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MEDI ASSIST HEALTHCARE SERVICES LIMITED

Our Company was incorporated on June 7, 2000 as a private limited company under the Companies Act 1956, with the name "Net Logistics Private Limited" and a certificate of incorporation granted by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, the name of our Company was changed to "Medi Assist Healthcare Services Private Limited" with a fresh certificate of incorporation granted by the Registrar of Companies, Karnataka at Bengaluru on November 21, 2012. Pursuant to the conversion of our Company to a public limited company and as approved by the shareholders of our Company pursuant to a special resolution dated February 27, 2018, the name of our Company was changed to "Medi Assist Healthcare Services Limited" and the Registrar of Companies, Karnataka at Bengaluru issued a fresh certificate of incorporation on March 20, 2018. For further details of change in the name of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 187 of the Red Herring Prospectus dated January 09, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Registered and Corporate Office: Tower D, 4th floor, IBC Knowledge Park, 4/1 Bannerghatta Road, Bengaluru 560 029, Karnataka, India; Tel: (+91 80) 6919 0000; Contact Person: Simmi Singh Bisht, Chief Compliance Officer and Company Secretary; E-mail: investor.relations@mediassist.in; Website: www.mediassist.in, Corporate Identity Number: U74900KA2000PLC027229

OUR PROMOTERS: DR. VIKRAM JIT SINGH CHHATWAL, MEDIMATTER HEALTH MANAGEMENT PRIVATE LIMITED AND BESSEMER INDIA CAPITAL HOLDINGS II LTD.

INITIAL PUBLIC OFFERING OF UP TO 28,028,168 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "EQUITY SHARES") OF MEDI ASSIST HEALTHCARE SERVICES LIMITED ("OUR COMPANY" OR "THE COMPANY" OR "THE ISSUER" OR "MAHS") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING AN OFFER FOR SALE OF UP TO 2,539,092 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. VIKRAM JIT SINGH CHHATWAL, UP TO 12,468,592 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MEDIMATTER HEALTH MANAGEMENT PRIVATE LIMITED ("MEDIMATTER HEALTH", AND COLLECTIVELY WITH DR. VIKRAM JIT SINGH CHHATWAL, THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 6,606,084 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY BESSEMER HEALTH CAPITAL LLC ("BESSEMER HEALTH" OR THE "PROMOTER GROUP SELLING SHAREHOLDER"), UP TO 6,275,706 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INVESTCORP PRIVATE EQUITY FUND I (THE "INVESTOR SELLING SHAREHOLDER"), AND UP TO 138,694 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE OTHER SELLING SHAREHOLDERS (TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDER AND INVESTOR SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS" AND SUCH OFFER BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

Sr. No.	Name of Selling Shareholder ^A	Type	Number of Equity Shares of face value of ₹ 5 each offered	Weighted average cost of acquisition per Equity Share (in ₹) ^A
1	Dr. Vikram Jit Singh Chhatwal	Promoter Selling Shareholder	Up to 2,539,092 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million	0.20
1A	Medimatter Health Management Private Limited	Promoter Selling Shareholder	Up to 12,468,592* Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million	27.23
2	Bessemer Health Capital LLC	Promoter Group Selling Shareholder	Up to 6,606,084 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million	31.07
3	Investcorp Private Equity Fund I	Investor Selling Shareholder	Up to 6,275,706 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million	58.12
4	Other 9 Selling Shareholders	Other Selling Shareholders	Up to 138,694 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million	15.42 to 15.99

*537,080 Equity Shares are held jointly by Medimatter Health Management Private Limited with Dr. Vikram Jit Singh Chhatwal. ^AAs certified by Agrawal Jain & Gupta, Chartered Accountants by way of their certificate dated January 09, 2024.

We provide third party administration services to insurance companies through our wholly owned Subsidiaries and facilitate other healthcare and ancillary services.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹397 TO ₹418 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH.

THE FLOOR PRICE IS 79.40 TIMES THE FACE VALUE AND THE CAP PRICE IS 83.60 TIMES THE FACE VALUE.

THE PRICE TO EARNING RATIO AT THE FLOOR PRICE IS 36.66 TIMES AND AT THE CAP PRICE IS 38.60 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 35 EQUITY SHARES AND IN MULTIPLES OF 35 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated January 9, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on pages 110 of the RHP and provided below in the advertisement

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

- Our Subsidiaries, Medi Assist TPA, Medvantage TPA and Raksha TPA contributed 92.98% of our revenue from contracts with customers for the six months ended September 30, 2023. The consolidated Revenue of our Company for the six months ended September 30, 2023 is Rs. 3,019.56 million and the contribution of TPA Subsidiaries is:

TPA Subsidiary	Amount (Rs. In Millions)
Medi Assist TPA	2,713.65
Medvantage TPA	29.63
Raksha TPA	64.34

