



February 12, 2026

To,

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Symbol: MEDIASSIST

Scrip Code: 544088

Subject: Transcript of Investor Conference Call

Dear Sir/ Madam,

Pursuant to Regulation 30 and Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Company's Investor Conference Call held on February 09, 2026 at 08.30 am to discuss the Company's Unaudited Financial Results (Standalone & Consolidated) for the quarter & nine months ended December 31, 2025 is annexed herewith.

Request you to take the same on record.

Yours faithfully,

For Medi Assist Healthcare Services Limited

Rashmi B V
Company Secretary & Compliance Officer
ICSI Membership No: A38729

Encl: As above

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CIN - L74900MH2000PLC437885

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“Medi Assist Healthcare Services Limited
Q3 & 9 Months FY '26 Earnings Conference Call”
February 09, 2026



MANAGEMENT: **MR. SATISH GIDUGU – CHIEF EXECUTIVE OFFICER
AND WHOLE-TIME DIRECTOR – MEDI ASSIST
HEALTHCARE SERVICES LIMITED**
**MR. SANDEEP DAGA – CHIEF FINANCIAL OFFICER –
MEDI ASSIST HEALTHCARE SERVICES LIMITED**

MODERATOR: **MR. CYRIL PAUL – EY INVESTOR RELATIONS**

Moderator:

Ladies and gentlemen, good day, and welcome to the Q3 and 9 Months FY '26 Earnings Call for Medi Assist Healthcare Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Cyril Paul from EY Investor Relations practice. Thank you, and over to you, sir.

Cyril Paul:

Thank you. Good morning, everyone, and welcome to the Q3 earnings call of Medi Assist Healthcare Services Limited. The company published its results on February 6 and has uploaded the investor presentation on the exchanges over the weekend. I trust all of you would have had the chance to go through them.

Before we start, a disclaimer. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated.

Audiences are cautioned not to place undue reliance on these forward-looking statements while making their investment decisions. On that note, let me introduce you to the management participating with us in today's earnings call. We have with us Mr. Satish Gidugu, CEO and Whole-Time Director; Mr. Sandeep Daga, CFO; and other members of the team.

Without further ado, I'd like to hand over the call to Satish. Thank you, and over to you, Satish.

Satish Gidugu:

Thank you, Cyril. Very good morning to everyone who's joined us this morning for the Q3 and 9-month FY '26 earnings call of Medi Assist. We have an investor presentation that's uploaded as of last night. And before I begin, I think this presentation will look a little different from the rest of the presentations in the past because we took some time to detail out business in a manner that we believe explains our business the best based on the feedback and all the inputs that many of you have directly or indirectly provided.

So we will take some time and walk you through some of the highlights of Q3 and 9 months FY '26. I will handle the business side, and then Sandeep will take over for the financials update. I hope all of you have access, I'm just going to just do a quick page turn to sort of use the press release and the earnings PPT that was already uploaded.

So quickly, from an overall perspective, if you look at our 9 months period, we delivered a fairly strong quarter, overall 24% revenue growth, in fact, a quarter-on-quarter margin expansion of 154 basis points and we got to a debt-free balance sheet, and while continuing to improve on our AI-powered technology-led solutions.

Quickly to start with our financial highlights. We, in Q3 FY '26, so we presented both ex Paramount and consolidated numbers for most of the metrics in the presentation. So I'm on the

slide, which is financial highlights Q3 and 9 months FY '26. The total income grew 9.2% year-on-year ex Paramount and with Paramount, 29.9%. And similarly, even revenue from contracts grew almost in line with the overall income, with consolidated revenues from contracts growing almost 29%. Our EBITDA for Q3 went up to INR44.9 crores ex Paramount and the Paramount drag has now come down to a fairly negligible amount with consolidated EBITDA still clocking close to INR44.6 crores.

And for the 9 months FY '26, our consolidated total income grew 23.5%, and again, revenue from contracts grew in a similar manner at 24%. On EBITDA, on a consolidated basis, we delivered INR128.9 crores with a 13.8% year-on-year growth. And the Paramount drag, like I stated earlier, is becoming more and more negligible with the overall EBITDA still remaining at INR126.3 crores.

And the margins, of course, ex Paramount at 21.7%, it's still an improvement year-on-year by 51 basis points. And of course, if compared to last year, with both, about 215 basis points drag due to Paramount integration that's ongoing right now.

The next page is some of the operational highlights for the 9 months period. Our total premiums under management, and again, just so that we have the same understanding, when we report premiums, these are only group and retail premiums. We do not report premiums in the government business today. INR19,289 crores of total premium under management, which is 21.9% year-on-year growth. And our market share has improved to 21.1%. The work that we do for private and SAHI, both in group and retail has also seen an expansion from an overall value perspective.

And we continue to operate at scale with over 39 crores of lives served annually across all lines of business, including public health. Our provider network continues to get stronger. We've added more insurers. So now we service 31 domestic insurers, including life insurers and 5 international insurers. And just Medi Assist TPA has processed 72.9 lakhs of claims just within the 9 months, while -- so this itself is a 22.4% year-on-year growth, fairly significant compared to the premiums growth as India becomes more and more amenable to launching very high frequency, like low-value benefits like outpatient, and flexible benefits that needs significant technology and scale to deliver the increasing incidents.

