

kshema



# Revolutionising General Insurance for Rural India

Through Tech Innovation

Kshema General Insurance Limited  
Annual Report 2023-24



# Contents

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Building Financial Resilience in the Agricultural Community	02	Board of Directors	18
Kshema Differentiation	04	Management Team	20
Our Offerings	06	Corporate Information	22
Technology Edge	08	Notice of AGM	23
Message from the Chairman	10	Directors' Report	37
Our Journey	12	Management Report	56
Performance Highlights	13	Independent Auditors' Report	59
Industry Overview	14	Financial Statements	68
Kshema's Impact	16		



# Revolutionising General Insurance for Rural India

Through Tech Innovation

General insurance in India has conventionally centred around urban areas, leaving the unique insurance needs of rural India under-addressed. Crop insurance, despite government push, has been lagging even though agriculture is the primary source of income for a vast population and involves significant risks amidst increasing extreme climate events, leaving rural communities highly vulnerable.

This gap highlighted the need for an insurance player dedicated to rural India with a deep understanding of their needs, and commitment to addressing them through innovative models.

This is where Kshema General Insurance (Kshema) steps in. We operate with the bold ambition of revolutionising general insurance for rural India through tech innovations. We are bridging the insurance gap through our sharp focus on introducing groundbreaking solutions and integrating innovative models and technology. We ensure support across all stages, right from product identification and buying to claim settlement, providing a seamless journey and enabling adequate protection from uncertainties. Through this distinctive approach, we are making insurance coverage more accessible, effective, and reliable, empowering rural India.

**At Kshema, we are not just improving conventional insurance models, we are reinventing them to ensure every farmer benefits. We are shaping a new era to create a lasting, positive impact among the rural populace, equipping them to face the future with confidence.**



# Building financial resilience in the agricultural community

We are an IRDAI-licensed, fully digital insurance provider committed to making India's farmers financially more resilient and independent. We ensure this by providing innovative coverage through our peril-based insurance products designed to address the diverse needs of farmers, protecting them from income shocks caused by extreme climate events.

We stand out in the industry, by seamlessly integrating cutting-edge technology with a human touch to consistently achieve the best outcomes for those we serve. We ensure this by bringing together the best of insurtech with digital innovation to deliver top-notch solutions, while also maintaining collaborative farmer relationships through our dedicated, customer-centric employees.

Our excellence and the robustness of our portfolio is evident in more than ~ 4.80 Lakh farmers in India trusting us in less than a year of commencing operations in May 2023.

## Our Vision

Create and enable a progressive approach of strategic resilience towards risk in contrast to conventional defensive risk management practices.

## Our Mission

Enable resilience among cultivators across the country, from income shocks due to extreme climate events and other vagaries, with insurance.

## Our Core Values



### Customers first

Respecting our customers and caring for them is at the core of everything we do. It defines our work every day.



### Delivering promises

We are committed to delivering our promise of building financial resilience from natural perils among farmers by making crop insurance accessible and the settlement of claims quicker.



### Accessibility

We are relentless in our endeavour to not only connect customers but make it simpler for them to access the best crop insurance solutions on their fingertips.



### Integrity

Integrity is the North Star that dictates the path we take. We are honest, transparent, ethical, and fair in our dealings with customers, employees, and stakeholders alike.



### Succeeding as a team

United by our purpose, we live by a collective commitment to honesty, integrity and innovation. We believe in being open and inclusive, accepting and applying the best ideas from every part of our company.



**4.74 Lakh**

Farmers insured

**~86%**

Farmers insured are small and marginal

**~ ₹3,519 Cr.**

Sum insured

**180**

Employees

**~10**

Sales office

**22**

States and UTs

**5.71 Lakh**

Area under insurance (hectares)

## Our Strengths

### PRECISE AND FAIR PREMIUMS

We use cutting-edge AI-based algorithms, machine learning, big data and location awareness tools to assess, model, and adequately price insurance risks. This enables us to provide customised insurance coverage at affordable premiums.

### TECHNOLOGY-FOCUSSED SOLUTIONS

We possess the DNA of an insurtech and have deployed cutting-edge technology across the entire value chain.

### COMPREHENSIVE INSURANCE COVERAGE

We provide coverage for 100+ crops against nine perils covering 127 agro-climatic zones across India. Our services are available in English and 10 Indian languages, ensuring wider reach.



