☑ Accordingly, we estimate a 58% earnings CAGR over FY26-29E. We assign a 50x 12M forward earnings P/E multiple (40% premium to the sector multiple of 36x on a 12M forward basis) to arrive at our TP of INR2,575, implying a potential upside of 70% from the current levels.



Bear case

- ☑ We assume a 19% CAGR in total sales over FY26-29E. Considering a less favorable market and slower commercialization of Truenat test kits, we factor in a 640bp margin expansion.
- ☑ Accordingly, we estimate a 31% earnings CAGR over FY26-29E. We assign a 35x 12M forward earnings PE multiple (in line with sector valuation of 36x on a 12M forward basis) to arrive at our TP of INR1,100, implying a potential downside of 27% from the current levels.

Exhibit 1: Sensitivity analysis implies 70% upside under bull case and 27% downside under bear case

Base case		Basis of assumptions
EPS (INR)	40	
Target PE multiple (x)	45	❖ 23% revenue CAGR over FY26-29E
12M forward target price (INR)	1,800	❖ 50% CAGR in adj. PAT over FY26-29E
CMP (INR)	1,510	
Potential upside/ (downside) (%)	**19**	

Bull case		Basis of assumptions
EPS (INR)	51.5	❖ 26% revenue CAGR over FY26-29E
Target PE multiple (x)	50	❖ 58% CAGR in adj PAT over FY26-29E
12M forward target price (INR)	2,575	❖ 1465bp EBITDA margin expansion vs. 910bp in Base Case
CMP (INR)	1,510	
Potential upside/ (downside) (%)	**70**	

Bear case		Basis of assumptions
EPS (INR)	31.4	❖ 19% revenue CAGR over FY26-29E
Target PE multiple (x)	35	❖ 31% CAGR in adj. PAT over FY26-29E
12M forward target price (INR)	1,100	❖ 640bp EBITDA margin expansion vs. 910bp in Base Case
CMP (INR)	1,510	
Potential upside/ (downside) (%)	**-27**	

Source: MOFSL

Management team



Mr. Sriram Natarajan, CEO

Mr. Natarajan has been associated with the company since 2000. He holds a bachelor's degree in science (botany) from the University of Delhi, a master's degree in science (plant physiology) from Tamil Nadu Agricultural University, Coimbatore, and a master of philosophy degree in botany from the University of Delhi. He has 35 years of experience in development, manufacturing and marketing of diagnostics devices and kits in domestic and international markets and was one of the founders of Tulip Diagnostics, where he served as a board director.



Mr. Manan Bimal Khokhani, CFO and President – Finance

Mr. Khokhani has been associated with the company since 2025. He holds a bachelor's degree in commerce from HL College of Commerce and is an associate member of the ICAI. He has 15 years of experience in finance and has previously worked with L&T, Thermo Fisher Scientific and Worley Services India.



Dr. Chandrasekhar Bhaskaran Nair, CTO

Dr. Nair has been associated with the company since 2011. He holds a bachelor's degree in engineering, a master's degree in engineering from BITS Pilani and a doctor of philosophy degree from the School of Bio Sciences and Technology, Vellore. He has 34 years of experience in translational R&D and served as the head of engineering and computer sciences at Vittal Mallya Scientific Research.



Mr. Shiva Sriram, President – Business Development

Mr. Sriram has been associated with the company since 2018. He holds a bachelor's degree in science (bio-chemistry) from the University of Delhi, a master's degree in science (biochemical engineering) from University College London, UK. He has seven years of experience in the diagnostics sector and is also a director of Prognosys Healthcare, OptraScan INC and OptraScan India.



Mrs. Sangeetha Sriram, Director of Operations

She has been associated with company since 2020. She holds a bachelor's degree in science from Sri Venkateswara University, Tirupati, and a master's degree in science (botany) from the University of Delhi. She has five years of experience in the diagnostics sector.

