

IPO Details		Company Background					
Opening Date	Jan 15, 2024	<ul style="list-style-type: none"> Medi Assist Healthcare Limited was originally incorporated in the year 2012 and has its registered office in Bengaluru, Karnataka, India. The company is a third-party administration services provider to insurance companies through its wholly owned subsidiaries, Medi Assist TPA, Medvantage TPA and Raksha TPA. The company also facilitate other healthcare and ancillary services such as hospitalization services, call centre services, customer relations and contract management services, billing services and claims processing services through the company and its other subsidiaries. As of 30th September 2023, the Company had 6,219 employees, out of which 4,840 are full-time employees on its payroll. 					
Closing Date	Jan 17, 2024						
Stock Exchange	NSE, BSE						
Lot Size	35 Shares						
Issue Price	₹ 397 to ₹ 418 per share						
Issue Size	Aggregating up to 1,171.58 Cr.						
Fresh Issue	-						
Offer for Sale	Aggregating up to 1,171.58 Cr						
Application Amount (Price at Upper Band)	Min. Inv. - ₹ 14,630 (35 shares) Max. Inv. - ₹ 1,90,190 (455 shares)						
IPO Objective							
The Object of the offer is to achieve the benefits of listing the Equity Shares on the Stock Exchanges.							
Pre-Issue Shareholding			Market Capitalization (In Cr.)				
Category	No. of Shares	% of Total Shares	Pre-Issue	Post-Issue			
Promoter & Promoter Group	5,31,17,212	77.14 %	₹ 2,878	₹ 2,878			
Public	1,57,42,000	22.86 %					
Promoter of the Company			Financial Summary (In Cr.)				
<ol style="list-style-type: none"> Vikram Jit Singh Chhatwal Medimatter Health Bessemer India Capital Holdings II Limited. 			For the Period Ended	Mar-21	Mar-22	Mar-23	Sept-23
			Total Assets	545.30	602.23	705.72	802.62
			Net Assets	290.39	337.13	376.61	408.40
			Total Borrowings	-	-	0.08	0.08
			Total Revenue	345.57	412.02	518.96	312.03
			Profit After Tax	26.27	64.22	74.04	22.49
Competitive Strengths			Tentative Timeline				
<ol style="list-style-type: none"> Well-established third-party administrator in India. Scalable technology-enabled infrastructure. Longstanding relationships with a majority of Insurance Companies. Diversified base of group accounts with longstanding relationships. Attractive contracts with a pan-India healthcare provider network. Ability to integrate acquisitions. Experienced management team and marquee shareholders. 			Opening Date	Jan 15, 2024			
			Closing Date	Jan 17, 2024			
			Basis of Allotment	Jan 18, 2024			
			Initiation of Refunds	Jan 19, 2024			
			Credit of Shares to Demat	Jan 19, 2024			
			Listing Date	Jan 22, 2024			

Company Background and Analysis

Medi Assist Healthcare Services Limited was incorporated in the year 2012. The company is a third-party administration services provider to insurance companies through its wholly owned Subsidiaries, Medi Assist TPA, Medvantage TPA (from February 13, 2023) and Raksha TPA (from August 25, 2023). The company also facilitates other healthcare and ancillary services such as hospitalization services, call centre services, customer relations and contract management services, billing services and claims processing services through the Company and its other Subsidiaries, IHMS, Mayfair India, Mayfair UK, Mayfair Group Holding, Mayfair Philippines and Mayfair Singapore.

As a third-party administrator, the company acts as a facilitator between (a) insurance companies and their policyholders, (b) insurance companies and healthcare providers (such as hospitals), and (c) the Government and beneficiaries of public health schemes.

The company's portfolio is as follows and the revenue bifurcation for the same –

1. Group Accounts Portfolio – The company works with corporates in a diverse range of industries and sectors to help administer the insurance requirements of their employees. Through Mayfair UK, the company have been able to extend its services to corporates overseas and provide services to its customers on a global platform.
2. Retail Portfolio – The company services individual insurance policyholders and acts as the intermediary between the insurance companies, hospitals and the insured members.
3. Government Schemes – The company works with the Central Government, various State Governments and certain government agencies to administer public healthcare programs. As of March 31, 2023, the company has serviced 15 government-sponsored insurance schemes covering over 17.75 Cr lives.
4. Contractual Arrangements – The company enters into contractual arrangements with insurance companies and corporations to provide its services. The contractual arrangements with insurance companies are usually for a term of one to three years, which may be renewed at the sole discretion of insurance companies.

