

NOTICE is hereby given that the Third Annual General Meeting of the Members of the Company will be held on Wednesday, October 27, 2021 at 1.00 P.M. at No 413, 4th Floor, My Home Tycoon Building, Kundan Bagh, Begumpet, Hyderabad – 500016 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:


**ADOPTION OF FINANCIAL STATEMENTS, DIRECTORS' AND AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2020-21**

**"RESOLVED THAT** the audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Directors' Report and the Auditor's Report thereon as presented to the meeting be and are hereby approved and adopted."

2. To appoint a Director in place of Mr. Krishna Burugopall Vyasa (DIN: 03072517), who retires by rotation and being eligible, offers himself for re-appointment.

Place: Hyderabad  
Date: 01/10/2021

By Order of the Board  
For KSHEMA GENERAL INSURANCE LIMITED



*Natraj Nukala*  
**NATRAJ NUKALA**  
Director  
DIN: 02119316

**NOTES**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing the Proxy, in order to be effective, should be deposited, duly complete and signed, at the Registered Office of the Company not less than (48) Forty-Eight hours before the scheduled start of the meeting.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
4. Members/Proxies are requested to bring their duly filled Attendance Slip along with the copy of the Annual Report to the Meeting.
5. Member(s) are requested to notify immediately any change in their address to the Company at the Registered Office.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio.

## DIRECTORS' REPORT

Your Directors are present their third Annual Report on the business and operations of your company together with the audited Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement for the financial year 31/03/2021.

### **1. FINANCIAL SUMMERY:**

The operations of your Company are predominantly in to General insurance business. Your Directors inform that the Company have not generated any revenue during the year and have incurred a net loss of Rs. 16,122,887/-. Your Director's are taking all efforts to begin the business operations.

### **2. DIVIDEND:**

The Board is not proposing any dividend.

### **3. TRANSFER TO RESERVE:**

No transfers were made.

### **4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No Material Changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this Report.

### **5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company primarily being into insurance business and not involved in any industrial or manufacturing activities, the Company has no particulars to report regarding conservation of energy and technology absorption as required under section 134 of the Companies Act, 2013 and Rules made thereunder.

However, the Company follows a practice of purchase and use of energy efficient electrical and electronic equipment and gadgets in its operations.

There was no foreign exchange inflow or Outflow during the year under review.

### **6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) [RELATED PARTY TRANSACTIONS]**

There are no related party transactions during 2020-21.

### **7. CHANGE IN NATURE OF BUSINESS DURING THE YEAR:**

No changes in the nature of business has occurred affecting the business of the Company during the period under review.

### **8. DIRECTORS/KEY MANAGERIAL PERSONNEL APPOINTED DURING THE YEAR:**

Mr. Sri Ramachandra Prasad Nalam (DIN: 01386757), Mr. Natraj Nukala (DIN: 02119316) and Mr. Krishna Burugopall Vyasa (DIN: 03072517) are the directors of your Company.



In accordance with the provisions of Section 152 of the Act and rules made there under, Mr. Krishna Burugopall Vyasa, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Directors recommend reappointment of Mr. Krishna Burugopall Vyasa, at the ensuing Annual General Meeting.

#### 9. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, the Company held 5 Five Board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No	Date of Meeting	Board Strength	No. of Directors Present
1	31/05/2020	3	3
2	21/07/2020	3	3
3	31/10/2020	3	3
4	15/12/2020	3	3
5	31/03/2021	3	3

#### 10. NAME OF COMPANIES SUBSIDIARIES, JVS, ASSOCIATED COMPANIES

There is no subsidiary or joint venture or associate company.

#### 11. DIRECTORS RESPONSIBILITY STATEMENT.

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement: -

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts ongoing concern basis; and

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 12. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

#### 13. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

Risk management policy aims to identify the diverse risks faced by the Company and come up appropriate mitigation strategies. Managing risks in credit, interest rates and liquidity form critical components of our risk management system.



#### **14. SECRETARIAL AUDIT REPORT**

Section 204(1) of the Companies Act 2013 relating to secretarial audit report does not apply to your Company.

#### **15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178 (3) of the Companies Act, 2013.

#### **16. DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **17. DECLARATION OF INDEPENDENT DIRECTORS:**

The provisions of Section 149(6) pertaining to the appointment of Independent Directors do not apply to your Company.

#### **18. STATUTORY AUDITORS:**

M/s. Jawahar and Associates, Chartered Accountants, (ICAI FRN 0012815), were appointed as Statutory auditors of the Company at the First AGM for a period of 5 financial years.