Moving on to some of the business highlights for Q3 and 9 months FY '26. Our revenues grew at 11% ex Paramount and 24% 9 months year-on-year. I'll skip some of the items that we've already discussed. But I think what is -- a couple of key points, and we will dive into this later part of the call. The Paramount stand-alone margins improved almost 557 basis points quarter-on-quarter. The adjusted PAT, that is excluding only exceptional items net of tax effect is about INR46.3 crores for consolidated and ex Paramount about INR50.3 crores. And we will spend some time on explaining both of these in later part of this call.

Our group and retail market share, like I mentioned earlier, is 21.1%, and our group market share has seen a significant increase, both organically and also due to Paramount acquisition. We went up to 32.2% in group market share, which is a fairly significant 307 basis points year-on-year

improvement. And as mentioned, our claims volume that we process continues to be fairly substantial.

And we were also proud to sort of report that our cashless percentage, both in inpatient and in outpatient continues to significantly go up quarter-on-quarter. And this is a relentless focus for Medi Assist, to move all claims to cashless and then significantly reimagine the cashless experience. And again, we'll talk about some of these initiatives in the latter part of the call.

On the balance sheet front, we had a free cash position of INR200 crores as of 31st December. In fact, the debt that we reported in September '25 was INR243 crores, came down to INR39.4 crores as of December '25, and it sort of became debt-free in Jan '26. So fairly strong improvement on the balance sheet front.

And on the tech revenues front, our tech revenues have grown 81.5% year-on-year. Multiple pilots are underway with multiple insurers in India and overseas for the tech platform, MAtrix. MAven Guard, our flagship product for finding and preventing fraud, waste and abuse. Just on the fraud alone, MAven Guard prevented about INR400 crores of fraud in this period, which is over a 66% growth compared to the last year.

On Raksha Prime, again, one of our very unique initiatives to improve cashless experience where patients are able to get up and walk out of the hospital even before the bills are generated because our AI engines predict what their out-of-pocket would be just on the day of admission itself. We've been able to expand that to over 35,000 patients per month. They don't need to wait for a bill to be generated. And this is now being accepted by over 6,000 hospitals across the country, demonstrating exceptional amount of trust by the hospitals and the membership in utilizing this service and making a cashless wonderful experience and not a stressful experience.

Lastly, on Paramount integration, we are on track. The technology platform migration is underway. We've been able to enable the AI platforms for the clients of Paramount that are migrating to the new stack. All the Boards of Paramount, Medi Assist TPA and Medi Assist Healthcare Services approved a slump transfer of Paramount TPA business through Medi Assist TPA effective 1st of February 2026, thereby accelerating the structural integration of these businesses and giving us the ability to run the entire retail business as one logical entity.

So we have a few updates by the segment, while we don't really do a segmental reporting, but we thought it would be good to sort of deep dive into each of the revenue contributing segments. So I'll quickly go to the next slide, which is group updates on Q3 and 9 months FY '26. So premiums managed have grown 18.6% from INR13,779 crores to INR16,377 crores, excluding Paramount. And including Paramount, they have grown 24.4%.

Like I said earlier, the market share went up to 32.2%. Our total client base on Medi Assist TPA is over 11,000 corporates. We will have revised metrics getting reported from the next quarter onwards as we integrate Paramount fully.

We continue to hold on to a retention rate of over 94%. We've organically added new logos and new corporates, and that itself has grown over 94% year-on-year. And also at the same time, as more and more private and SAHI insurers start to pick up a lot more of the group business, we'll

continue to track and improve our work that we do, the work that we do for private and SAHI in the group business. So that's at about 24.2% growth compared to 11-odd percent growth that segment itself actually reported.

And please note that wherever we are speaking about Paramount in terms of market share or revenues, these are only Paramount's Q2 and Q3 numbers. Q1 numbers of Paramount prior to consolidation are not part of these numbers. And within the group, when we break down the efficiency that we're delivering on FWA and nearly INR234 crores of the fraud-related savings were delivered in the group business itself, which as a segment historically has reported or seen very little fraud reporting. And we continue to improve the outcomes on the group business and yet sustain the growth, same-store growth and the high retention.

And we'll continue to improve on our differentiators in the group business, whether it is integration with the corporate systems, the scale or the enhanced experience and innovation or the outcomes that we're delivering for the self-service. Our digital platform, MAven sees over 1 million daily users today and significantly improving self-serve and experience that our members actually achieve.

Moving to the next slide on retail. Retail market share is at 5.6%, marginal dip from last year. But from a growth perspective, ex Paramount, there's a contraction of 4.3%, but including Paramount on the whole, we've grown at 4.6% over last year. Again, the work that we are doing with the private and SAHI insurers as they continue to grow faster than the market, that work has grown at 26.5% year-on-year, whereas they themselves were at a much slower than this from a growth perspective.

And within the retail business, despite the acquisition of Paramount, private and SAHI mix within the retail portfolio in a traditional TPA model is 41.9%. And these market share numbers do not include premiums managed through pure technology offerings. These reflects only where we are hired as a fee-based to manage the end-to-end servicing.

