Medi Assist Healthcare Services Limited

February 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	10.25 (Enhanced from 10.00)	CARE AA-; Stable	Reaffirmed
Long-term / Short-term bank facilities	5.75 (Reduced from 6.00)	CARE AA-; Stable / CARE A1+	Reaffirmed
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Medi Assist Healthcare Services Limited (MAHS) derives comfort from the company's leadership position in the Third-Party Insurance Administration (TPA) industry, experienced and competent management, its established relationships with large corporates driving higher retention rate, tie-ups with all major insurance companies and a coverage of wide hospital network and healthy growth prospects for the TPA industry.

CARE Ratings Limited (CareEdge Ratings) also takes note of acquisition of 100% stake in Paramount Health Services & Insurance TPA Private Limited (Paramount TPA) by its wholly owned subsidiary Medi Assist Insurance TPA Private Limited (MAITPA; rated: CARE AA-; Stable/ CARE A1+) in July 2025 which further strengthen its market leadership. Ratings also take cognisance of y-o-y growth in the premiums under management (PUM), backed by inorganic acquisitions for two years ended FY25 (FY refers to April 01 to March 31) with the growth momentum likely to continue in FY26, supported by acquisition of Paramount TPA, comfortable financial risk profile and strong liquidity. MAHS initially funded total consideration of ₹412 crore for acquisition of Paramount TPA through bridge debt of ₹150 crore and balance through internal accruals. However, as on January 15, 2026, MAHS has entirely repaid its bridge debt, post raising ₹198 crore through a preferential issue in October 2025.

The above rating strengths, however, are partially offset considering the company's presence in intensely competitive and fragmented industry, threat from in-house TPAs of insurer companies and susceptibility to regulatory changes.

CareEdge Ratings has withdrawn the rating on long-term bank facilities based on a No Dues certificates, as the term loan has been fully repaid and there is no outstanding as of date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent growth in total operating income (TOI) by ~20% while maintaining profit before interest, lease rentals, depreciation and taxation (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 total debt / PBILDT or overall gearing above 0.50x on a sustained basis.
- Significant increase in working capital requirement impacting liquidity of the company.

Analytical approach: Consolidated. CareEdge Ratings has analysed MAHS' credit profile by considering consolidated financial statements owing to financial and operational linkages between the parent and subsidiaries and the common management. Consolidated entities are listed under Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that MAHS will continue to benefit from its leadership position in the insurance TPA industry, tie-ups with all major insurance companies, and established relationships with large, reputed corporates.

Detailed description of key rating drivers:

Key strengths

Strong market position, with long-standing relationships with large corporates, major insurers and Pan-India hospital network

MAHS (through its subsidiary MAITPA) continues to reinforce its leadership position in the Indian TPA industry, supported by consistent year-on-year volume growth driven by strategic inorganic acquisitions and a strong corporate retention rate. MAITPA

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

acquired 100% of stake in Medvantage Insurance TPA Private Limited (Medvantage) and Raksha Health Insurance TPA Private Limited (Raksha) for a total consideration of ₹150 crore in February 2023 and August 2023 respectively. In July 2025, the company acquired 100% stake in Paramount TPA for a total consideration of ₹412 crore.

With these inorganic acquisitions and healthy corporate retention rates, MAHS's market share in terms of PUM in the overall health industry has increased to ~21.3% as of September 30, 2025. The company had ~32.2% market share in group insurance segment (PY: ~28.4%) and ~5.3% in retail insurance segment (PY: ~5.6%) as of September 30, 2025.

The company has serviced over 10,500 corporate clients in FY25 with a strong retention rate of ~94%. It has also built a robust pan-India presence through a network of over 20,000 hospitals, enabling smoother cashless coordination, faster patient discharge, and quicker claims processing. MAHS has established partnerships with all major PSU and private insurers, which stood at 32 insurers as of November 30, 2025, of with 19 insurers exclusively opting for MAITPA's TPA services.

Healthy growth in PUM supported by inorganic acquisitions and healthy growth prospects for TPA industry
MAHS delivered a robust 22% compound annual growth rate (CAGR) growth in revenue and 28% CAGR growth in PUM over the five years ending FY25, driven by sustained post-Covid demand for health insurance, strong corporate client retention, and strategic inorganic acquisitions. MAHS derived ~92% of revenue from TPA business, while ~8% of revenue was derived from health management services and other businesses.