Revenue bifurcation is given below for the FY Ended 2021, 2022, 2023, and the Period ended September 2023 -

(Amount in Cr.)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
Sale of services -								
Third-Party Administration (TPA)	312.09	96.70	385.38	97.86	486.38	96.33	280.62	92.93
Health Management Service	4.59	1.42	4.40	1.12	12.66	2.51	19.47	6.45
License Fee	0.20	0.06	0.04	0.01	3.34	0.66	1.18	0.39
Other Operating Revenues -								
Business support services	5.86	1.82	3.99	1.01	2.56	0.51	0.70	0.23
Total	322.74	100.00	393.81	100.00	504.93	100.00	301.96	100.00

To conclude, the company has good experience in the industry in which the company operates. The company generates the majority of its revenue from TPA services. The company is not raising any fresh issues.



Business Strategies

1. Maintain the leadership position among group accounts -

The company is planning a three-prong strategy to ensure leadership position among corporates by providing their employees with a satisfactory experience, Controlling the medical inflation and consequently the insurance premiums required to be paid by the corporates, and increasing the share of key accounts from leading insurance brokers which is including online-only insurance brokers.

2. Continue pursuing inorganic growth opportunities -

The Company intends to pursue acquisition opportunities to expand its existing service offerings, increase market share in existing markets or expand to new geographies. The company also intends to pursue opportunities for carve-outs and alliances with insurance companies and focus on partnerships with employers and distributors.

3. Continue to enhance the technology platforms -

The Company aims to enhance its predictive capabilities by harnessing the power of AI and data analytics. The company aim to minimize paperwork, reduce manual intervention, and expedite the processing time for claims.

4. To increase the share in the retail segment -

The company remains committed to expanding its portfolio of insurance clients and increasing its share in the retail and group segments. To cater to insurance companies that have in-house claims processing, the company offers modular services including providing access to its comprehensive network and pricing, advanced claims processing capabilities, and state-of-the-art technology.

Competitive Scenario and Peer Mapping

Competition

The company faces high competition. The company competes with a number of entities that provide similar services and are also licensed with IRDAI as third-party administrators. The company compete on the basis of a number of factors, including the strength of the healthcare provider network, customer service, technological capabilities, and relationships with insurer clients and corporates. The industry has medium barriers to entry. The bargaining power with the customers is low in the sector in which the company operates.

Peer Analysis

The company believes they have no listed peers for comparison as per the offer document.



Industry Overview

Exhibit 1: Life Insurance Premiums (US\$ billion)

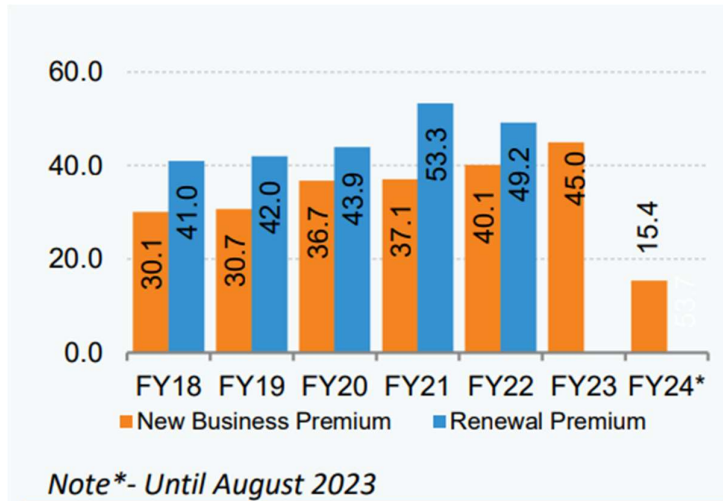


Exhibit 2: Gross premiums written of non-life insurers (US\$ billion)



(Source: ibef.org)

India's Third-Party Administration Sector -

Third-Party Administrators (TPAs) manage and coordinate healthcare benefits and insurance plans for beneficiaries (e.g., policyholders and employees). Third-Party Administrators (TPAs) engage with stakeholders through an integrated portfolio of health management tools, cutting-edge technology, analytical capabilities, and personalized customer service. It encompasses services ranging from enrolling individuals and groups in health insurance plans, managing eligibility and liaising with insurers, providing customer support (enhanced engagement & experience), developing a provider network, and educating beneficiaries about policy terms and conditions. Several corporations globally, especially in the US, have increasingly shifted to self-funded plans for providing healthcare benefits to their employees. These organizations have specialized ASOs (Administration Services Organizations) for managing their customized self-funded plans through their suite of comprehensive solutions.

