March 25, 2025

To,

Listing Department	**Department of Corporate Services**
National Stock Exchange of India Limited	**BSE Limited**
Exchange Plaza	Phiroze Jeejeebhoy Towers
Bandra-Kurla Complex, Bandra (East)	Dalal Street
Mumbai – 400 051	Mumbai – 400 001
Symbol: MEDIASSIST	**Scrip Code:** 544088

Dear Sir/ Madam,

Subject: **Disclosure under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") – Intimation of Credit Rating of subsidiary**

Pursuant to Regulation 30(6), read with Part A of Schedule III of the SEBI LODR Regulations, we wish to inform you that Care Ratings Limited ("**Care Ratings**"), has assigned credit rating for the credit facilities availed by Medi Assist Insurance TPA Private Limited, a wholly owned subsidiary of the Company, from Banks/ Institutions. The details of which are as follows:

Facilities/Instruments	Amount(₹ Crore)	Rating	Rating Action
Long-term bank facilities	162.00	CARE AA-; Stable	Assigned
Long-term/Short-term bank facilities	84.00 (Enhanced from 30.00)	CARE AA-; Stable / CARE A1+	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned

We are enclosing herewith a copy of the press release dated March 24, 2025, published by Care Ratings for your reference. The said intimation shall also be available on website of the company at www.mediassist.in.

You are requested to take the same on record.

Yours faithfully,
For Medi Assist Healthcare Services Limited

SIMMI SINGH BISHT
Digitally signed by SIMMI SINGH BISHT
Date: 2025.03.25 15:04:03 +05'30'

Simmi Singh Bisht
Chief Compliance Officer & Company Secretary
Membership No: A23360

Encl: as above

Medi Assist Insurance TPA Private Limited

March 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
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Long-term / Short-term bank facilities	84.00 (Enhanced from 30.00)	CARE AA-; Stable / CARE A1+	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to Medi Assist Insurance TPA Private Limited (MAITPA) have been removed from 'rating watch with developing implications (RWD)'. Previously, MAITPA's ratings were placed under watch due to uncertainty regarding the funding pattern following the acquisition announcement on August 26, 2024, of Paramount Health Services & Insurance TPA Private Limited (Paramount TPA) by its parent company, Medi Assist Healthcare Services Ltd (MAHS). The announcement involved MAITPA entering a share purchase agreement to acquire a 100% stake in Paramount TPA for an enterprise value of ~₹311.8 crore, subject to closing-related adjustments.

On February 5, 2025, MAHS made announcement stating that its board of directors have approved raising up to ₹350 crore through equity shares, convertible debentures, preference shares, or other financial instruments via public issues, private placements, or qualified institutional placements. The management has also informed that the group as on December 31, 2024, has cash and liquid balances of ₹296.5 crore (at MAHS consolidated level). According to the management with accruals of Q4FY25, the acquisition would be largely funded through internal accruals and reliance on debt, if any, would be minimal. Taking cognisance of this development, CARE Ratings Limited (CARE Ratings) has removed ratings from the 'rating watch with developing implications.'

CARE Ratings further notes that the acquisition of Paramount TPA by MAITPA, would further bolster its market leadership position by garnering additional market share. MAITPA's credit risk profile is expected to remain strong despite significant liquidity being utilised for acquisition. With minimal debt obligations and considerable cushion available in working capital limits provides adequate liquidity comfort.

Ratings continue to factor in sustained improvement in operational performance with increased volume of business, strong liquidity and improving cash flow from operations. Ratings also positively factor the company's leadership position in the insurance third-party administrator (TPA) industry, experienced management, tie-ups with all major insurance companies and established relationships with large, reputed corporates, and company's strong financial risk profile. These rating strengths are partially offset by decline in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin in FY24, intensely competitive and fragmented industry, and threat from in-house TPAs of insurer companies.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent growth in total operating income (TOI) by ~10-15% while maintaining PBILDT of ~20% on a sustained basis.
- To diversify the revenue concentration risk ensuring that no single customer contributes over 25% of total revenue.

Negative factors

- Declining PBILDT margins to less than 12% or declining TOI from current levels.
- Debt-funded acquisitions leading to increasing overall gearing beyond 0.50x.
- Increasing total debt/PBILDT levels above 0.50x on a sustained basis.

Analytical approach: Standalone, factoring linkages with the parent company, MAHS.

