Rating Rationale

18 Sep 2026

Bharti Life Insurance Company Limited
(Erstwhile Bharti AXA Life Insurance Company Limited)

SUMMARY OF RATING ACTION

Facilities / Instruments	Tenure	Amount (₹ crore)		Rating Action & Outlook		Regulator
		Previous	Present	Previous 23 Sep 2025	Present	
Non-Convertible Debentures (NCDs) (Subordinated Debt)	Long Term	60.00	**60.00**	BWR AA+/ Stable (Reaffirmed)	**BWR AA+/ Stable (Reaffirmed)**	SEBI
Non-Convertible Debentures (NCDs) (Subordinated Debt - Proposed)	Long Term	40.00	**40.00**	BWR AA+/ Stable (Reaffirmed)	**BWR AA+/ Stable (Reaffirmed)**	SEBI
Total		100.00	**100.00**	**Rupees One Hundred Crores Only**		

Note
1. Please refer to the BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK: REAFFIRMATION/ STABLE

Brickwork Ratings (BWR) reaffirms the rating at BWR AA+/Stable for the Non-Convertible Debentures (NCDs) amounting to Rs. 100 Crores (Rs 60 Crores raised and Rs 40 Crores proposed) of Bharti Life Insurance Company Limited (BALICL or the company). The rating reaffirmation continues to factor in the strong and continued financial support of the promoters, experienced board and management team, stable asset quality of its investment book, and an improved solvency ratio. The rating also draws comfort from the major capital infusion of Rs. 461 Crores during Q1FY26, which improved the net worth to Rs 934 Crores by 67.38% as of 31 Mar 2026 from Rs 558 Crores as of 31 Mar 2025.

The rating, however, remained constrained by the moderate scale of operations in a highly competitive environment and the market position as of FY26 and Q1FY27.

BWR noted that in May 2026, Prudential PLC agreed to acquire a 75% stake in Bharti Life Insurance, for Initial cash consideration: Rs 3,500 Crores, payable upon completion, and Additional consideration of Rs 700 Crores, contingent on fulfillment of certain conditions. This acquisition is expected to reduce Bharti Life Ventures' holding stake to 15% from the current 85% and 360 One Fund's stake to 0% from the current 15% of Bharti Life Insurance. The transaction has already secured approval from the Competition Commission of India (CCI). However, the transaction remains subject to regulatory approvals from the Insurance Regulatory and Development Authority of India (IRDAI) and the Ministry of Finance (MoF), which are expected by Q3 FY27. As per the company, onboarding Prudential PLC is expected to significantly enhance the company's growth.

The outlook remains stable over the near to medium term as BWR believes the company will continue to receive managerial and technical support from its promoters, apart from capital funding support. BWR also anticipates continued support from Prudential PLC post-acquisition.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

The 9.25% unsecured, rated, listed, subordinated, non-convertible debenture (ISIN INE089J08029) was raised for Rs. 60 crores. These bonds were allotted on 30 Aug 2022 for a tenor of 10 years. These bonds carry a coupon rate of 9.25%, which is to be serviced annually on 30 August every year until maturity. These bonds have a call option on completion of five years from the deemed date of allotment and at the end of every year thereafter, before the redemption date of 30 Aug 2032. The Company has informed of non-utilization of the proposed NCDs of Rs.40 Crores till date.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to Financial Ratios • Life Insurance Companies
Parent/Group/Government Support	None
Analytical Approach (Consolidation/Standalone)	Standalone For arriving at its ratings, BWR has evaluated the risk profile of the company on a standalone basis. BWR has applied its rating methodology as detailed in the Rating Criteria

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths-:

Strong parentage and financial support: BALICL derives substantial strength from its promoter, Bharti Enterprises, through continued financial, managerial, and technical support, as well as a demonstrated commitment to scale up operations whenever required. The Company has received regular capital infusion over the past few years from its promoters. In FY25, the Company raised Rs 102 crores to support operations, while in Q1FY26, it received a fresh capital infusion of Rs 461 crores, reaffirming continued financial support. In May 2026, Prudential PLC agreed to acquire a 75% stake in Bharti Life Insurance. The acquisition is still pending IRDAI and Ministry of Finance (MoF) approval, which is expected by Q3FY27. The transaction has already secured unconditional approval from the Competition Commission of India (CCI), with final regulatory clearances from the IRDAI and the Ministry of Finance expected by Q3 2027. However, BWR expects continued support from Prudential PLC post-acquisition. Prudential Plc held strong investment-grade credit ratings across all major international agencies, with an A+ from S&P, A2 from Moody’s, and A from Fitch. These ratings underscore the company’s financial stability and reinforce its position as a potential majority shareholder in Bharti Life Insurance. Although this acquisition awaits IRDAI approval, the credit outlook remains positive, with BWR anticipating continued support from Prudential PLC, which holds strong investment-grade credit ratings (S&P: A+, Moody's: A2, Fitch: A). BWR will monitor the development of the acquisition approval and its potential impact on the capitalization of the company

