

SCOOP

INVESTMENT



MODERN®
Diagnostic & Research Centre

Quality • Compassion • Trust

**Modern Diagnostic & Research
Centre Limited**

IPO Note

About

Modern Diagnostic & Research Centre Limited is an integrated diagnostics service provider offering a wide range of pathology and radiology testing services across India. Established in 1985, the company operates a one-stop diagnostic model through 21 centers, comprising 18 laboratories and 3 diagnostic centers, catering to both B2B and B2C segments. MDRCL's operations are supported by strong quality and compliance frameworks, including 5 NABL-accredited laboratories and 2 NABH-accredited diagnostic centers. Its network spans 8 states, providing regional diversification and broad patient access. A centralized IT platform enables efficient sample processing, standardized reporting, and scalable operations, helping build a trusted diagnostics franchise focused on quality, reliability, and accessibility.

Investment Rationale

Integrated Diagnostics Platform with Scale - Modern Diagnostic & Research Centre Limited operates a comprehensive diagnostics model covering both pathology and radiology under one roof. Its multi-centre presence across several states enables scale, operational leverage, and wider patient reach.

Well-Structured Operating Model - The company follows a hub-and-spoke model for sample collection and processing, supported by temperature-controlled logistics, tracking mechanisms, and standardised intake procedures. This ensures consistency, quality control, and efficient turnaround times.

Strong Focus on Quality and Accreditation - Operations are backed by NABL- and NABH-accredited facilities, with participation in external quality assurance programs conducted by leading institutions. This reinforces diagnostic accuracy, compliance, and long-term credibility.

Technology-Enabled and Centralised Operations - A centralised IT platform integrates logistics, diagnostics, reporting, and payments, improving operational efficiency and scalability. The use of PACS and digital tools enables remote access, faster reporting, and standardised workflows.

Diversified Institutional and Retail Engagement - The company services a broad client base through both B2B and B2C channels, offering customised diagnostic packages to hospitals, corporates, and institutions, while also engaging patients directly through health camps and outreach programs.

Experienced Management and Scalable Growth Opportunity - The business is led by experienced promoters and supported by a skilled workforce, positioning it well to benefit from structural tailwinds in the diagnostics sector driven by rising healthcare awareness, preventive testing, and expanding healthcare infrastructure.

Issue Details

Fresh issue of 40,99,200 equity shares aggregating up to ₹36.89 Cr

Issue Summary

Issue Size	₹ 36.89 Cr.
Face Value	₹ 10
Price band (per equity share)	₹ 85 - ₹90
Market Lot	1,600 Equity Shares
Minimum Investment	2 lot = 2,88,000 (3,200 shares)
No. of Shares pre-issue	1,10,00,000
No. of Shares post-issue	1,50,99,200
Listing	BSE SME

Indicative Timetable

Issue Opens on	31 December, 2025
Issue Closes on	2 January, 2026
Listing Commences on	7 January, 2026

Issue Breakup

Category	Equity Shares
Market Maker	2,06,400 shares
Retail (not less than)	13,63,200 shares
NII (not less than)	5,85,600 shares
QIB (not more than)	7,82,400 shares
Anchor	11,61,600 shares
Total Issue Size	40,99,200 shares

Objects of the Issue

Funding capital expenditure for purchase of medical Equipments for diagnostic centre and laboratories upto ₹20.69 Cr
Funding Working Capital Requirement upto ₹8.00 Cr
To Repayment of Borrowings ₹1.00 Cr
General Corporate Purposes [●]

Total Gross Proceeds - ₹ 36.89 Cr.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100%	72.85%
Public & Others	-	27.15%