The claims platform, of course, is continuing to gain scale. We are live with 3 leading private insurers covering over INR20,000 crores of their GWP as of -- I mean, reported as of FY '25. And of course, all of them have a significant retail with over 75% of that business being retail. And within the retail segment, as you can see, on a relatively flat retail growth, we were able to deliver INR168 crores of savings on FWA compared to the INR85 crores that we delivered in the previous year, significantly demonstrating the capabilities that MAven Guard is accruing every single year.

I'm moving on to the government segment. Government's contribution to revenue went up marginally to 12.1% and also considering that both Medi Assist and Paramount have been leaders in the government business. The overall revenue for 9 months grew 46.7%, and we serve almost 33 crores of members today in the government business. And we have presented both the active headcount to the entire group and also the government headcount. Almost 1/3 of our headcount is part of the government business because these are contractual obligations in the way the business is actually set up.

And from a revenue growth perspective on quarter-on-quarter and the 9 months FY '26, 9 months FY '26, Medi Assist consolidated grew from INR54.8 crores to INR80.4 crores and Medi Assist ex PHS has grown from INR54.8 crores to INR65.8 crores over the 9-month period.

Moving on to the next segment, which is the international benefits administration. the revenue has grown 16.3% in 9 months year-on-year. And international benefits business, the administration business contributes 4.5% to the consolidated revenues today.

And couple of interesting updates in this segment. We have 3 new insurer relationships for travelers traveling to and from India, which from a funnel perspective, gives us the ability to access about 19% of the overseas medical market in India now. And of course, now the next steps are to integrate and convert some of these relationships.

From the international clients perspective, we've migrated 98% of the customers to our new matrix-based HealthX platform. And we've also been able to integrate MAven Guard's capabilities into this platform.

In the international business, network efficiency matters significantly. There are significant costs to network access. We have established new partnerships, especially in North America, leading to improved unit economics around our network access and pricing, which eventually will translate to improvement in the bottom line. And the marine yacht business, where we are one of the leaders worldwide, witnessed a very strong segment growth, and we've added 27 new customers in this business.

Moving on to a technology update. Our revenues on tech, both from a quarter-on-quarter perspective from Q3 FY '25 to Q3 FY '26 grew 109.8%. And the 9-month period revenue of technology revenues grew 81.5%. And tech, we started publishing tech revenues as a percentage of revenues in Q1 before we consolidated Paramount, and we still continue to track to about 2.3% of our total revenues for the period.

And the platform, like we said earlier, is live with 3 leading private insurers and with volumes steadily migrating to the platform. We have multiple pilots of our MAven Guard solution underway for insurers. And the platform has processed over 77 lakh claims during this period and showing the robustness and the kind of investments that we have made into improving both availability and security during this period. And the platform continues to win multiple awards in the relevant forums.

And quickly going, moving back to some of our AI-led offerings. Our MAven Guard delivered over INR400 crores of real P&L savings for the insurer partners that we work with. What is interesting in this INR400 crores is that over 82% is purely identified by system and AI, not depending on any humans or individuals to sample and detect fraud. 66% increase in value of fraud detected year-on-year. Over 1,800 hospitals were cautioned by us in this period for fraud, waste and abuse based on the findings that the system has actually generated.

And what is most heartening for us is reduction in the unnecessary investigations that historically the industry had to perform because our sampling and the conversion rates were not very effective. So we've delivered over 630 bps reduction in the percentage of claims that are sampled

and investigated, thereby improving the policyholder experience significantly because these are genuine policyholders and they didn't need to answer a call or answer a question.

And we will continue to improve on this metric with the sole objective being that we are able to detect as much fraud and substantially improve the hit rates so that genuine policyholders rebuild and build trust in the way the health insurance process actually works. And this is also cutting down the end-to-end turnaround times, especially in the reimbursement claims, in line with the IRDAI's mandate to bring down the overall end-to-end turnaround times for claims processing.

Moving on, we launched a provider-facing digital platform. We announced this at our Raksha Summit last year in November. The platform is called MAgnum. The idea was to bring some of our AI-led capabilities that historically we were executing as Medi Assist in terms of reaching out to members, reaching out to hospitals, facilitating admission-time counseling or facilitating express discharge to clients who were historically done, executed by Medi Assist.

This platform now reimagines that process, brings these AI capabilities to a self-help mode. And the idea is to put the hospital or the provider in a driver's seat because until the point the patient is treated, the hospital is in full control of the experience. And then today, the control gets transferred to the insurers or the TPAs because that's where the decision about the cashless sort of gets made.

So the platform by bringing Raksha Prime and the Navigator capabilities allows hospitals to take over the experience part on cashless and let patients leave while the billing and the negotiation and the processing becomes a B2B transaction between the hospitals and the payers. So we had a very interesting early beta with over 20 hospitals.

And we've improved that churn by removing discharge bottlenecks. We've seen fewer escalations and faster settlements. The hospitals have reported a jump in NPS. And in these hospitals, over 70% of the discharges of our portfolio happened through Raksha Prime, where nobody had to actually wait for a bill to be generated.