# How Kshema is poised to transform crop insurance in India

The crop insurance industry in India is faced with various obstacles that hinder farmers from fully benefiting from insurance coverage. Inefficiencies, lack of dedicated focus, and conventional methodologies are often disconnected from the real needs of cultivators.

At Kshema, we are revolutionising the crop insurance landscape with our unwavering focus on this segment in terms of products, processes and technology deployment which are designed to address these gaps and provide comprehensive, farmer-centric coverage.

## The current market approach is outdated and inefficient

### Lack of agricultural focus

- No private insurer focussed on the agriculture segment

### Inefficient operations

- Longer lead times for claim settlement
- No concept of real-time monitoring
- No digital onboarding for policy buyers

### Knowledge and communication gap

- Premium payment being the only touchpoint with the farmer
- Farmers unaware of their coverage
- Absence of a dedicated crop-specific knowledge centre

### Absence of right solutions

- Limited crop coverage for a geography
- Area-based approach to insurance

### THE IMPACT

- No solution for a farmer's unique needs
- Inadequate protection and delays in financial support
- Farmers lacking insights into crop conditions
- Farmers lacking awareness and expert guidance



**Kshema is addressing the gap with a unique, digital-led and farmer-centric model**

**Dedicated focus**

- Prioritising insurance in agri ecosystem
- Multi-interactive touchpoints with farmers throughout the crop lifecycle

**Comprehensive coverage**

- 100+ crops across geographies
- Farm-based approach to insurance

**Tech-driven operations**

- Faster claim settlement using technology
- Near real-time monitoring to ensure transparency
- Kshema app for seamless digital journey for cultivators