TPA also offers technology platforms to insurers to streamline and scale up their operations, enhance efficiency, and provide better client services; consulting services for IT risk and security, value-based care services, analytics & insights, and healthcare program design, to name a few. While globally, Third-Party Administrators (TPAs) have evolved to assume the larger role of offering the entire range of services encompassing the TPA and technology platforms spectrum, currently, in India, a few select Third-Party Administrator (TPA)⁶ like Medi Assist, Paramount, and Vidal, are charting into this territory with inpatient & outpatient network, on-demand health, fraud, waste, abuse medical inflation management with borderless benefits.

Claims services and third-party administrators' industry segments remain fragmented. As Third-Party Administrators (TPAs) look to develop capabilities across service lines, geographies, and the healthcare value chain, the inorganic growth path has become the norm. While larger Third-Party Administrators (TPAs) can negotiate better prices and premiums, rolling in smaller specialized Third-Party Administrators (TPAs) helps widen the breadth of client offerings and cover more steps in the claims value chain. Third-Party Administrators (TPAs) like Medi Assist continue to pursue opportunities for carve-outs and alliances with insurance companies and partnerships with sponsors/employers and distributors. Some common themes encouraging acquisitions in the health claims management industry are listed below.

Global Third-Party Administrators -

With the rapid growth in the healthcare insurance sector and the volume of policies, premiums, and claims, the type of policies is also growing along with their complexity. It has resulted in parallel growth in the global Third-Party Administrator (TPA) market, resulting in more than 1000 active Third-Party Administrators (TPAs) worldwide.

With time, as Third-Party Administrators (TPAs) become more organized, gain scale, and offer additional value add services to payers, providers, and policyholders (e.g., ambulance service, helpline facilities, rehabilitation programs), they are expected to command a higher premium value. Consequently, the overall market growth is expected to be 7%-8% (CAGR) by 2027.

(Source: Prospectus)



Key Managerial Personnel

Vikram Jit Singh Chhatwal, aged 54 years, is the Promoter, Chairman and Whole-time Director of the Company. He holds a bachelor's degree in medicine and surgery, degree of Doctor of Philosophy, a master's degree in business administration, and a post-graduate diploma in public health administration. He joined the Company in 2007 as an additional director. He was previously associated with Apollo Health Street, Indraprastha Apollo Hospitals, Reliance Capital Limited, etc.

Satish V.N. Gidugu, aged 46 years, is a Whole-Time Director, and Chief Executive Officer of the Company. He holds a bachelor's degree in technology (naval architecture). He joined the Company on October 7, 2013.

Vishal Vijay Gupta, aged 46 years, is the Non-Executive Nominee Director of the Company. He holds a postgraduate diploma in management and is also an associate member of the Institute of Chartered Accountants of India. He is currently the Managing Director of BVP India Investors Private Limited.

Gaurav Sharma, aged 51 years, is the Non-Executive Nominee Director of the Company. He holds a bachelor's degree in technology (textile technology), and a master's degree in business administration. He is currently head of India Investment Business at Investcorp India Asset Managers Private Limited.

Himani Kapadia, aged 53 years, is the Independent Director of the Company. She holds a bachelor's degree in commerce, also a qualified chartered accountant. She is currently the managing director of OLIVER+

Gopalan Srinivasan, aged 65 years, is the Independent Director of the Company. He holds a bachelor's degree in commerce. He is a fellow member of the Institute of Cost Accountants of India and a fellow of the Federation of Insurance Institutes.

Anil Chanana, aged 65 years, is the Independent Director of the company. He holds a bachelor's degree in commerce (honours) and is also an associate member of the Institute of Chartered Accountants of India. He has experience in handling finance functions, including in the information technology sector, and in providing consultancy services.

Ritu Niraj Anand, aged 66 years, is the Independent Director of the Company. She holds a degree of Doctor of Philosophy. She was the senior vice president at Tata Consultancy Services and was involved with Tata Consultancy Services for over three decades.