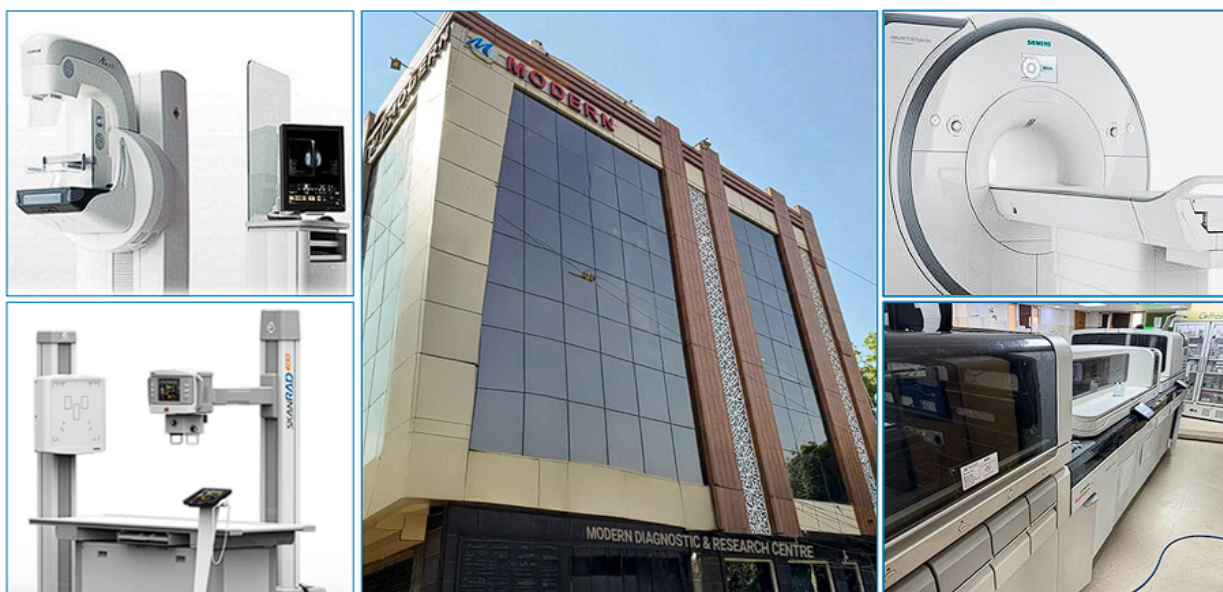
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Registrar

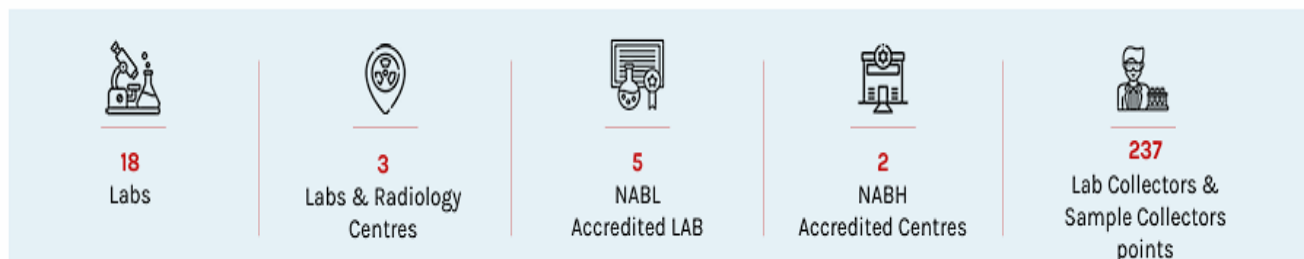
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Exhibit 1 : Facility Snapshot: Diagnostics Through Modern Facilities



Source: Company RHP

Exhibit 2 : Laboratories & Diagnostic Centres



Source: Company RHP

Strategies Drivers of Growth

Strengthen Customer Relationships and Market Positioning - The company continues to follow a customer-first approach to enhance retention and satisfaction, supported by strong industry relationships and targeted marketing initiatives that drive sustainable growth.

Focus on Quality and Expansion of Diagnostic Services - Emphasis remains on delivering accurate and timely diagnostics for healthcare professionals, while expanding R&D capabilities, test menus, and disease-specific profiling to address evolving medical needs.

Expand Geographic Footprint - The company aims to deepen its multi-state presence through higher penetration and reach, while selectively expanding international testing capabilities to meet growing demand and strengthen brand trust.

Broaden the Diagnostic Services Platform - Growth initiatives include expanding preventive, specialty, and advanced testing offerings such as oncology, molecular diagnostics, genetics, and TDM, alongside integrated wellness and corporate healthcare solutions.

Key Risks

Service Concentration Risk - A large portion of the company's revenue is derived from pathology services, making it the key revenue driver. This concentration increases exposure to segment-specific risks such as demand fluctuations, pricing pressure, regulatory changes, and shifts in market dynamics, any of which could materially impact operating and financial performance. While the company is expanding its radiology offerings, these services are capital-intensive and require ongoing investment in technology, skilled personnel, and regulatory compliance. Any delays in scaling or operational challenges in radiology could adversely affect profitability and strategic execution.

Exhibit 3 : Service Concentration

Particulars	Jun 30, 2025	Mar 31, 2025	Mar 31, 2024	Mar 31, 2023
Pathology	80.70%	75.23%	74.66%	72.97%
Radiology	19.30%	24.77%	25.34%	27.03%
Total	100.00%	100.00%	100.00%	100.00%

Source: Company RHP

Geographic Concentration Risk - A majority of the company's revenue is concentrated in **Haryana and the Delhi NCR region**, increasing exposure to region-specific risks. Any adverse social, economic, regulatory, or political developments in these areas could materially impact operations, financial performance, and cash flows. While operations have expanded to other states, the business remains highly dependent on this core geography.