Financials and valuations

Consolidated Income statement

Y/E March	FY24	FY25	FY26	FY27E	FY28E	FY29E
Total Income from Operations	**8,366**	**10,204**	**14,457**	**18,305**	**22,855**	**26,842**
Change (%)	151.6	22.0	41.7	26.6	24.9	17.4
Raw Materials	3,404	4,148	5,762	6,979	8,543	9,983
Gross Profit	4,961	6,056	8,695	11,325	14,312	16,859
Margin (%)	59.3	59.3	60.1	61.9	62.6	62.8
Employees Cost	639	1,028	1,452	1,679	1,929	1,977
Other Expenses	1,981	2,406	4,028	4,862	5,645	6,473
Total Expenditure	**6,024**	**7,582**	**11,242**	**13,521**	**16,117**	**18,432**
% of Sales	72.0	74.3	77.8	73.9	70.5	68.7
EBITDA	**2,342**	**2,622**	**3,214**	**4,784**	**6,738**	**8,409**
Margin (%)	28.0	25.7	22.2	26.1	29.5	31.3
Depreciation	410	446	636	832	928	980
EBIT	**1,932**	**2,176**	**2,578**	**3,952**	**5,809**	**7,429**
Int. and Finance Charges	144	177	335	386	224	179
Other Income	41	75	95	196	229	268
PBT after EO Exp.	**1,297**	**1,943**	**2,311**	**3,762**	**5,814**	**7,519**
Total Tax	461	558	670	1,121	1,465	1,895
Tax Rate (%)	35.6	28.7	29.0	29.8	25.2	25.2
Minority Interest	-184	-65	-25	-200	-145	-50
Reported PAT	**1,020**	**1,450**	**1,666**	**2,840**	**4,494**	**5,674**
Adjusted PAT	**1,362**	**1,529**	**1,685**	**2,840**	**4,494**	**5,674**
Change (%)	20,430.9	12.3	10.2	68.6	58.2	26.3
Margin (%)	16.3	15.0	11.7	15.5	19.7	21.1

Consolidated Balance sheet

Y/E March	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	23	23	113	113	113	113
Total Reserves	8,211	9,661	11,581	14,421	18,915	24,589
Net Worth	**8,234**	**9,684**	**11,693**	**14,534**	**19,028**	**24,702**
Minority Interest	55	-11	1,394	1,194	1,049	999
Total Loans	1,836	1,469	4,501	3,892	1,192	1,192
Deferred Tax Liabilities	-260	-467	-184	-184	-184	-184
Capital Employed	**9,865**	**10,676**	**17,404**	**19,436**	**21,085**	**26,709**
Gross Block	4,068	4,740	7,153	8,852	9,452	9,902
Less: Accum. Deprn.	1,543	1,884	2,410	3,243	4,171	5,151
Net Fixed Assets	**2,525**	**2,856**	**4,742**	**5,609**	**5,281**	**4,750**
Investments	390	456	60	60	60	60
Other Non-Current Assets	719	1,130	1,584	1,584	1,584	1,584
Total Investments	**1,108**	**1,586**	**1,643**	**1,643**	**1,643**	**1,643**
Curr. Assets, Loans&Adv.	**8,232**	**9,392**	**13,848**	**16,251**	**18,795**	**27,871**
Inventory	3,151	4,359	4,493	6,693	8,192	9,572
Account Receivables	4,254	2,717	4,087	5,015	6,387	7,575
Cash and Bank Balance	221	1,291	3,671	3,373	3,078	9,684
Loans and Advances	605	1,025	1,597	1,171	1,139	1,040
Curr. Liability & Prov.	**2,055**	**3,470**	**3,565**	**4,802**	**5,369**	**8,290**
Lease Liabilities	0	0	0	0	0	0
Account Payables	940	2,302	1,995	2,758	3,444	6,619
Other Current Liabilities	907	962	1,255	1,424	1,322	1,121
Provisions	208	207	314	620	603	551
Net Current Assets	**6,177**	**5,921**	**10,284**	**11,449**	**13,426**	**19,581**
Appl. of Funds	**9,865**	**10,675**	**17,404**	**19,435**	**21,085**	**26,709**

Financials and valuations

Ratios

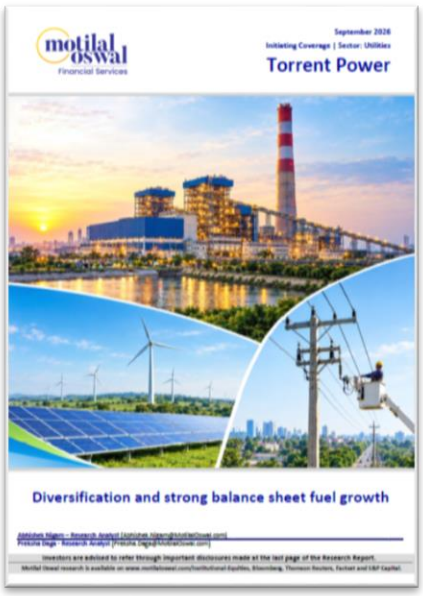
Y/E March	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)						
EPS	**12.1**	**13.6**	**14.9**	**25.2**	**39.9**	**50.3**
Cash EPS	15.7	17.5	20.6	32.6	48.1	59.0
BV/Share	73.0	85.9	103.7	128.9	168.7	219.0
Valuation (x)						
P/E	125.0	111.3	101.1	60.0	37.9	30.0
Cash P/E	96.1	86.2	73.4	46.4	31.4	25.6
P/BV	20.7	17.6	14.6	11.7	8.9	6.9
EV/Sales	20.5	16.7	11.8	9.3	7.4	6.0
EV/EBITDA	73.4	65.0	53.2	35.7	25.0	19.2
FCF per share	-0.6	20.5	0.1	4.4	21.3	57.8
Return Ratios (%)						
RoE	17.6	17.1	15.8	21.7	26.8	26.0
RoCE	13.8	15.1	13.9	16.8	23.4	25.0
RoIC	15.8	19.3	18.8	21.1	28.4	35.3
Working Capital Ratios						
Asset Turnover (x)	3.1	3.8	3.8	3.5	4.2	5.4
Inventory (Days)	355	330	280	292	318	325
Debtor (Days)	134	125	86	91	91	95
Creditor (Days)	39	58	54	47	50	68
Leverage Ratio (x)						
Current Ratio	4.0	2.7	3.9	3.4	3.5	3.4
Interest Cover Ratio	13.4	12.3	7.7	10.2	26.0	41.6
Net Debt/Equity	0.2	0.0	0.1	0.0	-0.1	-0.3