Ananda Mukerji, aged 64 years, is the Independent Director of the Company. He holds a bachelor's degree in technology (mechanical engineering), and a postgraduate diploma in management. He is currently the executive chairman of Anunta Technology Management Services Limited.

To conclude, the company has 3 promoters out of which one is an individual promoter who has vast knowledge, and experience in the industry in which the company operates. The Remaining Directors of the company have decent knowledge and experience in their respective fields which helps in the overall growth of the company.

Financial Snapshot

Profit and Loss Statement				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23
Revenue from contracts with customers	322.74	393.81	504.93	301.96
Other Income	22.83	18.21	14.02	10.07
Total Income	345.57	412.02	518.96	312.03
Expenses				
Employee benefits expense	143.26	155.68	197.69	117.13
Finance Costs	5.73	2.95	2.99	1.33
Depreciation and Amortization expense	31.66	28.41	26.77	19.72
Other expenses	103.88	146.91	187.90	122.44
Total Expenses	284.53	333.95	415.35	260.62
Earnings Before Interest, Taxes, Depreciation & Amortization	75.60	93.83	119.35	41.39
EBITDA Margin	23%	24%	24%	14%
Profit before exceptional and extraordinary items and tax	61.04	78.08	103.61	51.41
Exceptional items	-	2.61	-	-21.00
Profit/(Loss) before tax	61.04	80.69	103.61	30.41
Tax Expense				
Current Tax	29.01	19.23	27.94	14.36
Adjustment of taxes relating to earlier years	-0.47	-3.90	-	-4.85
Deferred Tax	-5.51	1.89	0.36	-3.36
Total Tax Expense	23.04	17.22	28.30	6.15
Profit from Continuing Operations	38.01	63.47	75.31	24.26
Discontinued operations				
Restated profit before tax for the period from discontinued operations	-15.05	1.00	-1.69	-2.37
Tax (expense)/ credit of discontinued operations for the period/ year	3.32	-0.25	0.43	0.60
Profit from Discontinued Operations	-11.73	0.75	-1.27	-1.77
Profit/(Loss) for the year	26.27	64.22	74.04	22.49
Net Profit Margin	8%	16%	14%	7%

Balance Sheet				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	29.11	21.25	27.40	28.57
Right of Use Assets	26.85	20.09	26.89	28.27
Goodwill	40.98	40.98	75.43	128.67
Other Intangible Assets	22.35	16.38	41.77	71.89
Intangible assets under development	0.69	6.46	-	-
Financial Assets	-	-	-	-
Investments	7.47	6.94	1.27	6.77
Other financial assets	6.25	5.89	11.66	58.10
Income tax assets (net)	30.31	49.25	66.18	69.80
Deferred tax assets (net)	10.64	9.52	9.13	13.00
Other non-current assets	0.88	0.66	3.86	3.71
Total non-current assets	175.53	177.41	263.58	408.77
Current Assets				
Inventories				



Balance Sheet				(In Cr.)
Financial Assets	-	-	-	-
(i) Investments	103.09	194.50	42.73	12.74
(ii) Trade Receivables	116.26	118.77	127.16	222.26
(iii) Cash and Cash Equivalents	63.39	14.60	53.94	20.03
(iv) Other Bank Balances	51.35	47.94	157.57	56.50
(v) Other financial assets	22.28	22.42	28.19	40.28
Other current assets	12.15	26.59	32.54	42.04
Total Current assets	368.52	424.82	442.14	393.85
Assets held for sale	1.24	-	-	-
Total Assets	545.30	602.23	705.72	802.62
EQUITY AND LIABILITIES				
Equity				
Share Capital	0.04	34.43	34.43	34.43
Other Equity	290.35	302.70	342.18	373.97
Total equity attributable to equity holders of the company	290.39	337.13	376.61	408.40
Non-controlling interests (NCI)	2.16	2.16	7.06	8.24
Total Equity	292.55	339.29	383.67	416.64
Liabilities				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	-	-	-	-
(ii) Lease liabilities	25.68	17.52	18.69	16.81
iii) Other financial liabilities	-	-	7.34	6.73
Provisions	8.56	11.22	14.23	17.97
Deferred tax liabilities (net)	-	-	3.25	11.62
Total non-current liabilities	34.23	28.74	43.51	53.13
Current liabilities				
Financial Liabilities				
(i) Borrowings	-	-	0.08	0.08
(ii) Trade Payables	-	-	-	-
total outstanding dues of micro-enterprises and small enterprises	3.11	3.23	6.86	6.17
total outstanding dues of creditors other than micro-enterprises and small enterprises	30.92	25.79	29.57	34.75
(iii) Other Financial Liabilities	15.86	13.29	35.07	16.90
(iv) Lease Liabilities	9.62	9.96	11.91	14.48
Contract Liabilities	122.20	153.70	171.34	227.28
Other Current Liabilities	23.45	21.61	11.57	18.24
Provisions	5.21	6.62	12.09	14.10
Current tax liabilities (Net)	8.15	-	0.04	0.86
Total Current liabilities	218.52	234.20	278.54	332.85
Total Liabilities	252.75	262.94	322.04	385.98
Total Equity and Liabilities	545.30	602.23	705.72	802.62

