

Independent Auditor's Report

To the Board of Directors
Niva Bupa Health Insurance Company Limited

Opinion

We have audited the financial statements of Niva Bupa Health Insurance Company Limited (the 'Company'), which comprise the statement of financial position as at March 31, 2026, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (SAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As discussed in Note 33 to the financial statements, the Company has filed an application for forbearance of the Expenses of Management (EOM) exceeding the allowable limit as per Expense of Management Regulations 2024 in respect of financial year 2024-25 with the Insurance Regulatory and Development Authority of India ('IRDAI'), approval for which is yet to be received. Pending grant of forbearance by IRDAI, the consequential impacts, if any, of the above on the financial statements cannot be presently determined. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Incurred Claims	
<ul style="list-style-type: none"> Incurred Claims are a significant expense for the Company. Liability for Incurred Claims are significant in magnitude and requires use of judgements and estimates based on actuarial assumptions. The determination of these liabilities is based on significant judgements relating to the data used, assumptions about future periods, 	<p>Using our internal specialist as part of our audit team, our audit procedures included the following:</p> <ul style="list-style-type: none"> We tested the design and operating effectiveness of controls around the input data used by the Company's Appointed Actuary. We have also tested the design and operating effectiveness of controls around the claims due and intimated claims recording process. Also assessed and tested the operating effectiveness of key controls relating to the claims handling process,



Key audit matters	How our audit addressed the key audit matter
<p>and the use of actuarial estimation techniques.</p> <ul style="list-style-type: none"> • The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of the groups of insurance contracts. • With regards to the claims provision, the Company makes a provision for claims upon intimation, on receipt of documents, communication from co-insurer leader in cases of incoming co-insurance business etc. The estimates undergo a revision based on further information and the settlement amount could vary from the provision created. 	<p>including controls over completeness and accuracy of the claim outstanding recorded.</p> <ul style="list-style-type: none"> • We determined whether the methodology and assumptions applied by the Company's Appointed Actuary are appropriate comparing it to our knowledge of industry standards and the Company's financial reporting requirements. • We tested the reasonableness of the Company's Appointed Actuary's assumptions and methodology for calculation of <ul style="list-style-type: none"> • Liability for incurred claims and their roll forwards, • risk adjustment calculation for reserve risk • discounting applied on the actuarial cashflows. • We tested on a sample basis, claims paid and provision created with payment proof, claim intimation documents and communication from co-insurer leader in cases of incoming co-insurance business, which are material to assess whether claims are appropriately paid, estimated and recorded. • Performed analytical review procedures on the outstanding claims. • Tested the arithmetical accuracy of computation of claims provision performed by the Company.
<u>Valuation of Investments</u>	
<p>The carrying values of Investments represents more than 80% of total assets as disclosed in the financial statements.</p> <ul style="list-style-type: none"> • The valuation of all investments should be as per the investment policy framed by the Company in accordance with IFRS 9. • The valuation of these investments is considered to be one of the matters of material significance in the financial statements due to the materiality of the total value of investments to the financial statements. • The Company performs an impairment review of its investments periodically and recognizes impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy. Further, the assessment of impairment involves significant management judgement. 	<p>To ensure that the valuation of investments and impairment provision considered in the financial statements is adequate, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Reviewed the manner in which the investments have been made by the Company. • Tested the management oversight and controls over valuation of investments. • Independently test-checked valuation of quoted and unquoted investments. • Reviewed the basis of provisions accounted in respect of non-performing investments. • Reviewed and assessed the adequacy with respect to management assessment of impairment charge on investments outstanding at the year end.