The Auditor's Report for does not contain any qualification, reservation, adverse mark or disclaimer.

Further the Auditors' Report is annexed herewith for your kind perusal and information.

#### **19. DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS**

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

#### **20. PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### **21. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

#### **22. SHARES:**

**a. BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.

**b. SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.



c. **BONUS SHARES:** No Bonus Shares were issued during the year under review.

d. **EMPLOYEES STOCK OPTION PLAN:** The Company has not provided any Stock Option Scheme to the employees.

e. **Others:** Post the end of reporting financial year the Authorised Share capital was increased from Rs. 250 lakhs to Rs. 500 Lakhs.

**23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSED) ACT, 2013**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**24. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

**25. ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has established internal financial controls which are adequate considering the nature and size of business.

**26. SECRETARIAL STANDARDS OF ICSI**

Your Company has complied with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) which came into effect from 1 July 2015.

**27. DISCLOSURE OF MAINTENANCE OF COST RECORDS UNDER SECTION 148 OF THE COMPANIES ACT:**

Maintenance of cost records in compliance with the sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company

**28. ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to bankers, consultants, regulators particularly Reserve Bank of India for their continued support extended to your Company's activities during the year under review.

Place: Hyderabad  
Date: 01/10/2021

By Order of the Board  
For **KSHEMA GENERAL INSURANCE LIMITED**



Natraj Nukala  
Director  
DIN: 02119316





Sri Ramachandra Prasad Nalam  
Director  
DIN: 01386757

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under Third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

The Company has not entered into any contracts or arrangement or transaction with its related parties which is not at arm's length during the financial year 2020-21

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
NIL					

Place: Hyderabad  
Date: 01/10/2021

By Order of the Board  
For KSHEMA GENERAL INSURANCE LIMITED

  
Natraj Nukala  
Director  
DIN: 02119316



  
Ramachandra Prasad Nalam  
Director  
DIN: 01386757

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**Kshema General Insurance Limited**

**Report on Audit of Financial Statements**

**Opinion**

We have audited the Financial Statements of **Kshema General Insurance Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the statement of Cash Flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

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Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and 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 Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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

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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, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of financial statements.
- b) In our opinion, proper books of account and proper returns as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from such directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Since the company's turnover as per the last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the company is exempted from getting an audit opinion.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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**JAWAHAR AND ASSOCIATES**  
CHARTERED ACCOUNTANTS

HEAD OFFICE: C-5, Skylark Apartments  
3-6-309, Basheer Bagh, Hyderabad – 500 029.  
Ph: 2322 5734, 2322 1497, 2322 6965, 2322 2280  
E-mail: jawaharandassociates@gmail.com

- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Jawahar and Associates**  
Chartered Accountants



**CA M. Chandramouleswara Rao**  
**Partner**  
M.No.024608  
Place: Hyderabad  
Date: 01.10.2021  
UDIN: 21024608AAAABV3694

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**Annexure - A to Auditors' Report**

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" in our report of even date:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets  
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company doesn't have any immovable properties accordingly reporting under this clause is not applicable.
- ii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any inventory and accordingly reporting under Clause 3 (ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan nor made any investment nor provided any guarantee or security in contravention with Sec 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Sections 73 to 76 of the Companies Act, 2013 does not arise.
- vi. The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company.
- vii.
  - (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess to the appropriate authorities.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Excise duty, Value Added Tax, Service Tax, Custom Duty, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable
  - (c) According to the information and explanations given to us, there are no dues of duty of customs, Sales Tax, Income Tax, Service Tax, duty of excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

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- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its offices or employees has been noticed or reported during the year.
- xi. The provisions of section 197 read with Schedule V of the Companies Act, 2013 regarding Managerial remuneration are not applicable to the Company and hence reporting under clause (xi) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us Section 177 is not applicable to the Company and the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or person connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

**For Jawahar and Associates**  
Chartered Accountants



**CA M. Chandramouleswara Rao**  
**Partner**  
M.No.024608  
Place: Hyderabad  
Date: 01.10.2021  
UDIN: 21024608AAAABV3694

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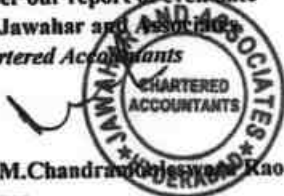
**KSHEMA GENERAL INSURANCE LIMITED**  
Balance Sheet as at 31st March, 2021