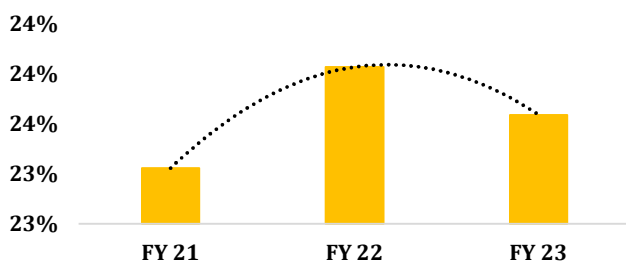
Cash Flow Statement					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Net Cash Flow from Operating Activities	135.20	64.48	78.72	-18.91	
Net Cash Flow from Investing Activities	-55.60	-82.90	-8.25	16.36	
Net Cash Flow from Financing Activities	-10.76	-30.37	-31.40	-31.41	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
Per Share Data				
Diluted EPS	3.88	9.25	10.65	10.91
BV per share	42.17	48.96	54.69	65.61
Operating Ratios				
EBITDA Margins	23%	24%	24%	21%
PAT Margins	8%	16%	14%	12%
Debtor days	131.48	110.08	91.92	134.70
Return Ratios				
RoCE	13%	18%	22%	19%
RoE	9%	19%	19%	17%
Valuation Ratios (x)				
EV/EBITDA	3.00	3.44	2.70	3.46
Market Cap / Sales	8.92	7.31	5.70	4.77
P/E	107.73	45.19	39.25	38.30
Price to Book Value	9.91	8.54	7.64	6.37
Solvency Ratios				
Debt / Equity	0.03	0.03	0.04	-
Current Ratio	1.69	1.81	1.59	1.18
Quick Ratio	1.69	1.81	1.59	1.18
Asset Turnover	0.59	0.65	0.72	0.38
Interest Coverage Ratio	7.67	22.18	30.97	16.27