- Our five largest clients by revenue contributed to 78.23%, 78.95%, 77.97% and 71.03% of our total revenue from contracts with customers, for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023, respectively. The loss of one or more such clients could adversely affect our business and prospects.
- Our business is significantly dependent on group accounts in certain industries. The table below sets out details of the contribution of IT / ITES sector and the BFSI sector in our top 50 Group Accounts for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023:

Particulars	Financial Year 2021	Financial Year 2022	Financial Year 2023	For the six months ended September 30, 2023
Contribution of IT / ITES sector in our top 50 Group Accounts	50.02	45.48	45.68	46.11
Contribution of BFSI sector in our top 50 Group Accounts	21.37	21.01	20.57	22.53

- Our Subsidiaries, Medi Assist TPA, Raksha TPA and Medvantage TPA, have received show cause notices and letter of advisory from IRDAI in the past. Any non-compliance with the IRDAI inspections which take place periodically or any adverse observations by the IRDAI may adversely affect our business, results of operation or financial condition.
- Any failure to maintain the quality of our services may negatively impact our brands and reputation and result in loss of the insurance companies and the group accounts serviced by us, which may adversely affect our business and results of operations

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6. We have acquired certain entities in the recent past, including outside of India and any failure to realize the anticipated benefits of our acquisitions or the performance of our Subsidiaries may have an adverse effect on our business, results of operations, financial condition and cash flows.
7. The third party administration industry is intensely competitive and we compete with other entities on the basis of a number of factors, including handling pre-authorization and reimbursement claims, reputation, price, strength of our hospital network, amongst others. Our inability to compete effectively may adversely affect our business, results of operations and financial condition.
8. We service government-sponsored insurance schemes and are exposed to risks associated with program funding, enrollments and delayed payments that could adversely affect our business, results of operations and financial condition.
9. The Audit Reports issued by the previous statutory auditors of our Company and one of our Subsidiaries, Medi Assist TPA, contained a disclaimer of opinion for Financial Year 2021. The current statutory auditors of our Company conducted an audit of the special purpose consolidated financial statements of our Company for the Financial Year 2021 and issued an audit report without any qualifications or disclaimer of opinion, to comply with the requirements of SEBI ICDR Regulations. Any such remarks or emphasis of matter in the auditor's report on our financial statements in the future may affect our reputation.
10. Average cost of acquisition of Equity Shares held by Selling Shareholders ranges from ₹ 0.20/- to ₹ 58.12/- per equity share and Offer Price at higher end of the price band is ₹ 418 per share.
11. The Price/Earnings ratio based on diluted EPS from continued operations for Fiscal 2023 for our Company at higher end of the price band is as high as 38.60 as compared to Nifty 50 PE ratio of 22.94 as on January 8, 2024.
12. Details of Weighted average cost of acquisition ("WACA") of all Equity Shares transacted in last three years, eighteen months and one year immediately preceding the date of the RHP.

Period	WACA (in ₹) ⁽¹⁾⁽²⁾	Cap Price is 'X' times the WACA	Range of acquisition price: lowest price - highest price (in ₹) ⁽¹⁾
Last three years	27.20	15.37	Nil-27.20
Last 18 months	N.A.	N.A.	N.A.
Last one year	N.A.	N.A.	N.A.

(1)As certified by Agrawal Jain & Gupta, Chartered Accountants by way of their certificate dated January 09, 2024.

(2)Reflects the weighted average cost of acquisition for Equity Shares allotted to Medimatter Health Management Private Limited on March 5, 2021 pursuant to conversion of Series B CCPS held by it, as adjusted by the split in face value of Equity Shares on April 7, 2021 and issuance of bonus shares on April 9, 2021. Bonus shares issued to all other shareholders of the Company have not been considered.

13) Weighted Average Return on Net worth for the past three fiscals i.e. 2023, 2022 and 2021 is 17.46%.

14) WACA, floor price and cap price

Type of Transactions	WACA (in ₹)*	Floor Price (i.e. ₹ 397)	Cap Price (i.e. ₹ 418)
(a) WACA of Equity Shares based on Primary Issuances undertaken during the three immediately preceding years	27.20	14.60 times	15.37 times
(b) WACA of Equity Shares based on Secondary Transactions undertaken during the three immediately preceding years	Nil	N.A.	N.A.

*As certified by Agrawal Jain & Gupta, Chartered Accountants by way of their certificate dated January 09, 2024.

15) Four BRLMs associated with the Offer have handled 92 public issues in the past three years, out of which 29 issues closed below the offer price on listing date.

Name of the BRLMs	Total issues	Issues closed below IPO price on listing date
Axis Capital Limited	26	9
IIFL Securities Limited	26	7
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	9	2
SBI Capital Markets Limited	3	-
Common Issues handled by the BRLMs	28	11
Total	92	29

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE : FRIDAY, JANUARY 12, 2024⁽¹⁾

BID/OFFER OPENS ON : MONDAY, JANUARY 15, 2024

BID/OFFER CLOSURES ON : WEDNESDAY, JANUARY 17, 2024⁽²⁾⁽³⁾

⁽¹⁾Our Company, the Promoter Selling Shareholders and the Promoter Group Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations.