The next page gives a little bit of a deep dive into what Navigator and Prime actually do for us. Navigator is for people to -- our patients to get an estimate of out-of-pocket expenses even before hospitalization and get a fairly accurate sense. They were making prudent financial choice, choice of hospital, choice of room type. In fact, 40% of the members who use this capability have optimized their room choices when they actually were hospitalized. And this is what drives transparency and personalized cost forecasting for every hospitalization.

And Raksha Prime comes in when the patients actually have to leave the hospital. And the out-of-pocket amount is predicted on the day of admission itself. And the moment the doctor says the patient is good to go home, they can pay the predicted out-of-pocket and then walk out of the hospital. Today, over 15% of all Medi Assist cashless discharges are executed through the Prime route across 6,000 hospitals and with an average experience rating of 4.75/5. And these are the capabilities that are coming back to hospitals on a self-help mode through MAgnum.

Moving on, Paramount updates. The integration of Paramount TPA is progressing along expected lines. So we're happy to report some milestones in technology consolidation. So the

platform -- tech platform consolidation is underway. Significant number of the corporate policies renewing Jan '26 and beyond are successfully migrated to the Medi Assist stack and running there. Some of the AI capabilities of Medi Assist are now being made available to the clients migrating to the new tech stack.

Employee benefit expenditure was about 43.1% of revenue earlier as of Q3 FY '26 versus the 45.4% in Q2 FY '26. The corporate restructuring, as we mentioned, the Board of Directors of the company, Medi Assist TPA and Paramount TPA have approved a slump transfer of the Paramount TPA business to Medi Assist TPA effective 1st of February.

This sort of concludes the equivalent of a normal merger process through a business transfer arrangement and then gives us one logical TPA entity to sort of operate with. And as mentioned earlier, we have a quarter-on-quarter improvement of over 557 bps improvement in EBITDA with Paramount margin percentages moving from minus 6.4% to minus 0.9%.

And the revenue updates quickly. For the quarter ended 31st December and also for the 9 months ended 31st December, we have provided a stack up of revenues, including and excluding Paramount. As mentioned in quarter-on-quarter, we've grown 10.7%, excluding Paramount and 28.9%, including Paramount.

And similarly, in the 9 months period, we've grown 11.1% excluding Paramount and 24% including Paramount. And barring retail that we have reported from a revenue contraction perspective, marginally, all other lines of business, especially our stronghold group and high-margin tech business, both have shown a fair bit of improvement year-on-year and also quarter-on-quarter.

I will now hand over to Sandeep to quickly walk us through the EBITDA and the PAT and, let's see, a couple of other financial metrics, and then we'll open up for questions. Thank you again for your attention. Sandeep, please...

Sandeep Daga:

Thank you, Satish, and a very warm welcome to all the participants. The EBITDA margin during the quarter has been reported at 18.6%, which is approximately 154 bps improvement versus the previous quarter Q2 of FY '26. Excluding Paramount, the company continues to deliver a strong margin of 21.8%, which is approximately 50 bps improvement versus the corresponding period last year.

In the current quarter, we have delivered a PAT of 34.8 crores¹, which was after a few of the exceptional items. I'll just quickly walk you through as to what the impact of these 3 exceptional items which have been reported. The first one happens to be the cyber. So during the quarter and the 9 months period ended 31st of December, Paramount, which is a material step-down subsidiary of the company, experienced a cybersecurity incident that impacted certain systems and services.

¹ Kindly note that this was incorrectly narrated as '34.8 percentage' instead of '34.8 crores'.

The incident was fully contained at the Paramount TPA level, and it didn't affect the company or any of its other subsidiaries. The company had also reported to and intimated the relevant authorities, including the stock exchanges of this particular event.

Pursuant to the above, Paramount TPA undertook certain security and business continuity measures, including engaging with external experts to support system restoration, cyber forensic activities. Towards these measures, the Paramount TPA incurred costs amounting to INR3.7 crores up to December 2025. These have been presented as an exceptional item in the consolidated financial results.

Paramount TPA also has a cyber policy and has launched an insurance claim under its policy for recovery of these eligible costs. The management, after considering all available information, believes that no additional adjustments are considered necessary in the consolidated financial results for this quarter and for the 9 month.

The second exceptional impact is arising on account of the labour code. As most of you are already aware, effective 21st of November, the government of India consolidated 29 labour regulations into 4 labour codes. These new labour code has resulted into increase in the provision for the past service benefits of the employees on account of past gratuity and the service costs.

Based on the requirements of these labour codes and internal management assessment, the actuary report, which got published and accounting standards guidelines as per ICAI, the company has assessed and accounted the estimated incremental impact of roughly INR3.3 crores as exceptional item under the consolidated financial statements.

The third one happens to be with reference to our claim received by Medi Assist TPA, a wholly owned subsidiary of the company from one of its insurance customer towards claims disallowed. In line with the past practices Medi Assist TPA made an on account payment to the insurance company, pending review and reconciliation of these claims, aggregating to INR7.1 crores.

However, Medi Assist TPA has performed an internal evaluation and assessment basis which the management is of the view that there will be no further adjustments towards recoveries of the aforesaid advances and is eligible for the full recovery of the advance paid to the customer.

