

June 14, 2023

Bharti AXA Life Insurance Company Limited: Rating withdrawn

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|-----------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| Subordinated debt programme | 80.00 | 80.00 | [ICRA]AA- (Stable); Withdrawn |
| Total | 80.00 | 80.00 | |

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the subordinated debt programme of Bharti AXA Life Insurance Company Limited (BAXA-LI) at the company's request as there is no amount outstanding against the instrument. The company redeemed the rated bonds of Rs. 60 crore by exercising a call option and there is no amount outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The key rating drivers and their description, liquidity position, rating sensitivities, and key financial indicators have not been captured as the related instrument has been withdrawn. The previous detailed rating rationale is available at the following link: [Click Here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | Rating Methodology – Life Insurance Impact of Parent or Group Support on an Issuer's Credit Rating Policy on Withdrawal of Credit Ratings |
| Parent/Group support | Parent/Investor: Bharti Enterprises Holding Private Limited (BEHPL) ICRA factors in the implied support of the parent entity (BEHPL) in terms of a shared brand name and consistent capital infusions in the past. ICRA expects the promoter to continue to provide support as and when required. |
| Consolidation/Standalone | The rating is based on the standalone financial statements of the issuer. |

About the company

Bharti AXA Life Insurance Company Limited (BAXA-LI) is a JV between the Bharti Group and the AXA Group, with Bharti Life Ventures Private Limited holding 51% and AXA India Holdings Limited (Mauritius) holding a 49% stake in the company. The company, which was incorporated in October 2005, commenced operations in 2006. BAXA-LI is currently present in 36 states/Union Territories. The Bharti Group has a presence in telecom, agri-business, financial services, learning & development and manufacturing, with its telecom business, Bharti Airtel Limited (BAL), being one of the largest telecom operators in India. The AXA Group, headquartered in France, is a global conglomerate with a significant track record in the insurance space.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Type | Current Rating (FY2024) | | | Chronology of Rating History for the Past 3 Years | | |
|-------------------------------|-----------|--------------------------|---------------------------------------------------|------------------------------|---------------------------------------------------|-------------------------|-------------------------|
| | | Amount Rated (Rs. crore) | Amount Outstanding as of Jun 14, 2023 (Rs. crore) | Jun 14, 2023 | Date & Rating in FY2023 | Date & Rating in FY2022 | Date & Rating in FY2021 |
| | | | | | Jun 17, 2022 | Jun 22, 2021 | Apr 30, 2020 |
| 1 Subordinated debt programme | Long Term | 80.00 | 0.00 | [ICRA]AA-(Stable); withdrawn | [ICRA]AA-(Stable) | [ICRA]AA-(Stable) | [ICRA]AA-(Stable) |

Source: ICRA Research

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|-----------------------------|----------------------|
| Subordinated debt programme | Moderately 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 ICRA's website: [Click Here](#)

Annexure I: Instrument details

| ISIN | Instrument Name | Date of Issuance/ Sanction | Coupon Rate/ Yield | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|---------------------------------|-------------------------------|-----------------------|------------------|-----------------------------|----------------------------------|
| INE089J08011 | Subordinated debt programme | Aug 23, 2017 | 8.98% | Aug 23, 2027* | 60.00 | [ICRA]AA- (Stable); withdrawn |
| NA | Subordinated debt programme^ | NA | NA | NA | 20.00 | [ICRA]AA- (Stable); withdrawn |

Source: Company; *The subordinated debt was redeemed due to the exercise of the call option on August 23, 2022

^Unutilised

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Karthik Srinivasan
+91-22-6114 3444
karthiks@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Neha Parikh
+91 22 6114 3426
neha.parikh@icraindia.com

Niraj Jalan
+91 33 7150 1146
niraj.jalan@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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