Experienced board and management team: BALICL’s experienced board of directors consists of three Independent Directors, three Non-Executive Directors (including the Chairman), and one Chief Executive Officer & Managing Director, including Akhil Gupta, as the Chairman of Bharti Life Insurance, effective from 30 May 2024. He was previously Vice Chairman of Bharti Enterprises. He has been instrumental in the expansion of Bharti Airtel since its inception, having over four decades of professional experience. Mr. Parag Raja continues as the Managing Director and Chief Executive Officer of the Company. Further, the Board also has one Non-Executive Director from the strategic partner, 360 One Funds.

Stable Asset quality supported by diversified investments- The asset quality of the company is stable with investments in diversified risk as of 30 June 2026. Total Investments grew by 7.35% as of 31 Mar 2026 to Rs 18,287.14 Crores from Rs 17.034.98 Crores as of 31 Mar 2025. As of 30 June 2026, the total investments further increased to Rs 19,083.63 Crores; out of total investments, non-linked funds were Rs 16,353.27 Crores (Shareholders' funds and Policyholders' funds) and Linked funds were Rs 2730.36 Crores. Out of total non-linked funds, the proportion of Central Government securities was 44%, whereas State Government securities shares were 15% as of 30 June 2026. The company has been aligning its investment policy with that as prescribed by the regulator, IRDAI (Insurance Regulatory and Development Authority of India).

Improved Solvency Ratio: As of 30 June 2026, the Company's solvency ratio improved to 1.92x, as compared to 1.91x as of 31 March 2026. This positions the Company with one of the highest solvency cushions among peer life insurers. The Company has consistently maintained a solvency ratio well above the regulatory requirement of 1.5x across past quarters and years. The capital infusion of Rs 461 crores in Q1FY26 has improved the solvency profile as of 31 Mar 2026 to 1.91x from 1.67x as of 31 March 2025, which is well above the minimum regulatory requirement, in addition to the regular infusions received from promoters. Further, the Company monitors its solvency ratio on a monthly basis and ensures the availability of funds to maintain the ratio above 1.6x, in line with guidance from the Group's Board, despite being comfortably above the regulatory threshold.

Credit Risks-:

Moderate Scale of operations, albeit weakening earnings profile in a highly competitive environment remains monitorable: The company's scale of operations remains modest within a highly competitive market, holding a small market share of 0.54% in FY26 and 0.44% as of June 30, 2026. This limited scale, combined with elevated operating expenses, continues to constrain overall profitability. Net losses widened to Rs 74 crore in FY26 from Rs 37 crore in FY25. This was driven by a 31.46% surge in operating expenses to Rs 863.06 crore (Rs 656.51 crore in FY25) and a 31.4% increase in claim payouts, which reached Rs 1,956.35 crore in FY26 compared to Rs 1,488.85 crore in FY25. The increased loss for the year was also attributable to four factors: Forward Rate Agreement (FRA) MTM Loss: A mark-to-market loss of Rs 32 crore resulting from an industry-wide rise in interest yields; Labor Code Impact of Rs 5 crore; GST Impact: A tax impact of Rs 23 crore; and Accounting Method Change: A one-off hit of Rs 43 crore due to a change in the booking methodology for renewal premiums. However, the company expects to achieve breakeven by Q4 FY27, though reaching this landmark remains a key monitorable.

On the top line, however, the company witnessed improvement in new business premiums to Rs 1069 Crores in FY26 from Rs 742 Crores in FY25, which grew by 20.25% y-o-y in Q1FY27 and is expected to grow to Rs 1731 Crores in FY27 with expected product line expansion and onboarding new bancassurance partners, including Axis Bank and AU Small Finance Bank. The expansion is expected to add an additional Rs 300 Crores of premium as per the company. However, the Company registered a decline in renewal business, which declined by 2.23% to Rs 2188 Crores in FY26 from Rs 2238 Crores in FY25. The dip in renewal premium is due to a change in business mix in FY26. As per the company, it was more reliant on CAB (Corporate Agent Banks) channel, whereas now the business mix is more inclined towards the proprietary channel. Also, in the company's Broker segment, the company discontinued penny calling partners. As per the company, the FY26 dip in renewal business in temporary; there will be improvement from the current year onwards due to discontinuation of low-quality partners.