Since the discussions with the customers are ongoing and the company is yet to complete the reconciliation, on a prudent basis the company has made a full provision of INR7.1 crores towards the same. Though Medi Assist TPA continues to pursue the recovery from the customer, basis advice from our legal counsel, we have made an intimation of the insurance claim under the relevant applicable policies to safeguard recoveries in the eventuality that there is short or no recovery from the customer themselves.

So these 3 impacts have resulted into approximately INR14.2 crores on the overall results. Going to the next slide. The company has given an estimate of how the 9-month PAT reported at INR34.8 crores, if all the other deviations, all the other onetime aberrations which the company has reported during the 9-month period, if we were to tease them out, what is the steady-state PAT is looking like.

So that's a bridge which has been given, taking the number from the reported INR34.8 crores to an underlying INR76.7 crores. Many of these items are pertaining to on account of other income foregone, incurrence of finance charges, which was a onetime impact during the current financial year. And now that the company has become debt free, there will be no requirement of the finance charges in times to come.

We have seen that during Q2, the Paramount EBITDA was minus 6 percentage and there has been a recovery of 557 bps quarter-on-quarter. In case if the Paramount scales up to the steady run rate of 20-plus EBITDA profile of Medi Assist, what sort of impact it is likely to have on the company's financials. And the intangible depreciation and amortization arising on the customer relationships.

Because of these impact, the reported profit at INR34.8 crores moves to INR76.7 crores. We believe that most of these adjustments are arising because of the timing differences and will not have an impact going forward as and when the recoveries are made, but for the intangible depreciation and amortization, which will be there for some more years to come.

Going to the next slide, given the strong balance sheet delivery, which talks about INR200 crores of free cash flow position. And as on date, the company has become debt free, the INR39 crores of debt which was there on 31st of December has been paid back during January. The net worth for the group happens to be INR795.7 crores. The revenue per average headcount on an annualized basis, barring the government business continues to be a healthy INR14.9 lakhs, which is roughly a 5 percentage improvement versus the corresponding period last year.

The contract liability has increased to INR280.8 crores from INR227 crores for the corresponding period last year. It also signals improvement in the new businesses, which we have acquired, which Satish was mentioning some time back, which had a 94 percentage increase year-on-year. And as I mentioned, the company as on date has become debt-free and INR39.4 crores has been squared off and paid back to the lenders. With this, I hand over the call back to Cyril.

Cyril Paul: Thank you, Sandeep and Satish, for taking us through the performance of the company. We can now open the floor to questions.

Moderator: Thank you. Our first question comes from the line of Sucrit Patil from Eyesight Fintrade. Please go ahead.

Sucrit Patil: I have 2 questions. My first question is looking beyond the commentary given, how do you see Medi Assist balancing between expanding partnership with insurers, improving service delivery for customers and protecting the profits? As health care demand and digital adoption evolves, what will guide your decision-making process on which of these areas should get the strongest focus in the coming quarters? That's my first question. I'll ask my second question after this.

Satish Gidugu: Thank you, Sucrit. If I were to -- if I understand your question you're asking, are you asking the differences, say, between the traditional TPA model and the technology-led growth? Is that the question?

Sucrit Patil: Yes. And I want to understand how do you decide when growth through new partnerships should be the priority or service quality or profit becomes more important. So how do you differentiate between that? And along with that, the point you mentioned also, same thing?

Satish Gidugu: Yes, I think one can't take a unilateral view that it's only a quality or a profitability or retention. We are a very significant player in the market. We work with almost all of the insurers that offer health insurance today in some form or fashion. So I think first thing first for us is to be able to work with the entire universe of insurers or players who are participating in improving health insurance and access because this country will see a substantial growth in health insurance penetration.

It is important for us to be indexed and be the best service provider across all formats of service delivery. So we obviously continue to evaluate how the market is evolving, what we need to do in each of these segments from an innovation perspective, service quality perspective. And of course, in terms of driving efficiency and unit economics at the same time because they all have to be done together, not one after the other.

And you've seen us -- I think the most amount of pride we take is in publishing our retention rates in an annual renewal business where every one of those 11,000-plus corporates has the ability to choose a new TPA every single year that we are able to report a steady state 94%, 95% retention rate is a testament to how the indexing on the market is extremely important to us.

Having said that, we understand that as the market is evolving, as the products are changing, India is moving from a plain vanilla catastrophic cover only inpatient cover kind of cover to very high frequency, low-ticket outpatient claims, significant amount of personalization, individual flexibility of plans. Suddenly, the entire landscape of the frequency and the sizes and the network that is required for these benefits is undergoing a dramatic shift, especially in the last few years.

You must have seen that the number of outpatient claims we process now is more than number of inpatient claims. And those kind of shifts require a significant recalibration of tech, service models and network. And that's an area where we've been largely ahead of the curve. And today, given the nature of how insurance companies have evolved in terms of building things on their own versus using partnerships, different companies are at different stages of evolution.

I think the way you should look at us is we don't have a situation where we don't have a solution. We are happy to sort of deliver end-to-end services as a third-party administrator for any insurance plan. But at the same time, if somebody has investments in technology, we know how to deploy AI on top of their legacy systems. Or if somebody has an in-house team would like to have more control on, say, a particular retail product, we know how to deliver a network as a service to that cohort.