(Amt in-Rs)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
<b>I) EQUITY AND LIABILITIES</b>			
<b>1 Share Holders' Funds:</b>			
(a) Share Capital	1	2,43,67,500	2,43,67,500
(b) Reserves and Surplus	2	(3,94,83,397)	(2,33,60,510)
(c) Money received against share warrants		-	-
<b>Sub- Total</b>		<b>(1,51,15,897)</b>	<b>10,06,990</b>
<b>2 Non-Current Liabilities:</b>			
(a) Long Term Borrowings	3	1,53,31,250	45,000
(b) Deferred Tax Liabilities		-	-
(c) Other Long-Term Liabilities		-	-
(d) Long Term-Provisions		-	-
<b>Sub- Total</b>		<b>1,53,31,250</b>	<b>45,000</b>
<b>3 Current Liabilities:</b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current liabilities	4	13,48,501	7,57,765
(d) Short-term Provisions		-	-
<b>Sub- Total</b>		<b>13,48,501</b>	<b>7,57,765</b>
<b>TOTAL</b>		<b>15,63,854</b>	<b>18,09,755</b>
<b>II) ASSETS</b>			
<b>1 Non-Current Assets:</b>			
(a) Fixed Assets		-	-
(b) Tangible Assets	5	6,41,834	9,52,189
(c) Capital Work-in-Progress		-	-
(d) Non-Current Investments		-	-
(e) Long-Term Loans & Advances		-	-
(f) Deffered tax asset		-	-
(g) Other Non current Assets		-	-
<b>Sub- Total</b>		<b>6,41,834</b>	<b>9,52,189</b>
<b>2 Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Cash Equivalents	6	17,766	25,115
(e) Other Current Assets	10	9,04,255	8,32,452
<b>Sub- Total</b>		<b>9,22,021</b>	<b>8,57,567</b>
<b>TOTAL</b>		<b>15,63,854</b>	<b>18,09,755</b>

Accompanying notes form part of the financial statements

As per our report of even date  
For Jawahar and Associates  
Chartered Accountants



CA M.Chandramouli Rao  
Partner  
M.No.024608  
Place: Hyderabad  
Date: 01-10-2021  
UDIN: 21024608AAAAABV3694

For Kshema General Insurance Limited

*Nukala Natraj*  
Nukala Natraj  
Director  
DIN: 02119316



*Sri Rama Chandra Prasad Nalam*  
Sri Rama Chandra Prasad Nalam  
Director  
DIN: 01386757

**KSHEMA GENERAL INSURANCE LIMITED**  
Statement of Profit and Loss for the year ended 31 March, 2021

(Amt in Rs)

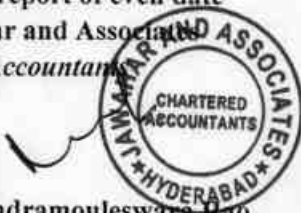
Particulars		Note	For the year ended 31 March, 2021	For the year ended 31 March, 2020
I)	<b>REVENUE</b>			
	(a) Revenue from Operations (Gross)	8	-	-
	<b>Total Revenue</b>		-	-
II)	<b>EXPENSES</b>			
	(a) Employee Benefits	9	1,03,19,636	66,61,551
	(b) Rent and Lease Expenses	10	4,56,000	4,56,000
	(c) Other expenses	11	49,58,930	84,49,603
	(d) Depreciation	5	3,88,321	2,58,833
	<b>Total Expenses</b>		<b>1,61,22,887</b>	<b>1,58,25,987</b>
III)	<b>Profit for the year before tax</b>		(1,61,22,887)	(1,58,25,987)
	<b>Tax expenses:</b>			
	(a) Current tax provision		-	-
	(b) Deferred tax Expense/ (Credit)		-	-
	(c) Earlier year Tax		-	-
	(d) MAT Credit Entitlement (credit)		-	-
IV)	<b>Total tax expenses</b>		-	-
V)	<b>Loss for the year</b>		(1,61,22,887)	(1,58,25,987)
	Basic EPS		-6.62	-6.49