The expense of management ratio weakened to 34% in FY26 (up from 31% in FY25), driven by an 18.93% rise in overall management expenses linked to higher new business acquisition costs. Management aims to cap and stabilize the overall expense ratio at approximately 34% over the coming year. Moving forward, key rating monitorables will include customer retention, operational cost optimization, and overall underwriting performance.

The company continued to face profitability pressures with a continued net loss of Rs 69 Crores in Q1FY27, with rising operating expenses elevating the expense ratio to 48%. Management attributed this cost increase primarily to higher initial commissions and customer acquisition expenses tied to new business growth. Additionally, a decline in renewal premiums y-o-y in Q1FY27 weighed on persistency and conservation metrics, which fell year-over-year to 67.4% and 73.2%, respectively in Q1FY27. The company witnessed the weakening of the above ratios for full year FY26 also. Hence, going forward, the improvement in the above ratios will be key monitorable

Modest 13th Month Persistency Ratio improved to 67.4% in Q1FY27 as compared to 64.5% in Q4FY26; however declined from 71.7% in Q1FY26 due to a decline in renewal premium. In FY26, the Persistency ratio declined to 64.5% from 71% in FY25 due to a decline in renewal premium in FY26, with a change in business mix owing to the discontinuation of penny calling partners, leading to higher than anticipated churn in the renewal book.

The improved solvency ratio of the company as of 30 June 2026 is expected to support the company's ability to scale up its operations and improve the earnings profile, while improving its retention and persistency ratio and reducing the expenses-to-management ratio as envisaged, shall be monitorable over the medium term. Further, the discontinuation of low-quality partners is expected to improve the persistency ratio going forward, which is projected to be more than 70% by December 2026 with improvement in renewal premium, which will be monitorable.

RATING SENSITIVITY FACTORS

Positive: A significant improvement in the financial risk profile, in terms of new business, retention of the existing business, expense ratios, solvency, profitability, and promoter support, will be positive for the entity

Negative: A decline in the solvency ratio to below 1.6 times and a deterioration in the other key indicators will be negative for the entity.

LIQUIDITY POSITION: ADEQUATE

Adequate liquidity is characterized by a sufficient cushion in accruals vis-à-vis repayment obligations and a cash balance of Rs 189.47 Crores as of 30 June 2026. It does not have any capex plans nor has any bank limits. The company also had short-term liquid investments of Rs 657.49 Crores, which are adequate to meet the coupon servicing on borrowings (Debentures/Bonds) of Rs 109.5 Crores payable over the next 12 months. No Bank Borrowings for the Company as of FY26 and Q1FY27.

The total claims paid by the company for the year ended 31 March 2026, for both individual and group, were Rs 1823.53 Crores, including death claims of Rs 268.02 Crores and maturity claims of Rs 261.25 Crores; other major claims included were the survival benefits and surrender claims. The total claims paid for the period ended 30 June 2026, for both individual and group, were Rs 451.87 Crores, including death claims of Rs 75.28 Crs and maturity claims of Rs 53.35 Crores; other major claims included were the survival benefits and surrender claims.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES:

The company exhibits an adequate ESG profile based on its environmental, social and governance practices.

Environmental: Environmental risks primarily stem from the insurer's investment portfolio concentration, operational footprint, and climate-risk assessment practices. Key considerations include exposure to environmentally sensitive or climate-vulnerable sectors, allocation to green or climate-friendly investments, and the robustness of environmental risk evaluation. Operational indicators such as digitalization and paperless processes, energy efficiency, renewable energy usage, and GHG-emissions tracking are relevant.

Social: Social factors focus on employee welfare, customer protection, ethical conduct, and community engagement. Metrics such as workforce composition (more than 20% as all the directors are women), employee benefits, compliance with labour laws, workplace safety, and training initiatives reflect internal practices. Externally, claims-settlement efficiency (claim settlement ratio 99.21% as of 31 Mar 2026, grievance-redressal mechanisms, ethical business conduct, and CSR initiatives are key considerations.

Governance: Governance assessment emphasizes board effectiveness, regulatory compliance, risk management, and transparency. This includes board independence and diversity, strength of internal controls and risk-management frameworks, quality of financial and ESG disclosures, protection of shareholder rights, stakeholder engagement, and the effectiveness of investor grievance-redressal mechanisms.