I think our strategy is fairly expansive in terms of how we penetrate the insurance market. And I think the biggest metric would be how we continue to improve the access in the market share on the whole.

Sucrit Patil: My second question to Mr. Daga is, as Medi Assist plans for the next few quarters, which financial signals or metrics will be most important in guiding your decision on cost control,

working capital and investment across the digital infra. How do you see these levers shaping the company's ability to protect the margins and deliver sustainable value as the health care services business grows?

Sandeep Daga:

Thank you for your question. We continue to believe in our ability to execute perfectly on all the parameters of back-end management of the claims processing on behalf of our customers. And with the focus which we are having on the tech SaaS as a revenue model for us, it is imperative for us to make sure that we are able to deliver those promises to the customers because some of these are high margin-led revenue drivers, which is going to expand and have a favorable impact on the EBITDA.

Considering that we have become debt free, the capital available for the company to judiciously deploy in services to make a meaningful impact on the customers' experiences happens to be the key objective for the execution team over here to drive down a sustainable business model for all stakeholders, be it insurance companies, hospitals or the customers as such.

Moderator:

The next question comes from the line of Ashok, an individual investor.

Ashok:

Congratulations on a great turnaround quarter, especially on the Paramount integration progress and all, a big congratulations to the team. So my question is majorly from the technology update side. So we know that we have a good amount of AI stack announced in the previous summit, so which majorly revolves around 3 categories, if I understand correctly. So my first question is on the MAtrix platform, which is the client's platform, right?

So as far as we know from the previous quarter updates, we have a strategic partnership with the Star Health and then the implementation is almost over. As per the update from the management in the previous call, volumes are already ramped up to the 40% level, and we are expecting full volumes from the Q4. So given that understanding, we came to know that in this presentation, we have added 2 more insurers. So I would like to know some color on that. I mean if the names are confidential, but we would like to know how big they are and then some commentary around that? That's my first question.

The second one is on, when it comes to the revenue model of the rest of the AI stack, which is basically MAven Guard, which revolves around the FWA, like fraud, waste and abuse. So this one, what does the revenue model look like? Like MAtrix platform will know that it is a transaction-based fee which you are going to charge to the insurers. But when it comes to the FWA, what is the traction we are seeing from the insurers and what's the revenue model?

And also some commentary around the revenue model. Is there any revenue-generating opportunity for MAgnum, which is basically the Raksha Prime and MAven Navigator? These are my broad questions.

Satish Gidugu:

Thank you, sir, this is Satish here. I'll attempt to answer your question. So on the platform, interestingly, one of the 3 is a fairly old customer, in fact, into our fourth year now on the platform with the renewal. And then of course we've announced Star as a separate one. So in all of these, as you rightly pointed out, for the base claims platform, it's a pure hosted SaaS product on a per claim or a per transaction kind of pricing.

And of course we have a fixed volume and a -- sorry, a fixed price contract at a transaction level. And in fact, we've published the volumes as well on the overall platform and also what is actually managed by ourselves. So that should give you a sense of how the volumes are growing.

Yes, some of the transformational aspects like Star Health is sort of moving, it's going well as planned. And it is a technology transformation and not just a migration to a system. So we expect in the next couple of quarters to reach a full volume on that front. While on a run rate basis, we are reasonably high. I think from an overall volume perspective, probably in a couple of quarters. We should have the full volume sort of kicking in.

For the other add-on products for the AI-led products, it's potentially likely to be an outcome-based. But I think it's too early for us to sort of comment on that. And once we have something concrete, we will report. I think this is one-of-its-kind of an offering, and ability to start delivering results even without tuning the models and training the models. But I think we'll keep you posted as some of these become very concrete revenue opportunities.

Lastly, on MAgnum and how the hospital side actually evolves. And I think it's too early. At this point, our core job as a benefits administrator in this country, whether we manage for our membership or we help this -- help other insurers manage their membership for cashless is to substantially improve cashless access and be the best answers in aligning to the regulatory intent of eliminating friction at discharge.

In fact, if I were to sort of take you back to what the IRDAI said about 1.5 years ago, I think it is no longer okay for us to think about when I got all the documents and from there my turnaround time clock actually starts. But when the patient is ready to leave, how quickly is the patient actually home. So that's the real mindset that the idea actually challenged all of us to think about.

In some ways, some of what we are doing is a response to that. And how do we sort of reimagine the entire cashless experience without actually having to have the typical B2B billing process between the payer and the provider, requiring the patient to just sit there and watch and wait. But to answer your question, we do believe that there are efficiencies now that we are generating for the providers. And there could, at some point, be a possibility for us to do something about the efficiencies that we are generating.

But right now, the real focus is on completely reimagining the cashless experience, first for Medi Assist membership. And then enable this for the entire industry and then see how the providers are also benefiting and how we are able to work with this.