**Knowledge empowerment**

- Dedicated crop-specific knowledge centre

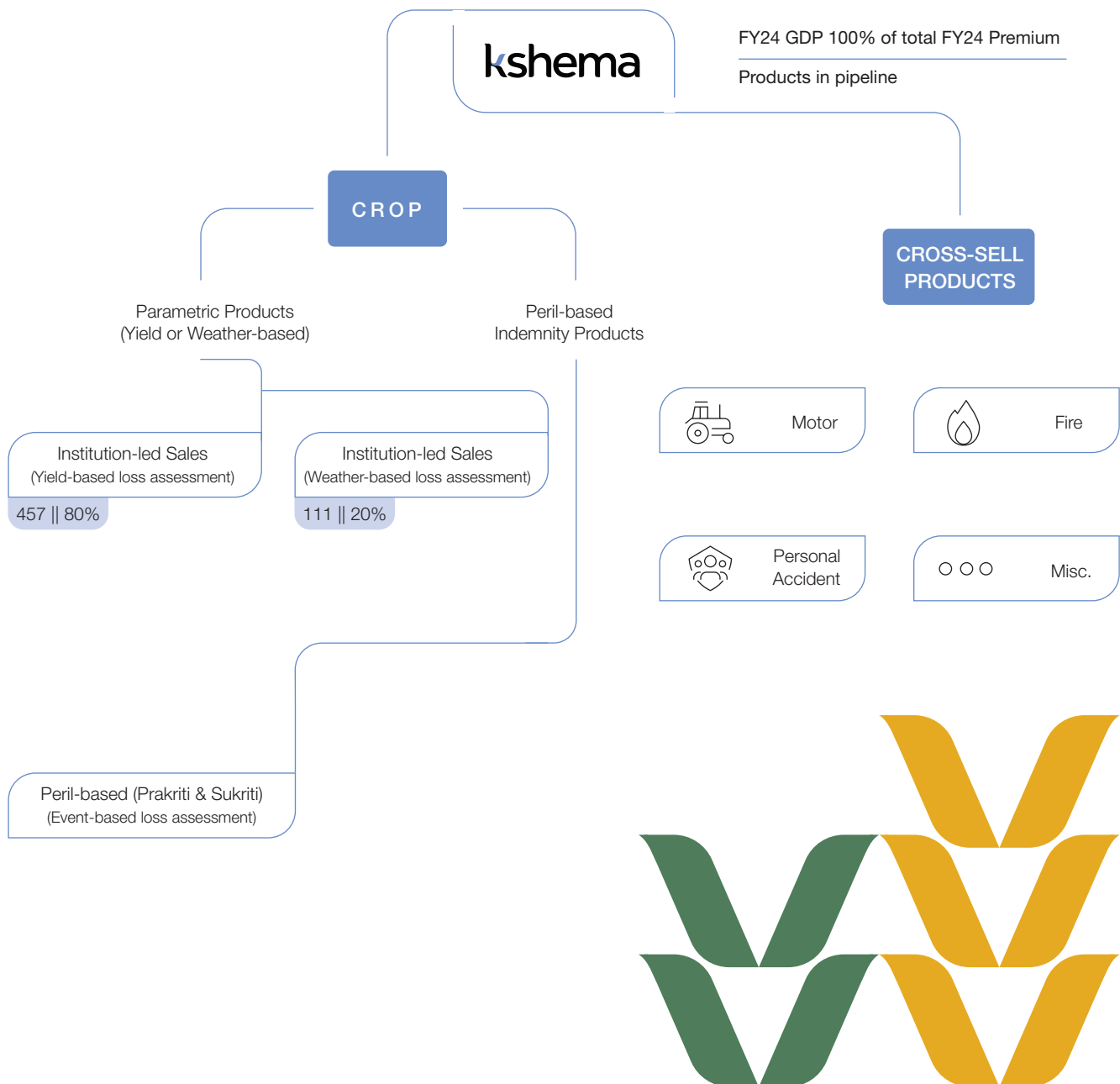
**BENEFITS DELIVERED**

- Tailored solutions that address a farmer's specific needs
- Quicker onboarding and continuous support
- Timely insights and proactive management, minimising chances of loss
- Farmers better equipped with knowledge

OUR OFFERINGS

# Empowering farmers with customised crop insurance products

We have one of the most diversified portfolio of crop insurance products that are accessible, affordable, customisable and reliable. Spanning multiple agro-climatic zones, crops, and potential perils, our products address the diverse requirements of farmers alongside the advantage of tailored protection to help them navigate agricultural uncertainties with confidence.





## Our Offerings

### Kshema Prakriti

This comprehensive crop insurance solution supports farmers in protecting their crops against nine perils. The premium and the sum insured are calculated based on the cost of cultivation for each crop, their duration, and location.

**Farm-based Coverage**

**100+ crops Covered**

#### Protection from 9 perils



Cyclone



Inundation



Flood



Hailstorm



Landslide



Earthquake



Fire due to lightning



Animal attack



Damage due to aircraft

### Kshema Sukriti

It is amongst the most affordable crop insurance policies, offering tailor-made protection by allowing farmers to choose from a combination of one major and one minor peril from nine predetermined perils.

**100+ crops Covered**

**₹ 499/acre**  
Starting premium, among the lowest in the industry

#### Protection from 2 perils

A combination of one major and one minor peril from a list of nine perils

### Regulatory products

#### Kshema Bharat Griha Raksha

Kshema Bharat Griha Raksha is an IRDAI-developed fire and allied risk policy for residential houses and contents. The policy covers three types of risks i.e. Home Building, Home Contents and General Contents.

### Government products

We also distribute government products to ensure the availability of wider protection for farmers. These include:

#### Pradhan Mantri Fasal Bima Yojana

A flagship scheme of the Government of India that provides financial support to farmers suffering crop loss/damage arising out of unforeseen circumstances.

#### Restructured Weather Based Crop Insurance Scheme

This government scheme protects insured farmers against the likelihood of financial loss arising from anticipated crop loss due to adverse weather conditions.