Exhibit 4 : Geography-wise Revenue Bifurcation

State / Region	Jun 30, 2025 (%)	Mar 31, 2025 (%)	Mar 31, 2024 (%)	Mar 31, 2023 (%)
Haryana	65.44%	68.06%	71.85%	73.31%
Jammu & Kashmir	8.46%	7.52%	6.16%	7.51%
Uttar Pradesh	7.91%	6.81%	4.42%	4.35%
Rajasthan	6.13%	6.56%	6.77%	5.38%
Other States	12.07%	6.72%	5.84%	4.65%
Total	100%	100%	100%	100%

Source: Company RHP

Operational Disruption Risk - Any interruption at the company's laboratories or diagnostic centres could disrupt test processing and delay report delivery, adversely affecting service quality and customer trust. Such disruptions may arise from equipment failures, power outages, workforce shortages, cyber incidents, or external events, and could materially impact revenue, profitability, and business continuity.

Litigation Risk - The company, its promoters, and directors are involved in certain ongoing litigation, including civil and regulatory matters. Any adverse outcome in these proceedings could result in financial liabilities, reputational damage, or operational impact, and may adversely affect the company's business, results of operations, and financial condition.

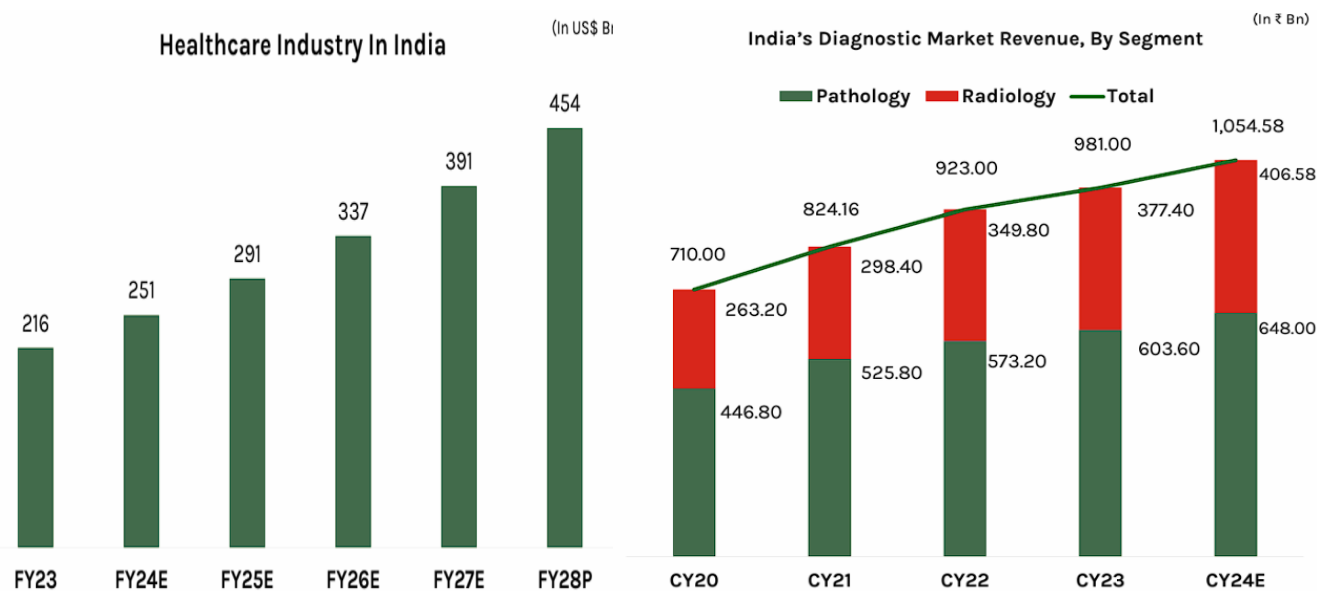
Industry Outlook

India's healthcare industry is on a strong growth trajectory, driven by rising income levels, an ageing population, increasing health awareness, and a structural shift towards preventive healthcare. The market was valued at approximately USD 216 billion in FY23 and is projected to expand to USD 454 billion by FY28, reflecting a ~16% CAGR. Government-backed health insurance schemes such as Ayushman Bharat, PMJAY, PMSBY, and AABY are further improving healthcare access and affordability, supporting long-term sector growth.

Within healthcare, the diagnostics segment continues to grow steadily, supported by increasing disease prevalence, preventive testing, and wider insurance penetration. The diagnostic market in India reached ₹981 billion in CY2023 and is estimated to grow to ₹1,055 billion in CY2024, implying a ~10.4% CAGR. Pathology remains the larger segment, contributing around 62% of revenues, while radiology accounts for the remaining 38%, indicating a balanced demand profile across testing categories.

Despite this growth, diagnostic infrastructure gaps remain significant, particularly in rural and semi-urban areas. Shortages of radiographers, X-ray machines, and functional laboratories highlight unmet demand and underscore the need for continued investment in diagnostic capacity. These gaps present long-term opportunities for organised diagnostic players to expand reach, improve access, and benefit from structural growth in healthcare services.