<u>Impairment on Re-insurance contract assets:</u>	
<p>"Re-insurance contract assets" is INR 103,488 Lakhs as at the year end.</p> <p>Due to the significance of the amount and judgement involved in assessing the recoverability of dues, this has been considered as key audit matter.</p>	<p>The audit procedures performed by us included the following:</p> <ul style="list-style-type: none"> • Reviewed the Reinsurance treaties and process of recording the Reinsurance business and performed test of controls over the same. • Reviewed the process of provision of due from Other entities carrying on Reinsurance business and performed test of controls over the same. • Sending out direct confirmations of balances to selected parties on a test check basis. • Performed analytical review procedures on Reinsurance balances. • We discussed with management and reviewed correspondences, where relevant, to identify disputes, if any, on any of the recoverable balances and reviewed the assessment of the management as to the requirement of provisioning, if any on the disputed dues.
<u>Information Technology systems</u>	
<p>The Company is highly dependent on its information technology ("IT") systems for carrying out its operations and owing to the significant number of transactions that are processed on daily basis as part of its operations, which impacts key financial accounting and reporting items such as insurance revenue, insurance service expenses and investments among others.</p> <p>The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of the data that is processed by the applications and is ultimately used for financial reporting. These controls contribute to mitigating risk of potential misstatements caused by fraud or error. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.</p>	<p>The audit procedures performed by us included the following: We involved our IT specialists to obtain an understanding of the entity's IT related control environment, perform risk-based testing and identification of IT applications, databases and operating systems that are relevant to our audit. Our area of focus, for the key IT systems relevant to financial reporting, included Access control, Program Change controls and Network Operations.</p> <p>In this regard -</p> <ul style="list-style-type: none"> • we obtained an understanding of the entity's IT environment and key changes, if any, during the audit period that may be relevant to the audit. • we tested the design effectiveness of the general IT controls over the key IT systems and applications that are critical to financial reporting. • we tested the entity's controls to ensure segregation of duties, access rights controls. • we conducted testing of manual and automated IT controls along with related interdependencies, where applicable and critical for financial reporting, to evaluate completeness and accuracy. • we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data.



Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a



S.R. BATLIBOI & Co. LLP

Chartered Accountants

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

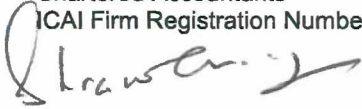
Other Matters

The Company has prepared a separate set of financial statements under the provisions of the Companies Act, 2013 for the year ended March 31, 2026 in accordance with the Accounting Standards notified under the said Act, which have been jointly audited by us and Nangia & Co LLP. We have issued a separate auditor's report to the members of the Company dated May 8, 2026 on these financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 26102102HAFHGA7033

Place of Signature: Gurugram

Date: May 8, 2026



NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

Statement of Financial Position

As at March 31, 2026

(Amount in Rs. Lakhs)

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Cash and cash equivalents	3	15,866	22,035
Investments	4	9,60,729	8,26,967
Re-insurance contract assets	5	1,03,488	39,592
Property, plant and equipment	7	12,084	13,080
Intangible assets	8	5,158	3,096
Other assets	9	50,440	40,345
Total Assets		11,47,765	9,45,115
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	11	1,00,766	1,00,937
Insurance contract liabilities	6	6,55,593	4,84,525
Borrowings	10	25,404	25,375
Deferred tax liabilities	16 (b)	7,758	5,041
Total Liabilities		7,89,521	6,15,878
EQUITY			
Share capital	12	1,84,746	1,82,703
Other equity	12 (a)	1,73,498	1,46,534
Total Equity		3,58,244	3,29,237
Total Liabilities and Equity		11,47,765	9,45,115

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Shrawan

Shrawan Jalan

Partner

Membership No: 102102

Place: Gurugram

Date : May 08, 2026



For and on behalf of the Board of Directors of
Niva Bupa Health Insurance Company Limited

Vivek Anant Karve

Director

DIN: 06840707

Manish

Manish Sen

Appointed Actuary

Membership No: 5509

Aparna Sharma

Aparna Sharma

Company Secretary

Membership No: A24399

Place: Gurugram

Date : May 08, 2026

RK

Krishnan Ramachandran

Managing Director & Chief Executive Officer

DIN: 08719264

Anath

Vishwanath Mahendra

Executive Director & Chief Financial Officer

DIN: 11019011



CIN - L66000DL2008PLC182918

NIVA BUPA HEALTH INSURANCE COMPANY LIMITED
Statement of Profit or Loss
For the year ended March 31, 2026

(Amount in Rs. Lakhs unless otherwise stated)