⁽²⁾Our Company, the Promoter Selling Shareholders and the Promoter Group Selling Shareholder, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

⁽³⁾UPI mandate end time and date shall be at 5:00 PM on Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 5, and the Offer Price is [•] times the face value. The financial information included herein is derived from our Restated Consolidated Financial Information. Bidders should also refer to the sections titled "Risk Factors", "Our Business", "Restated Consolidated Financial Information", "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 29, 159, 227, 308 and 312 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors: Some of the qualitative factors which form the basis for computing the Offer Price are: • Well Established Third Party Administrator in India; • Scalable technology-enabled infrastructure addressing the needs of all constituents of the health insurance ecosystem; • Longstanding relationships with Indian insurance companies; • Diversified base of Group Accounts with strong relationships; • Attractive contracts with a pan-India healthcare provider network to provide discounted rates and/or preferential packages to our customers; • Our ability to integrate acquisitions with our business and consolidating our position in the industry; and • Experienced management team and institutional shareholders. For further details, see "Risk Factors" and "Our Business - Our Strengths" on pages 29 and 163, of the RHP, respectively.

Quantitative Factors: Some of the information presented below relating to our Company is based on or derived from the Restated Consolidated Financial Information. For details, see "Restated Consolidated Financial Information" on page 227 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. **Basic and Diluted Earnings per Share ("EPS")** at face value of ₹ 5 each, as adjusted for change in capital:

A. From continuing and discontinued operations:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	10.76	10.65	3
March 31, 2022	9.33	9.25	2
March 31, 2021	3.92	3.88	1
Weighted Average	9.14	9.06	
Six months ended September 30, 2023	3.10	3.07	-
Six months ended September 30, 2022	5.33	5.28	-

Notes:
1) EPS has been calculated in accordance with Ind AS 33 - "Earnings per share". The face value of Equity Shares of the Company is ₹ 5.

2) Basic EPS (₹) = Restated net profit/(loss) from continuing and discontinued operation available to equity shareholders/ Weighted average number of Equity Shares outstanding during the year/period as per Restated Consolidated Financial Information

3) Diluted EPS (₹) = Restated net profit/(loss) available to equity shareholders/ Weighted average number of Dilutive Equity Shares during the year/period as per Restated Consolidated Financial Information.

4) Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. ((EPS x Weight) for each year)/(Total of weights).

2. **Price/Earning ("P/E") ratio** in relation to price band of ₹ 397 to ₹ 418 per Equity Share:

A. From continuing and discontinued operations:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2023 on Restated Consolidated Financial Information	36.90	38.85
Based on diluted EPS for Fiscal 2023 on Restated Consolidated Financial Information	37.28	39.25

B. From continuing operations:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2023 on Restated Consolidated Financial Information	36.29	38.21
Based on diluted EPS for Fiscal 2023 on Restated Consolidated Financial Information	36.66	38.60

3. **Industry Peer Group P/E ratio**

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

4. **Return on Net Worth ("RoNW")**

A. From continuing and discontinued operations:

Period/Year ended	RoNW (%)	Weight
March 31, 2023	19.30	3
March 31, 2022	18.93	2
March 31, 2021	8.98	1
Weighted Average	17.46	
Six months ended September 30, 2023	5.40	-
Six months ended September 30, 2022	9.99	-

Note: "RoNW" is calculated as restated profit for the year/period from restated consolidated statement of profit and loss divided by the Net Worth (as defined below) of our Company and Subsidiaries at the end of the year/period

"Net worth" means sum of equity share capital and other equity including non controlling interests

Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. ((RoNW x weight) for each year)/(Total of weights)

B. From continuing operations:

Period/Year ended	RoNW (%)	Weight
March 31, 2023	19.63	3
March 31, 2022	18.71	2
March 31, 2021	12.99	1
Weighted Average	18.22	
Six months ended September 30, 2023	5.82	-
Six months ended September 30, 2022	9.91	-

Note: "RoNW" is calculated as restated profit for the year/period from continuing operations of our Company and Subsidiaries from restated consolidated statement of profit and loss divided by the Net Worth (as defined below) of our Company and Subsidiaries at the end of the year/period

"Net worth" means sum of equity share capital and other equity including non controlling interests

Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. ((RoNW x weight) for each year)/(Total of weights)

5. **Net Asset Value per Equity Share (Face Value of ₹ 5 each)**

NAV	Consolidated (₹)
As on March 31, 2023	55.72
Six months ended September 30, 2023	60.51
After the Offer	
-At the Floor Price	60.51
-At the Cap Price	60.51
At Offer Price	[•]

Notes:

a. "Net worth" means sum of equity share capital and other equity including non controlling interests

b. Net asset value per equity share represents net worth as at the end of the Financial Year/period, as restated, divided by the number of Equity Shares outstanding at the end of the year/period

c. As the Offer consists only of an Offer for Sale by the Selling Shareholders, there will be no change in the NAV post completion of the Offer

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