Exhibit 5 : Indian Healthcare Industry



Source: Company RHP

Exhibit 6 : Profit & loss statement

INR LAKHS	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	2,250.10	7,794.54	6,713.05	5,628.17
EBITDA	586.19	1796.25	1105.18	-98.77
EBITDA Margin (%)	26.05%	23.04%	16.46%	-1.75%
PAT	299.82	896.81	579.48	-573.20
PAT Margin (%)	13.32%	11.51%	8.63%	-10.18%

Exhibit 7 : Operational's KPI of the Company

Particulars	Unit	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Number of Tests	Unit	9016743	32437371	19191180	1,87,94,617
B2C Revenues	%	40.43%	48.66%	50.93%	53.42%
B2B Revenues	%	59.57%	51.34%	49.07%	46.58%
Revenue from Radiology	%	19.30%	24.77%	25.34%	27.03%
Revenue from Pathology	%	80.70%	75.23%	74.66%	72.97%
Number of Patients Served	Unit	3811277	1368567	1241373	1152153

Source: Company RHP

Management

Exhibit 8 : Key Personnel

Name	Designation	Education & Qualifications	Professional Experience
Mr. Devendra Singh Yadav	Chairman & Managing Director	MBBS; Diploma in Medical Radiology & Diagnostics; Diploma in Radiology	40+ years of experience in medical diagnostics. Founded the business in 1985 and led its expansion into a multi-center diagnostic platform with advanced imaging capabilities.
Mrs. Deepali Yadav	Whole-Time Director	Doctor of Medicine (Radio-Diagnosis)	12+ years of experience in radiology, with expertise in CT/ MRI reporting, CT coronary angiography, fetal echocardiography, and breast imaging.
Mr. Ajay Kohli	Non-Executive Director	Diploma in Electronics Engineering	17+ years of experience in medical electronics and healthcare technology, providing strategic and technical oversight.
Mr. Rishabh Kumar Jain	Non-Executive Independent Director	Bachelor of Commerce; Associate Member of ICSI	3.5+ years of experience in corporate law, governance, and regulatory compliance.
Mr. Sanjay Khandelwal	Non-Executive Independent Director	Fellow Member of ICSI; Insolvency Professional	15+ years of experience in corporate governance, insolvency, and regulatory compliance.

Source: Company RHP

Recommendations

Modern Diagnostic & Research Centre Limited is well positioned as a scalable diagnostics platform, backed by a long operating history, strong promoter-led execution, and an integrated pathology and radiology model. Its multi-state presence, NABL/NABH accreditations, centralized IT backbone, and hub-and-spoke operations provide structural advantages in quality, cost control, and scalability. Consistent improvement in financial performance post-COVID, rising B2B contribution, and focus on preventive and advanced diagnostics align well with strong sector tailwinds in India's healthcare market. While risks around geographic concentration and service mix remain, MDRCL's disciplined expansion, technology adoption, and experienced management support a favorable medium- to **long-term outlook** as a credible growth-oriented diagnostics franchise.

Valuation View

At the IPO price band of **₹85–90 per share**, Modern Diagnostic & Research Centre Limited is valued at reasonable multiples considering its improving profitability and strengthening return profile. The company has demonstrated a sharp turnaround, with **revenue from operations rising from ₹5,628 lakh in FY23 to ₹7,795 lakh in FY25**, alongside a significant expansion in margins. **EBITDA margins improved to 23.0% in FY25**, while **PAT margins increased to 11.5%**, reflecting operating leverage and cost discipline.

On a return basis, the business delivered strong metrics with **ROE of 55.2% and ROCE of 36.2% in FY25**, highlighting efficient capital deployment and scalability of the diagnostic model. **Earnings per share increased to ₹8.15 in FY25**, while **net asset value per share strengthened to ₹18.84**, underscoring balance sheet accretion post-turnaround. Supported by an integrated pathology–radiology platform, NABL/NABH-accredited infrastructure, centralized IT systems, and a hub-and-spoke operating model, the company offers improving earnings visibility. While risks related to geographic and service mix concentration remain, favourable industry tailwinds and improving financial metrics support a positive long-term valuation outlook relative to organised regional diagnostics peers.

Disclaimer

Details of terms used

Investment Rating	Definition
Buy	Expected absolute returns of more than 20% over specified time period
Hold	Expected absolute returns between 20% and -15% over specified time period
Sell	Expected absolute returns of less than -15% over a specified time period
Entry Price	Price at which stock was recommended
Target Price	Expected price of stock at end of specified time period
Potential Upside	Expected absolute returns from entry price over a specified time period
Upside Left	Expected absolute returns from current price to Target price

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