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Insurance revenue	6	7,82,910	5,83,991
Insurance service expenses	6	(7,44,249)	(5,52,148)
Net expenses from reinsurance contracts	5	(11,858)	(6,147)
Insurance service result (A)		26,803	25,696
Investment income	15	61,314	47,589
Net impairment loss on financial assets		(6)	(13)
Total Investment income (B)		61,308	47,576
Other income		128	1,458
Other operating expenses	13	(38,085)	(43,472)
Finance costs	14	(3,689)	(3,656)
Net other Income and expense (C)		(41,646)	(45,670)
Profit before tax (D)=(A)+(B)+(C)		46,465	27,602
Income tax expense (E)	16 (a)		
Current tax		(3,046)	-
Deferred Tax		(6,805)	(7,312)
Profit for the year (F)=(D)+(E)		36,614	20,290

Statement of Comprehensive Income
For the year ended March 31, 2026

Profit for the year (F)=(D)+(E)		36,614	20,290
Other comprehensive income			
Items that will be reclassified to profit or loss subsequently			
Net fair value gains/(loss) on financial assets		(15,762)	10,925
Income tax relating to items that will be reclassified to profit or loss	16 (a)	3,967	(2,750)
Total (G)		(11,795)	8,175
Items that will not be reclassified to profit or loss subsequently			
Remeasurement of defined benefit plans	20.1	(482)	(142)
Income tax relating to items that will not be reclassified to profit or loss	16 (a)	121	36
Total (H)		(361)	(106)
Total other comprehensive income for the year (I)=(G)+(H)		(12,156)	8,069
Total comprehensive income for the year (J)=(F)+(I)		24,458	28,359
Earnings per share			
	17		
- Basic earnings per share (Rs.) of Rs. 10/- each		1.99	1.16
- Diluted earnings per share (Rs.) of Rs. 10/- each		1.98	1.14

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Shrawan Jalan

Shrawan Jalan
Partner
Membership No: 102102
Place: Gurugram
Date : May 08, 2026



For and on behalf of the Board of Directors of
Niva Bupa Health Insurance Company Limited

Vivek Anant Karve
Director
DIN: 06840707

Manish Sen
Appointed Actuary
Membership No: 5509

Aparna Sharma
Company Secretary
Membership No: A24399

Place: Gurugram
Date : May 08, 2026

RK

Krishnan Ramachandran
Managing Director & Chief Executive Officer
DIN: 08719264

Anath

Vishwanath Mahendra
Executive Director & Chief Financial Officer
DIN: 11019011



CIN - L66000DL2008PLC182918

NIVA BUPA HEALTH INSURANCE COMPANY LIMITED
Statement of Cash Flows
For the year ended March 31, 2026

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flows from operating activities		
Premiums received from policyholders, including advance receipts	9,47,695	7,53,502
Payments to re-insurers, net of commission and claims	(75,754)	12,008
Payments from/to co-insurers, net of claims	-	-
Payment of claims	(4,69,046)	(3,49,331)
Payment of commission and brokerage	(1,81,440)	(1,51,730)
Payment of other operating expenses and attributable expenses	(39,042)	(29,307)
Deposits, advances and staff loans, net	(412)	(1,363)
Goods and services tax paid, net	(87,020)	(67,233)
Income taxes paid (net)	(2,109)	-
Other receipts		
- Provision against outstanding premium written back	-	65
- Provision against non performing investment written back	-	915
Net cash flows from operating activities	92,872	1,67,526
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(560)	(3,126)
Purchase of intangible assets	(4,304)	(1,016)
Proceeds from sale of property, plant and equipment	40	6
Proceeds from sale of intangible assets	-	50
Purchase of investments	(6,26,994)	(6,01,633)
Sales of investments	4,76,881	3,30,891
Interests received	58,695	39,975
Dividends Received	126	108
Expenses related to investments	(18)	(15)
Net cash flows from investing activities	(96,134)	(2,34,760)
C. Cash flows from financing activities		
Proceeds from issue of share capital and share application money pending allotment, net of share issue expenses	2,157	79,753
Interest paid	(2,675)	(2,675)
Repayment of interest on lease liabilities	(985)	(988)
Principal repayment of lease liabilities	(1,404)	(1,103)
Net cash flow from financing activities	(2,907)	74,987
D. Net increase in cash and cash equivalents	(6,169)	7,753
Cash and cash equivalents at the beginning of the year	22,035	14,282
Cash and cash equivalents at the end of the year	15,866	22,035
Net increase in cash and cash equivalents	(6,169)	7,753
Reconciliation of cash and cash equivalents with the balance sheet at the end of the year		
Cash and bank balances (refer Note 3)	15,866	22,035
Cash and cash equivalents at the end of the year	15,866	22,035