Accompanying notes form part of the financial statements

As per our report of even date

For Jawahar and Associates

Chartered Accountants



CA M.Chandramouleswara Rao

Partner

M.No.024608

Place: Hyderabad

Date: 01-10-2021

UDIN: 21024608AAAABV3694

For Kshema General Insurance Limited

Nukala Natraj

Director

DIN: 02119316



Sri Rama Chandra Prasad Nalam

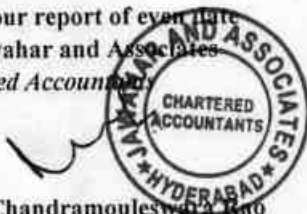
Director

DIN: 01386757

**KSHEMA GENERAL INSURANCE LIMITED**  
Cash flow statement for the year ended 31 March 2021

Particulars	31 March 2021	31 March 2020
	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	(1,61,22,887)	(1,58,25,987)
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3,88,321	2,58,833
Finance cost	-	-
Bad debts/ advances written off	-	-
Loss on sale of Fixed assets	-	-
Liabilities no longer required written back	-	-
<b>Operating profit before working capital changes</b>	<b>(1,57,34,566)</b>	<b>(1,55,67,154)</b>
<b>Adjustments for working capital</b>		
Inventories	-	-
Trade receivables	-	-
Other current assets	(71,803)	-4,54,152
Trade payables	-	-
Other current Liabilities	5,90,736	87,376
Short-term borrowings	-	-
<b>Cash generated from operations</b>	<b>(1,52,15,633)</b>	<b>(1,59,33,930)</b>
Income tax (paid)/refund		
<b>Net cash from operating activities</b>	<b>(1,52,15,633)</b>	<b>(1,59,33,930)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work in progress	(77,966)	(12,11,021)
Capital Work in Progress Write off	-	-
Sale of fixed assets	-	-
<b>Net cash from/(used in) investing activities</b>	<b>(77,966)</b>	<b>(12,11,021)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	2,43,67,500
Proceeds from long term borrowings	1,52,86,250	-
Repayment of long term borrowings	-	-
Deposits from customers	-	-
Payment of finance cost	-	-
<b>Net cash used in financing activities</b>	<b>1,52,86,250</b>	<b>2,43,67,500</b>
Net increase/(decrease) in cash and cash equivalents	-7,349	72,22,549
Cash and cash equivalent - opening balance	25,115	-
<b>Cash and cash equivalent - closing balance</b>	<b>17,766</b>	<b>25,115</b>

As per our report of even date  
For Jawahar and Associates  
Chartered Accountants



CA M.Chandramouleswar Rao  
Partner  
M.No.024608  
Place: Hyderabad  
Date: 01-10-2021  
UDIN: 21024608AAAABV3694

For Kshema General Insurance Limited

*Nukala Natraj*  
Nukala Natraj  
Director  
DIN: 02119316



*Sri Rama Chandra Prasad Nalam*  
Sri Rama Chandra Prasad Nalam  
Director  
DIN: 01386757

**KSHEMA GENERAL INSURANCE LIMITED**

Notes to Balance Sheet as at 31 March, 2021

(Amt in Rs)

**1. Share Capital:**

Particulars	31 March 2021	31 March 2020
<b>Capital Account</b>		
Authorized Share Capital 25,00,000 equity shares of Rs.10/- each	2,50,00,000	2,50,00,000
<b>Issued, Subscribed and Paid up Share Capital</b>		
24,36,750 equity shares of Rs.10/-each	2,43,67,500	2,43,67,500
<b>Total</b>	<b>2,43,67,500</b>	<b>2,43,67,500</b>

Detail of share holders holding more than 5%	Mar-21		Mar-20	
	No. of Shares	% of holding	No. of Shares	% of holding
Kshema Holding Private Limited	24,32,250	99.82%	24,32,250	99.82%

**2. Reserves & Surplus**

Particulars	31 March 2021	31 March 2020
<b>(a) General Reserve</b>		
Opening Balance	(2,33,60,510)	(75,34,523)
Share Premium		
Add: Net Loss for the year	(1,61,22,887)	(1,58,25,987)
<b>Total</b>	<b>(3,94,83,397)</b>	<b>(2,33,60,510)</b>

**3. Long term borrowings**

Particulars	31 March 2021	31 March 2020
Unsecured loan-Kshema Holdings Pvt Ltd	1,53,31,250	45,000
<b>Total</b>	<b>1,53,31,250</b>	<b>45,000</b>

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#### 4. Other Current Liabilities

Particulars	31 March 2021	31 March 2020
Payable to the auditor as (a) auditor	- 10,000	- 20,000
Statutory Payable	1,45,521	58,496
Salary Payable	8,81,542	6,36,545
Other Payables	3,11,438	42,724
<b>Total</b>	<b>13,48,501</b>	<b>7,57,765</b>