MAHS's TOI grew by 14% on a y-o-y basis to ₹723 crore in FY25 (FY24: ₹635 crore), led by 11% growth in PUM (group + retail), 24% growth in government business and 27% of revenue growth from health management services and other businesses. In FY25, PUM rose to ₹21,108 crore (PY: ₹19,050 crore), and is expected to reach ~₹26,500 crore in FY26, supported by acquisition of the Paramount TPA and growing demand. Average fee charged by the company has reduced from 2.98% in FY23 to 2.79% in FY25 mainly due to price adjustment to grow PUM, change in product mix and risk profile among others.

In H1FY26, MAHS reported a TOI of ₹423 crore with a total PUM of ₹12,719 crore (H1FY25: ₹10,583 crore) under management. CareEdge Ratings expects MAHS to report a TOI growth of ~27% - 28% in FY26 supported by higher PUM through Paramount TPA acquisition. Rising health insurance penetration, increasing preference for cashless hospitalization, reduction of GST rates on health insurance policies, rising volume of claims and insurer focus on outsourcing claims management for better efficiency and customer experience, are expected to drive sustained expansion of TPA industry.

Healthy profitability, despite moderation expected in FY26
MAHS continued to maintain healthy profitability, with PBILDT margin of ~21% in both FY24 and FY25, although slightly lower than historical levels of above 23% largely due to time required to integrate the acquired entities with MAHS' operations, and decline in average fee earned on premiums managed. In H1FY26, operating margin declined to ~19.32% (H1FY25: 21.14%) as profitability in Q2FY26 impacted by initial losses in the recently acquired Paramount TPA and higher spending on technology development.

As integration progresses, MAHS is expected to realise meaningful synergy benefits over time through enhanced operational efficiencies, cross-selling opportunities, and improved scale which should support operating margin recovery and strengthen margin to 21-22% in the medium term. The company's PAT margin is expected to decline in FY26 due to moderation in PBILDT margin, higher interest costs and amortisation of intangible assets associated with acquisition.

Comfortable financial risk profile with low dependence on external debt
MAHS remained debt-free until December 2024. The company availed working capital borrowings of ~₹130 crore as of FY25-end despite continued to remain net debt free having liquidity of over ₹450 crore as on March 31, 2025. Subsequently, MAHS availed term debt of ₹150 crore in H1FY26 to fund acquisition of Paramount TPA. Total debt on consolidated basis stood at ₹305 crore as on September 30, 2025, compared to liquidity of ₹210 crore. However, by January 15, 2026, the company has repaid its entire external borrowings backed by cashflow from operations and the available liquidity.
CareEdge Ratings expects the company's external debt to remain nil as of FY26-end. With healthy accretion of profits to reserves, fund raising of ₹198.35 crore via preferential issue in October 2025 and nil external borrowings, CareEdge Ratings expects the company's overall gearing and Total Debt / PBILDT is projected to remain below 0.20x and 0.50x respectively as on March 31, 2026. Despite moderation owing to increase in interest costs in H1FY26, MAHS's interest coverage ratio is expected to remain healthy at ~9x in FY26 (FY25: 14.99x).

Experienced and competent management
MAHS was promoted by Bessemer Venture Partners (BVP), an American venture capital and private equity firm with assets under management (AUM) of over US$20 billion and Dr Vikramjit Chhatwal. MAHS got listed on Indian stock exchanges in January 2024 and post that Bessemer India Capital Holdings II Limited (ultimately owned by BVP) has gradually exited the company by August 2025-end. As on December 31, 2025, the promoter's shareholding in the company stood low at 4.62%.

Dr Vikram Jit Singh Chhatwal continues to hold the position of Chairman and Whole-Time Director of the Medi Assist Group and has over two decades of experience in the health insurance sector. 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.