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Shrawan Jalan

Shrawan Jalan
Partner
Membership No: 102102
Place: Gurugram
Date : May 08, 2026



For and on behalf of the Board of Directors of
Niva Bupa Health Insurance Company Limited

Vivek Anant Karve
Vivek Anant Karve
Director
DIN: 06840707

Manish Sen
Appointed Actuary
Membership No: 5509

Aparna Sharma
Aparna Sharma
Company Secretary
Membership No: A24399

Place: Gurugram
Date : May 08, 2026

R.K. Krishnan

Krishnan Ramachandran
Managing Director & Chief Executive Officer
DIN: 08719264

Vishwanath Mahendra

Vishwanath Mahendra
Executive Director & Chief Financial Officer
DIN: 11019011



CIN - L66000DL2008PLC182918

NIVA BUPA HEALTH INSURANCE COMPANY LIMITED
Statement of Changes in Equity
For the year ended March 31, 2026

(Amount in Rs. Lakhs)

Particulars	Share Capital		Other Equity				Total
	Issued share capital	Share based payment reserve	Share application money pending for allotment	Securities premium	Retained earnings	Fair value reserve	
As at April 01, 2025	1,82,703	2,597	252	1,96,941	(60,414)	7,158	3,29,237
Profit for the year ended March 31, 2026	-	-	-	-	36,614	-	36,614
Shares issued during the year	2,043	-	-	464	-	-	2,507
Transaction cost on issue of share capital	-	-	-	(98)	-	-	(98)
Employee stock compensation expense	-	2,392	-	-	-	-	2,392
Addition during the year	-	-	2,255	-	-	-	2,255
Utilisation during the year	-	-	(2,507)	-	-	-	(2,507)
Other comprehensive income-Defined benefit plan	-	-	-	-	(361)	-	(361)
Other comprehensive income-Net fair value gains/(loss) on financial assets	-	-	-	-	-	(11,795)	(11,795)
Transfer of ESOP Reserve on account of allotted options	-	(1,223)	-	1,223	-	-	-
Transfer of ESOP Reserve on account of lapsed options	-	(146)	-	-	146	-	-
As at March 31, 2026	1,84,746	3,620	-	1,98,530	(24,015)	(4,637)	3,58,244
As at April 01, 2024	1,69,953	2,339	19	1,29,102	(80,644)	(1,017)	2,19,752
Profit for the year ended March 31, 2025	-	-	-	-	20,290	-	20,290
Shares issued during the year	12,750	-	-	69,762	-	-	82,512
Transaction cost on issue of share capital	-	-	-	(2,992)	-	-	(2,992)
Employee stock compensation expense	-	1,373	-	-	-	-	1,373
Addition during the year	-	-	3,072	-	-	-	3,072
Utilisation during the year	-	-	(2,839)	-	-	-	(2,839)
Other comprehensive income-Defined benefit plan	-	-	-	-	(106)	-	(106)
Other comprehensive income-Net fair value gains on financial assets	-	-	-	-	-	8,175	8,175
Transfer of ESOP Reserve on account of allotted options	-	(1,069)	-	1,069	-	-	-
Transfer of ESOP Reserve on account of lapsed options	-	(46)	-	-	46	-	-
As at March 31, 2025	1,82,703	2,597	252	1,96,941	(60,414)	7,158	3,29,237

Refer Note No. 12(a) for nature of other equity

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Shrawan

Shrawan Jalan
Partner
Membership No: 102102
Place: Gurugram
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For and on behalf of the Board of Directors of
Niva Bupa Health Insurance Company Limited

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Director
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Mehish Sen

Mehish Sen
Appointed Actuary
Membership No: 5509

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Place: Gurugram
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DIN: 08719264

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