#### 6. Cash & Bank Balances

Particulars	31 March 2021	31 March 2020
Cash at bank	17,395	24,885
Cash in hand	371	230
<b>Total</b>	<b>17,766</b>	<b>25,115</b>

#### 7. Other Current Assets

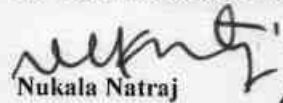
Particulars	31 March 2021	31 March 2020
Prepaid expenses	-	-
Security deposits (Rent)	1,00,000	1,00,000
GST Input Receivables	8,04,255	7,02,452
Advance Salary	-	30,000
<b>Total</b>	<b>9,04,255</b>	<b>8,32,452</b>

For Jawahar and Associates  
Chartered Accountants

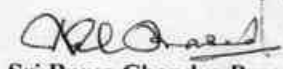


CA M.Chandramouleswara Rao  
Partner  
M.No.024608  
Place: Hyderabad  
Date: 01-10-2021  
UDIN: 21024608AAAABV3694

For Kshema General Insurance Limited

  
Nukala Natraj  
Director  
DIN: 02119316



  
Sri Rama Chandra Prasad Nalam  
Director  
DIN: 01386757

KSHEMA GENERAL INSURANCE LIMITED

Notes to Profit & Loss Accounts for the Year ended 31 March 2021

(Amt in Rs)

8. Revenue from Operations

Particulars	31 March 2021	31 March 2020
Service Income		-
Total		-

9. Employee Benefits

Particulars	31 March 2021	31 March 2020
Salaries & Wages	1,00,13,545	62,72,363
Staff Welfare Expenses	3,06,091	3,89,188
Total	1,03,19,636	66,61,551

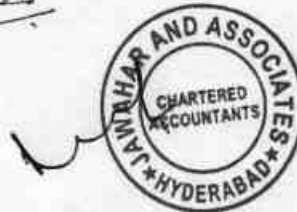
10. Rent and Lease Expenses

Particulars	31 March 2021	31 March 2020
Rent & Lease expenses	4,56,000	4,56,000
Total	4,56,000	4,56,000

*reputed*



*Reliance*



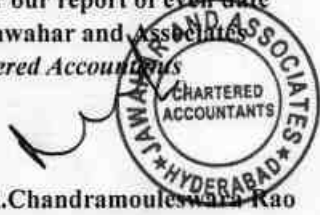
## 11. Other Expenses

Particulars	31 March 2021	31 March 2020
Audit Fee	10,000	10,000
Bank Charges	448	764
Books and Periodicals	350	2,005
Business Promotion	4,54,466	5,16,637
Canteen Charges	25,592	25,692
Cloud Zimbra E Mail Hosting and Service Charges	-	10,875
Computer Maintenance	1,41,578	1,24,553
Conveyance	84,654	96,032
Donations	-	-
Education Fee Sponsorship	-	-
Electricity Charges	17,678	20,855
Fees and Taxes	1,55,707	4,97,896
Foreign Travelling Expenses	2,16,534	8,78,192
Fuel Expenses	1,86,692	2,62,301
Grant to OMIDC	1,32,200	43,828
Insurance Charges	-	-
Office Maintenance	80,643	66,830
PF Admin Charges	24,569	13,149
Postage & Courier Charges	5,472	200
Printing and Stationery	45,928	99,683
Professional Charges	22,79,575	38,30,913
Repairs & Maintenance	46,370	3,300
Security Charges	45,000	1,65,000
Staff Welfare	-	-
Subscription to Cloud Space Charges	-	1,25,000
Telephone and Internet Charges	41,991	92,044
Training Expenses	-	6,623
Travelling Expenses	4,77,894	15,41,633
Vehicle Maintenance	1,52,763	2,934
Water Charges	7,120	3,480
Interest on TDS	-	814
Polygons Exp	33,231	7,975
Interns Stipend	78,000	-
Lodging & Boarding	1,65,229	-
Rounding Off	39	-
Pooja Expenses	49,206	395
<b>Total</b>	<b>49,58,930</b>	<b>84,49,603</b>