COMPANY/FIRM PROFILE

Industry Classification			
Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Financial Services	**Financial Services**	**Insurance**	**Life Insurance**

Bharti AXA Life was established in 2006 to provide innovative insurance and wealth management products. Following IRDA approval, AXA India Holdings transferred its 49% stake to Bharti Life Ventures Private Limited (BLVPL) on March 11, 2024, making the company a wholly-owned subsidiary of BLVPL as of March 31, 2024. In April 2025 (early FY26), BLVPL sold a 15% equity stake to four 360 One Funds with Competition Commission of India (CCI) approval, after which the company officially rebranded to "Bharti Life Insurance Company Limited" on September 22, 2025. Most recently, in May 2026, Prudential Corporation Holdings (Prudential PLC, ultimate Parent Company) agreed to acquire a 75% stake in Bharti Life Insurance, which would reduce the 360 One fund stake to 0% from 15% and Bharti Life Ventures' stake to 25% from 85%. The company received approval from CCI (Competition Commission of India) for the acquisition; however, IRDAI and Ministry of Finance approval is awaited, which is expected by Q3FY27.

KEY FINANCIAL INDICATORS

Standalone Financial Indicators	Unit	FY25 (A)	FY26 (A)	Q1/3M FY27 (UA)
Gross Premium Income	in ₹ crore	2980	3257	549
Net Profit/Loss (PAT)	in ₹ crore	-37	-74	-69
Net worth	in ₹ crore	558	934	883
AUM (Investment Book)	in ₹ crore	17035	18287	19084
Solvency Ratio	%	1.67	1.91	1.92
13 Month Persistency Ratio	%	71	64.5	67.4

A: Audited; UA: Unaudited. **Note:** These are the latest available financial results. Amount in ₹ crore.

RATING HISTORY FOR THE PREVIOUS THREE YEARS

	Current Rating (Sep 2026)			Rating History							
				FY26		FY25		FY24			
Instrument	Type	Amount (in ₹ crore)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCDs (Sub Debt)	Long Term	60.00	BWR AA+/ Stable (Reaffirmed	**23 Sep 2025**	BWR AA+/ Stable (Reaffirmed)	25 Sep 2024	BWR AA+/ Stable (Reaffirmed)	29 Sep 2023	BWR AA+/ Stable (Reaffirmed)	22 Sep 2023	BWR AA+/ Stable (Reaffirmed)
NCDs (Sub Debt) Proposed		40.00	BWR AA+/ Stable (Reaffirmed	**23 Sep 2025**	BWR AA+/ Stable (Reaffirmed)	25 Sep 2024	BWR AA+/ Stable (Reaffirmed)	29 Sep 2023	BWR AA+/ Stable (Reaffirmed)	22 Sep 2023	BWR AA+/ Stable (Reaffirmed)
Total		**100.00**		**Rupees One Hundred Crores Only**							

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Non-Convertible Debentures (NCDs) (Subordinated Debt)	Complex
Non-Convertible Debentures (NCDs) (Subordinated Debt - Proposed)	Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects.

Details on the complexity levels of the instruments are available on BWR's website
www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY):
No non-cooperation rating with other Credit Rating Agencies.

ANY OTHER INFORMATION: **Not Available**

Contacts	
Analyst Team Contact *Hemant Sagare* *Director - Ratings* *hemant.sagare@brickworkratings.com* *Bishal Biplab Pujari* *Analysts - Ratings -* *bishal.bp@brickworkratings.com*	**Relationship Contact** *Jatin Vyas* *Senior Director - Business Development,* *jatin.v@brickworkratings.com* **Client Support** *clientsupport@brickworkratings.com*

ANNEXURE I: Details of Instruments / Facilities

Name of the Instrument / Facility	Long Term/ Short Term	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ Cr)	Rating Assigned and Rating Outlook	Regulator
NCDs (Sub Debt)	Long Term	INE089J08029	30 Aug 2022	9.25	30 Aug 2032	60.00	BWR AA+/ Stable / Reaffirmed	SEBI
NCDs (Sub Debt) Proposed	-	-	-	-	-	40.00	-	-
Total						**100.00**		

ANNEXURE II: Details of Bank Facilities

Type	Facilities	Tenor	Bank	Regulator
NA	NA	NA	NA	NA

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

No.	Instrument/Activity Name	Regulator of the Instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI

11	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com.** Kindly note that for activities or instruments falling under the purview of

FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact **grievance@brickworkratings.com**

Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of bank loans, Non- convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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