Consolidated Cash flow statement

Y/E March	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	1,297	1,944	2,311	3,762	5,814	7,519
Depreciation	410	446	636	832	928	980
Interest & Finance Charges	122	128	248	190	-5	-90
Direct Taxes Paid	-435	-799	-707	-1,121	-1,465	-1,895
(Inc)/Dec in WC	-2,201	819	-2,318	-1,463	-2,272	452
Others	903	314	332	0	0	0
CF from Operations	**96**	**2,852**	**504**	**2,200**	**3,000**	**6,967**
(Inc)/Dec in FA	-161	-545	-496	-1,699	-600	-450
Free Cash Flow	**-65**	**2,306**	**8**	**501**	**2,400**	**6,517**
(Pur)/Sale of Investments	-272	-416	0	0	0	0
Others	-17	-265	-436	196	229	268
CF from Investments	**-450**	**-1,226**	**-932**	**-1,503**	**-372**	**-181**
Issue of Shares	0	0	0	0	0	0
Inc/(Dec) in Debt	-189	-81	3,118	-609	-2,700	0
Interest Paid	-122	-129	-274	-386	-224	-179
Dividend Paid	-5	-57	-83	0	0	0
Others	0	7	0	0	0	0
CF from Fin. Activity	**-316**	**-261**	**2,761**	**-995**	**-2,924**	**-179**
Inc/Dec of Cash	**-670**	**1,385**	**2,332**	**-298**	**-295**	**6,607**
Opening Balance	72	220	1,290	3,671	3,373	3,078
Closing Balance	**-597**	**1,605**	**3,622**	**3,373**	**3,078**	**9,684**
Bank O/D	**818**	**-315**	**49**	**0**	**0**	**0**
Total cash	**220**	**1,290**	**3,671**	**3,373**	**3,078**	**9,684**

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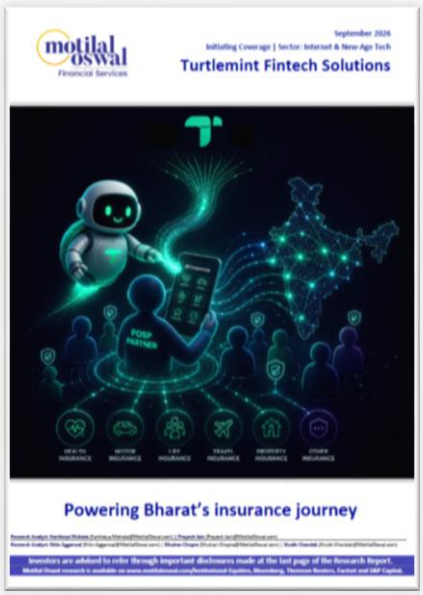
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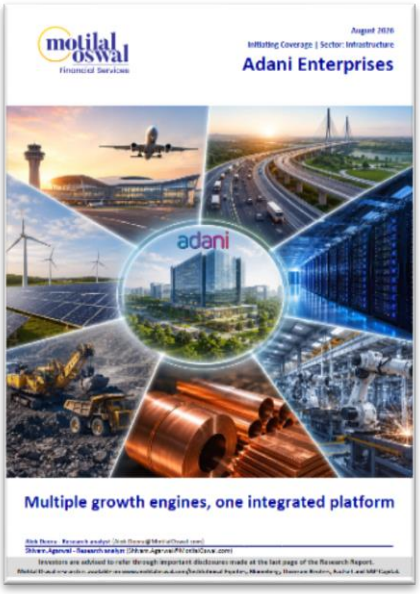












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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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