Key weaknesses

Competitive Intensity and evolving regulatory risks in the TPA sector
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. At present, there are 16 licensed TPAs offering largely undifferentiated services, while IRDAI regulations, mandates a comprehensive in-house team, including medical professionals, hospital managers, insurance consultants, legal and IT professionals, which raises operating costs and intensifies margin pressures. Competition is amplified by the rise of in-house TPAs, particularly Health Insurance TPA of India Ltd. (HITPA) formed by the four public-sector general insurers, which is expected to handle an increasing share of their premiums and poses a strategic risk to MAHS given its significant dependence on PSU insurers. Apart from PSUs, a few large private insurers have also moved towards in-house administration, though the trend is limited to large insurers only, due to the significant expertise, manpower, and technology requirements. HITPA's operations are still comparatively smaller and largely retail-focused, whereas MAHS's strength lies in its corporate-centric portfolio and growing business volumes, which help mitigate, though not eliminate, the competitive pressures.

Liquidity: Strong

MAHS's liquidity remains strong marked by nil outstanding external debt as of January 15, 2026, low utilisation of working capital limits and healthy cash flow from operations. MAHS at a standalone level has a sanctioned FB limit of ₹10 crore, which remains largely unutilised, nevertheless average utilisation of FB limits at its subsidiary level MAITPA stood at ~60% for the trailing eight months ended November 2025. The company avails bank guarantee (BG) for bidding and providing performance bank guarantees (PBGs) for government tenders. MAHS reported cash flow from operations (CFO) of ₹139 crore as on FY25-end (FY24: ₹87 crore).

MAHS's operating cycle elongated to ~76 days in FY25 (FY24: 59 days), driven by higher receivables due to higher business from corporates / insurers with payment cycles of 100–120 days in the last two years. Payments under government schemes are often delayed as they depend on budgetary allocations. The company's working capital needs are largely supported by customer advances, resulting in minimal reliance on external debt. CareEdge Ratings expects company to maintain free liquidity of over ₹100 crore as on FY26-end, which shall support the company's incremental working capital requirement.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Service Sector Companies
Short Term Instruments

About the company and industry

Industry classification

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

MAHS primarily provides technology and software solutions to its wholly owned subsidiary companies, all of which are licensed TPAs under IRDAI. MAHS is into providing TPA services in India, majorly through its subsidiary, MAITPA. In addition to its core TPA operations, MAHS also offers health management services and has expanded into technology-driven SaaS solutions for insurers, generating fee-based income from these technology platforms.

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 'Matrix' for seamless pre-authorisation, data on network hospitals, track reimbursements, and digital records, among others.

In FY22, MAHS acquired 60% stake in Mayfair We Care Limited, UK, which is engaged into providing health management services to multinational companies. Further, MAHS acquired 100% of stake in Medvantage and Raksha in February 2023 and August 2023 respectively. Subsequently, Medvantage and Raksha merged into MAITPA in FY24 and FY25 respectively. In July 2025 MAHS acquired 100% stake in Paramount TPA, which is expected to be amalgamated with MAITPA by September 2026-end.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)$
Total operating income	634.88	723.32	423.10
PBILDT*	133.46	154.38	81.73
Profit after tax (PAT)	69.18	91.52	30.70
Overall gearing (x)	0.05	0.37	0.52
Interest coverage (x)	42.21	14.99	6.61

A: Audited; UA: Unaudited; Note: these are latest available financial results
$includes Paramount TPA financials from July 01, 2025
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: None

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	10.25	CARE AA-; Stable
Fund-based - LT-Term Loan	-	-	-	31-12-2027	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	5.75	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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	10.25	CARE AA-; Stable	-	1)CARE AA-; Stable (25-Mar-25)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ ST	5.75	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (25-Mar-25)	-	-
3	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA-; Stable (25-Mar-25)	-	-

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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated as on September 30, 2025

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Medi Assist Insurance TPA Private Limited	Full	Subsidiary
2	International Healthcare Management Services Private Limited	Full	Subsidiary
3	Mayfair Consultancy Services India Private Limited	Full	Subsidiary
4	Mayfair We Care Limited, UK	Full	Subsidiary
5	Mayfair Group Holding Subcontinent Limited, UK	Full	Subsidiary
6	Mayfair We Care Pte Ltd., Singapore	Full	Subsidiary
7	Mayfair We Care Philippines. Inc., Philippines	Full	Subsidiary
8	Paramount Health Services & Insurance TPA Services Private Limited (from July 01, 2025)	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge 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.

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About us:
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