**~42 Lakh**

Policies issued in FY 2023-24

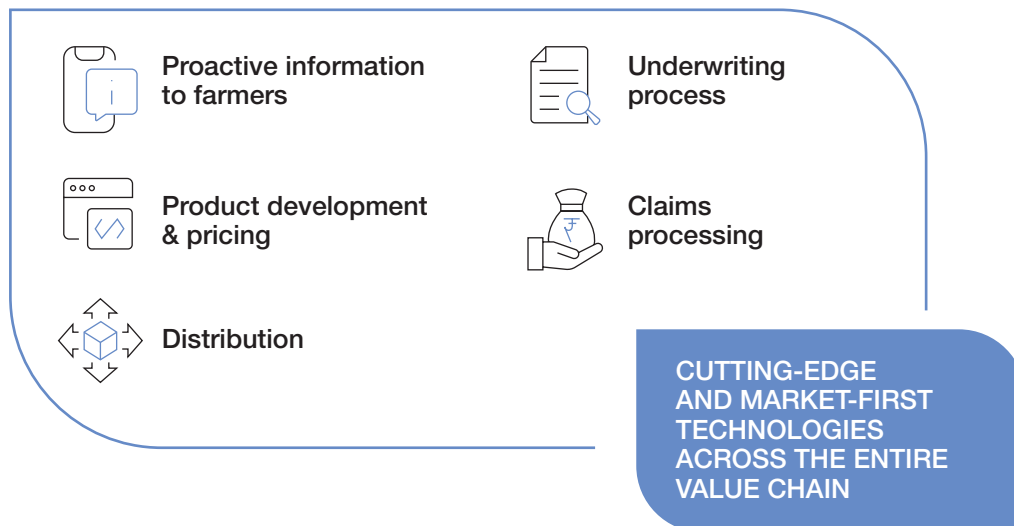
**~72 Thousand**

Policies issued in FY 2023-24

# Robust technology platform for comprehensive insurance coverage

Technology is a game-changer at Kshema. By ensuring end-to-end integration across processes and using the most advanced technologies, we have strengthened our competitive position in the digital insurance space. It is empowering us to set new standards in process excellence and speed while driving financial resilience for farmers.

## Digital excellence @ Kshema



### Product development & pricing

- Insurance application pricing determined dynamically through a pricing engine
- New product introductions (like peril-based products and 100+ crops coverage) catering to farmers' specific needs

### Underwriting process

- KYC process through the Kshema mobile application with insurance provided only for arable land, preventing fraudulent practices

### Distribution

- Kshema mobile application for seamless onboarding and policy purchase experience for farmers

### Claims processing

- Seamless claim intimation using the app to initiate the process along with document submission and real-time tracking
- Claim validation using remote sensing technology to accurately assess the loss and prevent fraudulent claims
- Claim processing time significantly reduced using technology

### Proactive information to farmers

- Multi-interactive touchpoints with farmers, enabling proactive dissemination of information like crop health, soil moisture content, weather information

## Redefining Agri-Insurance with **Kshema Mobile App**

## India's first location-aware agriculture insurance platform

The Kshema app stands out as a pioneering tool designed to revolutionise crop insurance for farmers. The ubiquitous presence of mobile phones, availability of near real-time imagery and real-time weather data, combined with proprietary AI algorithms, enable us to leverage technology to provide personalised coverage at the farm level, at an affordable price. With a user-friendly and intuitive interface, the app also facilitates dynamic pricing and streamlines and automates various underwriting and claim processes.

### KEY APP FEATURES

#### User-friendly interface

It is highly intuitive and multilingual, supporting English and 10 Indian languages, allowing farmers to purchase insurance seamlessly in their preferred language. It guides them through selecting their farm location, crop, perils, and sowing timelines for an insurance plan customised to their specific needs.

#### AI-powered underwriting and risk management

The platform's AI capabilities enable automated underwriting validation and instant policy generation, reducing processing time. This technology infrastructure enables Kshema to adopt a progressive approach of strategic resilience towards risk management.

#### Dynamic pricing algorithm

It considers 127 climatic zones and corresponding peril risks to create individualised and accurate pricing, reflecting the risk associated with each specific farm. A blend of public and private data ensures a highly refined and precise modelling.

#### Real-time monitoring and data integration

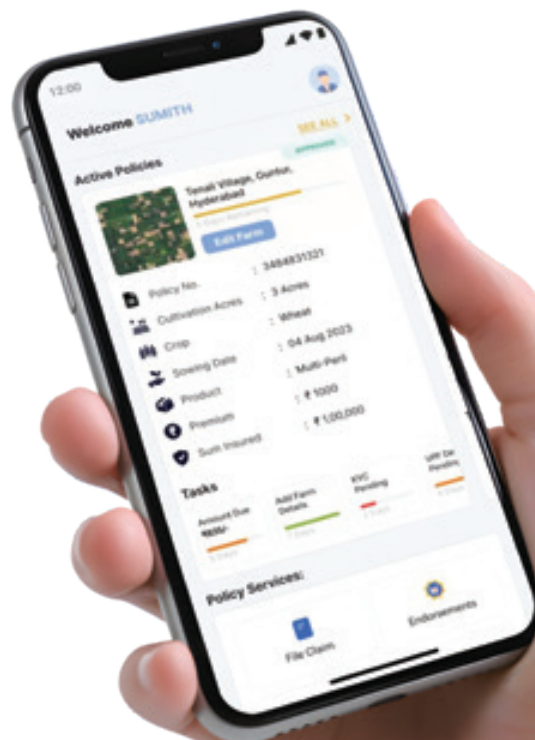
The app uses near real-time imagery and weather data to support continuous farm monitoring, ensuring farmers are well informed about their crop conditions and potential risks.