Ashok: Okay. That helps. So just, I will try to summarize my understanding. So it's basically as of now, out of the AI stack, the immediate products which are going to generate the revenue is basically MAtrix platform, which is the claims processing and then which is going to generate transaction-based revenues. And when it comes to the technology transformation point, which you have explained on the Star Health, so the same will apply to the remaining 2 insurers and then there will be an implementation time, then the volume ramp-up, then the revenue generation process

will kick in. So that is one understanding I've got based on your explanation on the MAtrix platform?

And FWA is basically outcome-based revenue. So that is going to take some time based on an outcome, I mean, how much amount we are going to save for the insurers and how you are going to charge out of it, we have to recalibrate and then decide going forward. That I understood.

And when it comes to the remaining MAgnum suite of products, so we will be the first ones to bring the superb cashless experience in the entire network. And then once you reach to a certain point of efficiency at that point of time we will again recalibrate and then see how we are going to generate some portion of revenues out of that. Is my understanding correct, Satish?

Satish Gidugu: I think reasonably there. I think on the MAtrix, at least one insurer is fully on board. What you said is true for 2 other insurers, not for all 3. And of course, there are pilots that are happening and then we typically are very conservative in providing forecasts and estimates. So when we have concrete contracts that are executed is when we will update on the next steps on the others.

Ashok: Yes. Great, sir. It's great, sir. Really good going on the technology side, even we are really excited to see this kind of a transformation from TPA model to HBA and all the very best for the future endeavor.

Moderator: The next question comes from the line of Ashutosh Parashar from Mirabilis Investment Trust.

Ashutosh Parashar: So just a couple of questions. First on the sluggishness in retail premium. So you have alluded to some reallocation on the PSU part, but just wanted a deeper answer on that and to understand when is this likely to get over and when we are going to see the growth in the retail premiums come back?

And second, on the incremental tech and investment for Star Health integration that you are doing that had an impact on margin over the last couple of quarters. So wanted an update on that and outlook on the margins if we are over that investment phase. Yes, those two for me.

Satish Gidugu: Thank you, Ashutosh, for that, and thank you for your time. So it's typically a periodic reallocation that happens in some of these portfolios that we run. Typically it takes 2 to 3 quarters for us to sort of claw back or improve on those numbers. And that's a typical cycle. But at the same time, I think there are 2 things that I would like you to sort of note from a retail perspective.

One is the work -- the proportion of the work that we do for, say, no allocation-based kind of portfolio has moved up to 45% now, which is a fairly significant proportion from an industry perspective. We continue to improve on that.

And second, of course, is the world is becoming hybrid from a technology and network and FWA deployment perspective for what has historically traditionally been in-house only product for especially plain vanilla inpatient retail portfolios that have historically been in-house. I suspect, Ashutosh, that over a period of time, the way we look at retail will undergo a change. It will eventually become a combination of how much of the market you are enabling and not just policies where we are appointed as TPAs and front-ending.

However, the measuring the market share as a TPA on a stand-alone basis is important. So we continue to provide a very transparent, honest view on where we are running as an end-to-end TPA. But if you look at from a premiums perspective, against the INR2,000-odd crores of premiums today we touch as a TPA, we have access to over INR15,000 crores, INR16,000 crores of premiums as in what we call ourselves as an HBA, right? So I think eventually, I think the retail growth will be a bit of a hybrid growth and not just in any one specific dimension.

And that sort of segues into Star Health and update. I think without sort of going into specifically any one insurer, today the insurers that are on the platform today have an annual run rate of claims touching closer to 20 lakh claims across. I think it's just -- we probably are 2 to 3 quarters away from getting to a 100% run rate of that volume across all of the clients and hopefully add more.

So that's where on -- specifically on insurers on the MAtrix platform. And we do believe that given that it is a SaaS product and given that it is running as a hosted instance, these are high-margin products. We expect the tech revenues to be margin accretive at a faster clip compared to the core business.

Right now of course tech is about 2.5% of our consolidated revenues. So the immediate real focus is on capitalizing on the ongoing projects, both in India and outside. In fact, we have a version of MAtrix which we internally call as HealthX for the international private medical insurance industry. Very significant interest levels from some of the markets outside India, just leveraging the tech capabilities and the AI capabilities.

So we'll continue to double down on improving our market penetration from a tech solutions perspective. And like we said in the previous, answer to the previous question, hopefully some of these will also be an outcome-based pricing and not just transaction-based pricing, but we'll absolutely keep all of you posted as we make progress on this.

Ashutosh Parashar: Just one follow-up. Basically, on the retail side, the insurer's side, you are saying that you are not booking in your premiums, but you are handing a lot of work for them and as well as Star's. So is the revenue that you're currently booking for them in line with the volumes that you are undertaking for them? Or is that something that will kick in more from next year's perspective? Is that something that we are booking since last quarter, this quarter and next quarter or likely to scale up a lot from next year?

Satish Gidugu: No, I think we have a fair bit of a runway in migrating the volumes to the platform that is still left. We are not close to completion yet. I think what I will sort of point you to is the numbers that we have published on the total volumes on the platform and the volumes that are processed for our own TPA business. We expect that the delta to keep growing until we capture 100% of the volume of all the insurers who are on the platform.

Moderator: The next question comes from the line of Neel Gowariker from L.F.C. Securities.