Outlook: Stable

The Stable outlook reflects CARE Ratings' belief that MAITPA will continue to benefit from its leadership position in the insurance TPA industry, experienced management, tie-ups with all major insurance companies, and established relationships with large, reputed corporates.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Experienced management

MAITPA is a wholly owned subsidiary of MAHS, which is promoted by Bessemer Venture Partners (BVP), an American venture capital and private equity firm with assets under management (AUM) of over USD 20 billion as on March 31, 2024. BVP invests across sectors, including technology, consumer, and healthcare. MAHS got listed on Indian stock exchanges in January 2024. Bessemer India Capital Holdings II Ltd (ultimately owned by BVP) holds a 15.68% stake in MAHS as on December 31, 2024.
Dr. Vikram Jit Singh Chhatwal, Chairman and Whole-Time Director of the Medi Assist Group, has over two decades of experience in the health insurance sector, having previously worked with Reliance Health and Apollo Hospitals. He is supported by a team of qualified professionals with expertise in their respective fields. Satish V. N. Gidugu, CEO & Whole-Time Director of the Medi Assist Group, has over 20 years of experience in information technology.

Market leader having long-standing industry presence with continuous increase in market share, major tie-ups and established relationships

MAITPA holds a leadership position in the TPA industry in India. The company has a pan-India presence and is continuously expanding its hospital network, enabling cashless hospitalisation and timely services for the insured. As on December 31, 2024, it had a network of over 19,000 hospitals and served over 10,500 corporate clients nationwide, retaining most of them due to its quality service.
In February 2023, MAITPA acquired 100% of Medvantage Insurance TPA Pvt Ltd (Medvantage TPA) for ₹19.50 crore and later invested an additional ₹10 crore in FY23. In August 2023, it acquired 100% of Raksha Health Insurance TPA Pvt Ltd (Raksha TPA) for ₹120.50 crore. Medvantage TPA and Raksha TPA merged into MAITPA in FY24 and FY25, respectively. Both acquisitions were funded through internal accruals with no term debt, further strengthening MAITPA's market leadership in India.
Moreover, on August 26, 2024, MAHS has announced that MAITPA has entered share purchase agreement to buy 100% stake in Paramount TPA for an enterprise value of ~₹311.8 crore subject to closing-related adjustments. Paramount TPA is India's fourth-largest TPA by revenue and second-largest in the group segment by premiums as of FY24, holding a 6.2% market share in the group segment and 4.0% in the total health insurance industry. As on March 12, 2025, acquisition-related approvals are pending with Insurance Regulatory and Development Authority of India (IRDAI). With this acquisition, MAITPA's market share will rise to 36.6% in the group segment and 23.6% in the health insurance industry, enhancing operational efficiencies across teams, technology, and networks.

Sustained operational performance with healthy cash flow from operations

MAITPA has demonstrated sustained income growth over the years. Its total operating income (TOI) increased by 15%, from ₹487 crore in FY23 to ₹559 crore in FY24, driven by a rise in total premium handled and lives covered. The Medi Assist group managed a total premium of ₹19,050 crore in FY24, up from ₹14,575 crore in FY23.
In FY24, PBILDT declined to ₹77.39 crore (PY: ₹115.70 crore) and the PBILDT margin dropped to 13.85% (PY: 23.74%), primarily due to a sharp increase in software subscription charges paid to its parent, MAHS, ₹100.53 crore in FY24 against ₹55.72 crore in FY23, and higher employee benefit expenses.
With recent acquisitions, synergies are yet to be realised, and margins are expected to normalise from FY25 onwards. For 9MFY25, MAITPA reported a TOI of ₹462.97 crore with a PBILDT margin of 14.90%, compared to ₹411.65 crore and 14.36% in 9MFY24.

Strong financial risk profile with healthy liquidity

MAITPA remained debt-free until December 2024, but it has sanctioned fund-based working capital facilities of ₹150 crore and its bank guarantee limits are enhanced from ₹30 crore to ₹60 crore. MAITPA has financial lease liabilities. Despite funding two acquisitions entirely through internal accruals, one each in FY23 and FY24, MAITPA had cash and liquid investments of ~₹153 crore as on December 31, 2024 (₹296.5 crore at MAHS consolidated level). As on March 31, 2024, overall gearing stood at 0.07x (PY: 0.11x) against a tangible net worth (TNW) of ₹292 crore (PY: ₹255 crore). The average utilisation of bank guarantees (BGs) was ~70% for the 12 months ending December 2024. In FY24, operating cycle increased to 59 days (FY23: 43 days), with an average collection period of 88 days (FY23: 83 days).