#### Efficient claims process

The app allows farmers to effortlessly initiate claims by providing the cause of loss and uploading photos or videos of the crop damage. This information is matched with satellite imagery of the geo-tagged farms for verification, leading to almost immediate claim settlement in most cases for quick financial relief.

**~8,000+**  
App downloads

**~1,000+**  
Farmers bought  
insurance using the app



# Innovating to empower rural India

Dear Stakeholder,

“ It is with great pleasure that I present the 6<sup>th</sup> Annual Report of Kshema General Insurance on the completion of a successful year of operations. Ours is a company that has boldly but cautiously leapt forward to break away from conventions by creating our niche in the agricultural insurance space. This has been a sector many established players shy away from because of the complexities, and we aim to seize the immense potential and make an impact. As we start this new journey, we are brimming with energy and look forward to the support of all our stakeholders. ”

## CONCEPTUALISATION TO SEIZE A WHITE SPACE

Kshema's foundation dates back to 2017 when we saw a distinct white space in agri-insurance. On one hand, were insurtechs and other entrenched players who largely overlooked this segment and on the other were players dedicated to it but lacking the technological expertise. Our goal was to bring together the best of both worlds: leveraging cutting-edge technology to provide comprehensive crop insurance solutions. This pioneering vision led us to establish a business model exclusively focussed on the agricultural ecosystem.

The fact that crop insurance has recently emerged as the fastest-growing and most lucrative sector makes our entry into this market even more attractive. Consider this, while the overall general insurance industry grew at a CAGR of 14% during FY 2013-14 to FY 2022-23, crop insurance outpaced with a robust 28% CAGR. Further, compared to the average combined ratio of 106% of the overall general insurance industry (top 10 players) over the last three years, this segment's ratio was at 97% indicating better profitability potential. Despite this fast-paced expansion, the penetration remains modest, with only 13% of farmers, 37% of crops, and 23% of land covered. This was mostly due to the inefficiencies of traditional models, which lacked the technology to monitor crops in real-time or effectively assess damage, leading to difficulty in premium determination and claims settlement.

That said, the recent technological initiatives by the Government of India have unlocked a plethora of opportunities. Advancements in land record digitisation, technology-based yield estimation, remote sensing for



crop loss monitoring and satellite-based crop damage assessment are contributing to enhanced efficiency and insightfulness in the industry. These developments also reflect the government's emphasis on crop insurance and agriculture. This positions the industry for a period of hypergrowth, with the Gross Direct Premium Income (GDPI) projected to increase by 2.5x from ₹ 32,000 Cr. in FY 2022-23 to ₹ 80,000 Cr. by FY 2029-30.

## KSHEMA: ADVANCING WITH A UNIQUE MODEL

While the opportunity is huge, a unique model was essential to effectively harness it. We carved a niche by choosing to exclusively operate in the agri-insurance space to offer the most comprehensive insurance solutions at affordable prices with end-to-end technology operations. By doing so, we can protect farmers from income shocks caused by extreme climate events.

We successfully introduced 2 innovative industry-first peril-based products which combine advanced technology and risk management to help farmers stay protected. This includes Prakriti which offers comprehensive protection from nine major perils, while Sukriti allows flexibility to customise coverage by choosing a combination of any 2 perils. Alongside these, we also facilitate products of the government and regulator to ensure wider coverage options.

To ensure the best possible service and outcomes, we have integrated the most advanced technologies.

Our distinctive strategy and commitment to agriculture have been recognised by IRDAI, with the grant of the first general insurer licence in 5 years. This only demonstrates our exceptional capabilities and the vision of the regulator.

### DEMONSTRATING OUR VISION WITH A RECORD PERFORMANCE

Commencing operations in May 2023, our team exhibited immense agility in getting the groundwork done. Through FY 2023-24, we successfully won bids for institution-led sales products in 7 states and also expanded operations across 12 states and 2 union territories (UTs) by March 2024. We have since grown our presence to 22 states and 2 UTs. With more than 42 Lakh policies sold, we closed the year with a GDPI of ₹ 569 Cr., becoming the first insurer in the country to cross the ₹ 500 Cr. mark of gross written premium within the first year of operation. 80% of the premium collected was from yield-based loss assessment products, while weather-based products contributed to the remaining 20%. The combined ratio was at 87%. On the profitability front, our EBITDA was at ~ ₹ 60 Cr. and PAT at ₹ 45 Cr.