Neel Gowariker: Congratulations on a great set of numbers. I had 2 questions. First was regarding nature of the exceptional item of INR7 crores. I would appreciate it if you could give more clarification on it and the nature of how those claims are processed and what's the time line for it?

And second, I was recently made aware of ratings regarding Medi Assist on Google, which are fairly negative. It's pretty low, under 2. The problems noted there were claim processing times to be too slow. Multiple queries are generated, there's been a big delay. So if you could provide some clarification on these 2, I would appreciate it?

Satish Gidugu:

Thank you, Neel. Maybe I'll take the operational question, and I will hand over the other item to Sandeep.

So we processed over 27-28 lakhs of inpatient claims and many more lakhs than that on the outpatient claims. We, of course, take a lot of pride in both leveraging technology and then being right the first time. In fact, if you go to our website, when you have a moment, we actually publish in real time the current averages that we see for admissions, discharges, our processing times, that goes into the call centres, CSATs and the other metrics.

So one, obviously, we are aware of both the emotional and the transactional intensity of the business that we run. And we take utmost care and utmost pride in delivering that, both using technology and human touch. And we continue to have among the lowest cost per claim ratios, the highest amount of self-help. And we also believe that when you actually normalize the grievances, like the rest of the industry does to 1,000 claims or 10,000 claims, we would have a fairly negligible number of grievances that actually come our way.

I take your feedback that what is there are unhappy customers in any industry, and I think we need to do a better job of engaging with them on various platforms, which we attempt to do. But we take that as the feedback from your question. I mean, of course, we'll continue to improve on that aspect as well. I think I would only urge you to sort of look at the 94% kind of retention in an extremely demanding corporate book where they have an opportunity to change the TPA every year because these are annual renewals.

I know it's not a direct answer to your question, but thank you for highlighting this and we value your feedback. Sandeep, would you like to pick up the other items on the exceptional items, please...

Sandeep Daga:

Sure. On the exceptional item of INR7.1 crores, so during the quarter ended 30th of September, pursuant to a claim which we received from one of our insurance customer towards claims disallowed for the claims which were alleged to be processed by Medi Assist TPA. We all are aware that we happen to be the bottom-most as far as the food chain of this ecosystem is. And in line with the past practices, Medi Assist TPA made an on-account payment to the insurance company, pending review, pending reconciliation of this amount, of INR7.1 crores.

And since then, we performed an internal evaluation and assessment basis which we are of the view that those claims were not processed from our system. And we are confident and in discussion with the insurance customer for this advance, which was paid to the customer to conclude the settlement. However, considering that Q3 was supposed to have been closed. So on a prudent basis, we made a full provision amounting to this INR7.1 crores towards the net advance paid and disclosed this as an exceptional item.

However, we also continue to pursue recovery from the customer. And we have also made an intimation of this insurance claim under the relevant insurance policies to safeguard the recoveries in the eventuality if there are negative surprises. So one way or the other, this is likely to get settled. However, it might take a bit of time, but we have a strong case on this side.

Neel Gowariker: Okay. I just would like to know what steps are we taking to ensure that something like this doesn't happen? Because INR 7 crores may not seem like a big amount currently. But should the claim be even a lot higher, it will impact margins significantly. So are we taking any steps to safeguard this from happening?

Sandeep Daga: Yes. So to thank you the internal controls and the audit mechanisms are already there and have been put in place, and we continue to leverage technology to make sure that those type of aberrations or exceptions, if any, are getting caught on the fly rather than someone pointing it out as an afterthought. And we'll double down our efforts to make sure that these internal controls and audit mechanisms are strengthened with every percentage.

Satish Gidugu: Thank you, Sandeep. I just want to jump in. Sorry, I jump in for a second. Satish here. Neel, I think it's very important to clarify. The reason why it's an exceptional item and not part of the standard P&L claims disallowed is it is -- we don't believe that's part of our standard errors and omissions, therefore, which we fully provide for prudently in our P&L.

These are things that have happened outside our system and processes. We absolutely value your feedback. And then we'll also have to expand our procedures to include what happens outside the system. But I just want to assure everybody here that this is not something that's related to our systems. But thank you for your questions.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Satish Gidugu: Thank you so much. Thank you, everyone, for joining the call this morning. And I hope that the new format of the deck and the disclosures will give you a little more insight into how we are thinking about the business and what's important from, both from a management and a business perspective.

As we sort of move forward, our real focus continues to be on -- in improving further on Paramount integration, accelerating it. We believe majority of the structural aspects of the integration are sort of complete. It's now about disciplined execution over the next 2 to 3 quarters and really sort of get back to our core EBITDA margins.

And we'll continue to double down on our tech deployments and sort of acquiring new customers on the tech business and -- both in India and outside and hopefully add a revenue line that's meaningful enough and -- from a, both from a growth perspective and also from a margin perspective. And it's been a very exciting quarter for us in terms of how we've also been able to strengthen our balance sheet and gives us the opportunity to really speed up some of these initiatives on the tech front and be ready for anything that comes our way. Thank you again for your time, and we hope that we'll see you in a quarter. Thanks.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Medi Assist Healthcare Services Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Note: This transcript has been edited for better readability.