As per our report of even date

For Jawahar and Associates

Chartered Accountants



CA M.Chandramouleswar Rao

Partner

M.No.024608

Place: Hyderabad

Date: 01-10-2021

UDIN: 21024608AAAABV3694

For Kshema General Insurance Limited



Nukala Natraj

Director

DIN: 02119316





Sri Rama Chandra Prasad Nalam

Director

DIN: 01386757

KSHEMA GENERAL INSURANCE LIMITED

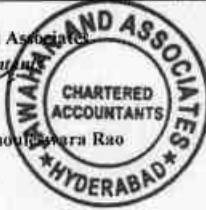
5. Depreciation as per Companies Act 2013

Name of Asset	Original Asset Cost	Accumulated Depreciation upto 31.03.2020	WDV as on 01.04.2020	Additions during the year	Deletions during the year	Balance Depreciable value	Residual Value @5%	Net Depreciable value	Remaining Useful Life(Days)	Depreciation on Op.WDV Rs.	Depreciation on Additions Rs.	Total Depreciation on Rs.	WDV as on 31.03.2021
Office Equipment	37,765	2,432	35,333	-	-	35,333	1,868	33,445	3,193	7,175	-	7,175	28,158
Computer & Softwares	11,90,571	2,76,669	8,35,936	77,966	-	9,13,902	59,529	8,54,373	7,514	3,51,969	20,428	3,72,397	5,41,505
Vehicles	92,402	11,482	80,920	-	-	80,920	4,620	76,300	3,183	8,749	-	8,749	72,170
<b>Total</b>	<b>13,20,738</b>	<b>2,90,583</b>	<b>9,52,189</b>	<b>77,966</b>	<b>-</b>	<b>10,30,155</b>	<b>66,037</b>	<b>9,64,118</b>		<b>3,67,893</b>	<b>20,428</b>	<b>3,88,321</b>	<b>6,41,834</b>

For Jawahar and Associates  
Chartered Accountants

CA M.Chandramouli Srinivasa Rao  
Partner  
M.No.024608

Place : Hyderabad  
Date : 01-10-2021  
UDIN: 21024608AAAAVB3694



For Kshema General Insurance Limited

Nukala Natraj  
Director  
DIN: 02119316

Sri Rama Chandra Prasad Nalan  
Director  
DIN: 01386757



**KSHEMA GENERAL INSURANCE LIMITED**

**Note : - Significant Accounting Policies**

**1. Convention**

To prepare and present the financial statements under the historical cost convention, on the accrual basis and in accordance with Indian Generally Accepted Accounting Policies (GAAP). GAAP comprises of Accounting Standards notified by the Central Government of India under Companies (Accounting Standard) Rules, 2006, other pronouncements of Institute of Chartered Accountants of India. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

**2. Basis of Accounting**

To record all assets and liabilities as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**3. Tangible Fixed Assets**

To account Fixed Assets for on historical cost less accumulated depreciation. The cost of asset comprises the purchase price and any directly attributable cost of bringing the assets to working condition for its intended use.

**4. Depreciation and amortisation**

To provide for depreciation on the basis of useful life of the asset as prescribed in schedule II of the Companies Act, 2013. Depreciation is calculated on the basis of Written Down Value Method (WDV). Depreciation is calculated on a pro-rata basis from the date of installation/capitalisation till the assets are sold or disposed off.

**5. Foreign Currency Transactions and Translations**

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/ Losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise. To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expense over the life of the contracts. To account for profit/ loss arising on cancellation or renewal of forward exchange contracts as income / expense for the period. To account for Premium paid on currency options in the Statement of Profit and Loss at the inception of the Option. To account for Profit / Loss arising on settlement or cancellation of Statement of Profit and Loss on the outstanding portfolio of options / forwards / swaps as at the Balance Sheet date, and to ignore the net gain, if any. To account for gain/losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the Year end.

**6. Borrowing Cost**

All borrowing costs are charged to Statement of Profit and Loss.

**7. Income Tax**

Current Tax has been provided in the books using the applicable tax rules and Deferred Tax has been recognised in the books using the Tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Deferred Tax assets are recognised subject to prudence and to the extent that there is a reasonable certainty that they will be realised against the available future profits.

**8. Impairment of Assets**

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

**9. Revenue from Sale of Products and Services**

To recognise revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales Tax / Value Added Tax/ GST recovered from customers.

**10. Investment Income**

To account for income from investments on an accrual basis, inclusive of related tax deducted at source.

**11. Employee benefits**

To make regular monthly contributions to various Provident Funds which are in the nature of defined

**12. Lease rentals**

To charge rentals in respect of leased premises and equipment to the Statement of Profit and Loss.

**13. Claims**

To disclose claims against the company not acknowledged as debts after a careful evaluation of the facts and