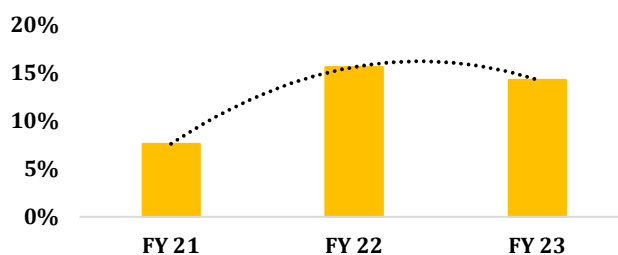
*Annualized Figures

Financial Charts

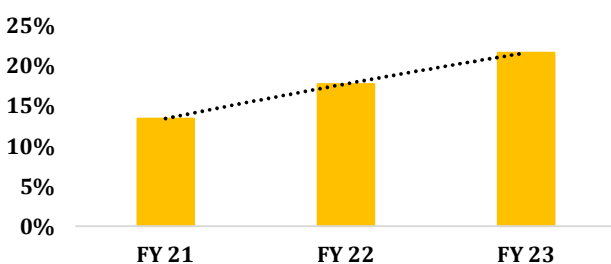
EBITDA Margin



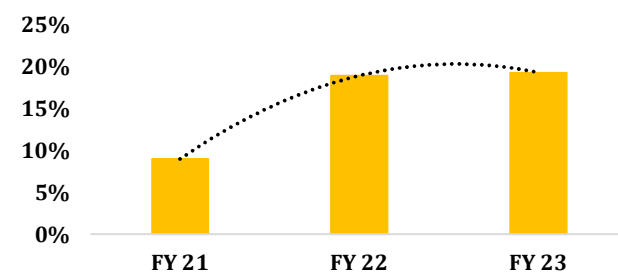
Net Profit Margin



Return On Capital Employed



Return on Equity





Key Risk Factors

1. The company's top 5 customers contributed 89.48%, 87.93%, 81.54%, and 72.96% for the FY ended 2021, 2022, 2023, and the period ended September 2023 respectively. The loss of one or more such clients could adversely affect the business and prospects.
2. There are certain legal and regulatory proceedings against the Promoters which are currently outstanding before the National Company Law Tribunal and a direct tax matter amounting to 3 lakhs.
3. There are outstanding legal proceedings involving the Company, the Directors, the Promoters and the Subsidiaries amounting to Rs. 71.96 Cr.
4. The company has certain contingent liabilities amounting to Rs. 57.08 Cr that may adversely affect the financial condition and results of operations.
5. The company has had negative cash flows from operating for the period ended September 2023 and may continue to have negative cashflows in the future.

Track Record of Lead Manager

The lead managers to the issue are IIFL Securities Limited, SBI Capital Markets Limited, Nuvama Wealth Management Limited, and Axis Bank Limited. A table has been set below highlighting the details of the IPO of the last 5 companies handled by the Lead Manager in recent times –

IIFL Securities Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	DOMS Industries Limited	1,200.00	790.00	December 20, 2023	1,497.40
2.	ASK Automotive Limited	8,33.91	282.00	November 15, 2023	285.45
3.	Protean eGov Technologies Limited	4,89.20	792.00	November 13, 2023	1,314.35
4.	Cello World Limited	19,00.00	648.00	November 6, 2023	880.90
5.	Updater Services Limited	6,40.00	300.00	October 4, 2023	330.85

The company has had 42 mandates in the past three years (including the current year)

SBI Capital Markets Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Azad Engineering Limited	740.00	524.00	December 28, 2023	669.80
2.	Muthoot Microfin Limited	960.00	291.00	December 26, 2023	240.50
3.	Indian Renewable Energy Development Agency Limited	2,150.21	32.00	November 29, 2023	103.40
4.	Updater Services Limited	640.00	300.00	October 04, 2023	330.85
5.	JSW Infrastructure Limited	2,800.00	119.00	October 03, 2023	212.25

The company has had 20 mandates in the past three years (including the current year)

Nuvama Wealth Management Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Flair Writing Industries Limited	593.00	304.00	December 01, 2023	352.90
2.	Gandhar Oil Refinery (India) Limited	500.69	169.00	November 30, 2023	253.15
3.	ESAF Small Finance Bank Limited	463.00	60.00	November 10, 2023	71.75
4.	Sai Silks (Kalamandir) Limited	1,201.44	222.00	September 27, 2023	267.00
5.	Jupiter Life Line Hospitals Limited	869.08	735.00	September 18, 2023	1,116.00

The company has had 18 mandates in the past three years (including the current year)

Axis Bank Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Azad Engineering Limited	740.00	524.00	December 28, 2023	669.80
2.	Happy Forgings Limited	1,00.85	850.00	December 27, 2023	956.60
3.	Muthoot Microfin Limited	960.00	291.00	December 26, 2023	240.50
4.	Inox India Limited	1,459.32	660.00	December 21, 2023	860.55
5.	Flair Writing Industries Limited	593.00	304.00	December 01, 2023	3352.90

The company has had 49 mandates in the past three years (including the current year)

*CMP for the above-mentioned companies is taken as of 11th January 2024.

As per the offer document, from the above-mentioned mandates, 1 mandate has opened at a discount, 1 mandate has opened at par, and all the remaining mandates are opened at a premium on the listing date.



Recommendation

The company has been in the industry since 2012 and thus has vast experience in the industry. The company has seen an increase in the top line over the years. The company faces high competition. The management outlook of the company is satisfactory.

The P/E on an annualized and post-IPO basis is around 38.30 times which makes it slightly highly priced by looking at the performance of the company.

The company is one of the well-established third-party administrators in India. Whereas the company faces high competition in the industry in which the company operates. The company has seen an increase in the top line of its financials, but there is a decline in the profitability margins during FY 2023 and for the period ending September 2023. The company is not receiving any fresh issues and is achieving the benefits of listing on the stock market, but the company has also recently acquired companies which may yield good growth for the company. Thus, keeping in mind the above-mentioned points we believe **Risk Averse - Should Wait** **Risk Seekers - Should Apply** to this IPO.



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