Key weaknesses

Intense competition in a highly fragmented industry and regulatory risk

TPAs generally face wide array of problems such as lack of strong standardisation procedures in terms of billing, weak networking, and timely processing of claims, among others. Per IRDAI regulations, TPAs should have their own in-house medical doctor (registered with the medical council of India), hospital managers, legal experts, insurance consultants, information technology professionals, and management consultants. At present, there are ~17 licensed TPAs in India leading to intense competition and stress on margins. Retention of business is further impacted by lack of differentiation in services offered by TPAs, which are further susceptible to IRDAI's changing norms.

Threat from in-house TPAs

Four public sector insurers together command a major market share and had formed an in-house TPA agency named - Health Insurance TPA of India Limited (HITPA). The common in-house TPA serves a portion of premiums underwritten by the four public sector general insurance companies, and the business volume handled is expected to rise in coming years. This could pose a challenge for MAITPA, as it derives major portion of TPA fees from public sector undertaking (PSU) insurers. Apart from these, some top private insurers have also opted in-house TPA. However, the trend is limited to large insurers only, as the smaller ones do not have the manpower, expertise or capacity and technology to process faster claims. HITPA is relatively smaller in size in terms of revenue per year and operates majorly in retail segment, while MAITPA derives major source of revenue from corporates and its volume has been growing.

Liquidity: Strong

MAITPA maintains strong liquidity, with ₹153 crore in cash and liquid investments as of December 31, 2024, and ₹296.5 crore at the group level. In December 2024, the company had ₹150 crore of sanctioned fund-based working capital limits. The company's non-fund-based limits, that is the bank guarantee limits, are enhanced from ₹30 crore to ₹60 crore. Bank guarantee utilisation averaged 70% in 2024. As informed by the company's management, with further improvement in cash and liquid balances by end of March 2025 with addition of accruals generated in Q4FY25, the available funds would be adequate enough to fund the acquisition. However, in case of requirement of additional funds, the company may rely partly on bank facilities. Considering the strong cash flows the company has generated in FY24 and expected accruals in FY25, MAITPA is well-positioned to meet its lease liabilities and working capital obligations.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Service Sector Companies
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services & supplies	Consulting services

MAITPA is an ISO 9001:2008 and ISO 27001:2013 certified organisation incorporated in September 1999. MAHS holds 100% shares in the company. MAITPA is one of the earliest IRDAI-licensed TPAs in India, providing range of services in claim administration, cashless hospitalisation, and facilitating pre-policy check-ups. The company uses technology-based interface 'MediBuddy' for seamless pre-authorisation, data on network hospitals, track reimbursements, and digital records, among others. As on December 31, 2024, it had a network of over 19,000 hospitals and served over 10,500 corporate clients nationwide, retaining most of them due to its quality service.
In February 2023, MAITPA acquired 100% of Medvantage for ₹19.50 crore and later invested an additional ₹10 crore in FY23. In August 2023, it acquired 100% of Raksha for ₹120.50 crore. Medvantage and Raksha merged into MAITPA in FY24 and FY25, respectively. Both acquisitions were funded through internal accruals with no term debt, further strengthening MAITPA's market leadership in India. The parent company, MAHS, was listed on Indian Stock Exchanges in January 2024.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	487.39	558.94	462.97

PBILDT	115.70	77.39	69.00
PAT	78.86	54.60	43.77
Overall gearing (times)	0.11	0.07	NA
Interest coverage (times)	49.21	33.56	25.82

A: Audited, UA: Unaudited, NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft	-	-	-	-	2.00	CARE AA-; Stable
Fund-based - LT-Cash Credit	-	-	-	-	150.00	CARE AA-; Stable
Fund-based - LT-Term Loan	-	-	-	31-12-2027	10.00	CARE AA-; Stable
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	84.00	CARE AA-; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	84.00	CARE AA-; Stable / CARE A1+	1)CARE AA- / CARE A1+ (RWD) (04-Sep-24)	1)CARE AA-; Stable / CARE A1+ (29-Feb-24)	1)CARE AA-; Stable / CARE A1+ (17-Feb-23)	1)CARE A1+ (04-Feb-22)
2	Fund-based - LT-Term Loan	LT	10.00	CARE AA-; Stable				
3	Fund-based - LT-Cash Credit	LT	150.00	CARE AA-; Stable				
4	Fund-based - LT-Bank Overdraft	LT	2.00	CARE AA-; Stable				

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

For detailed Rationale Report and subscription information, please visit www.careedge.in