The robust performance has been a result of our exceptional technology platform, which is powered by proprietary AI algorithms and spans the entire operation, right from product development and pricing to sales, claims assessment, and reinsurance. It has been instrumental in streamlining and automating our processes, while also ensuring a seamless onboarding experience for farmers. They can easily select crops, geotag farms, check premiums and complete KYC verification. We complement our digital capabilities with a strong human touch, employing Point of Sales Persons (POSPs) and maintaining offices to provide personalised handholding to farmers.

### THE WAY FORWARD

While our progress thus far has been gratifying, the opportunities for growth and innovation in the future are immense. Our robust financial foundation with a net worth of ₹ 148.02 Cr. provides us with headroom to continue expanding our reach and services.

Our primary focus will be to aggressively market to connect with wider audiences and spread awareness. Aligned with this, we initiated a national marketing campaign to raise awareness about crop insurance, coinciding with the beginning of the Kharif season FY 2024-25. This 360-degree campaign, spanning TV, print, digital, and outdoor media, highlights the importance of a financial safety net for farmers and their families, especially amidst rising extreme climate events. We further have a pipeline of 20+ products, focussed on agri as well as into other lines of business like Fire, Motor, Health, etc. which will be launched through the course of the next year.

The first insurer in the country to cross the ₹ 500 Cr. mark of gross written premium within the first year of operation

### CLOSING COMMENTS

We are confident in our ability to deliver unparalleled value and empower farmers. Through our consultative approach, we are periodically taking their feedback to ensure product development and alignment with their needs. At the same time, we will continue to build on our technology, products, and people excellence to reach out and benefit more farmers, especially the underserved, vulnerable, marginal farmers.

I close on this positive note committed to creating value for all stakeholders. I extend my heartfelt gratitude to each one of you for your unwavering support. A special note of thanks goes to the IRDAI for believing in our vision and granting us the licence to operate. Your endorsement has been pivotal to our success, enabling us to pursue our mission with vigour and deliver our promises. I thank our customers and farmers, who have placed their trust in us, and remain committed to serving you. My sincere appreciation to our employees and tech team, who with their hard work and dedication have made the Kshema vision a reality.

**Natraj Nukala**

Founder, Chairman & Director



# Embarking on our innovative journey

Our journey is driven by our founder's vision to harness the huge untapped market of agri insurance through robust technology-driven solutions to service the market optimally. We stand out as the only founder-established organisation in an industry dominated by insurers with the backing of large banks, corporates, conglomerates and PSUs. Our distinction as the only general insurer to be licensed in the last 5 years is a testament to our founder's pedigree and the regulator's vision on agri insurance.



PERFORMANCE HIGHLIGHTS

# Milestones of our success

**Kshema becomes the 1<sup>st</sup> and the only company in the Indian insurance sector to reach ₹ 500 Cr. gross written premium in its first year of operations**

**~ ₹ 45 Cr.**  
PAT

**~70%**  
Loss ratio

**~87%**  
Combined ratio

**₹ 569 Cr.**  
Gross Direct Premium Income

**~30%**  
Business reinsurance

**~ ₹ 392 Cr.**  
Operating Revenue

**42 Lakh**  
Policies issued

**~ ₹ 60 Cr.**  
EBITDA

**~ ₹ 3,519 Cr.**  
Sum insured

# Seizing opportunities in the agriculture insurance sector

Crop insurance is one of the fastest-growing and most profitable segments in India’s non-life insurance market. Despite this, it remains highly underpenetrated due to the absence of specialised players offering product solutions and superior digital-led service support, presenting a huge runway for growth. The recent policy and digital initiatives by the Government of India further positions the industry for a period of hypergrowth.

Kshema, as a specialised crop insurance player with a robust go-to-market strategy, is competitively placed to seize the opportunities.

## The mega crop insurance opportunity in India

### HUGE UNDER-PENETRATION

Crop insurance in India remains significantly underpenetrated. Factors like insufficient infrastructure and outdated technology for pricing and crop loss monitoring, along with inefficiencies in crop damage assessment processes and limited accessibility are hindering progress. Furthermore, crop insurance in India covers only selected crops. Small and marginal farmers, accounting for over 85% of India’s farmers, are mostly left behind.

### Crop insurance landscape in India



**Farmers**

1.8 Cr. farmers insured



**13%**  
penetration



**Crops**

109 crops insured, with coverage varying by region



**37%**  
penetration



**Land coverage**

4.8 Cr. hectares area is insured



**23%**  
penetration

**₹ 4 Lakh Cr.**  
protection gap in the agriculture sector



### Favourable government policies and digital initiatives unlocking opportunities

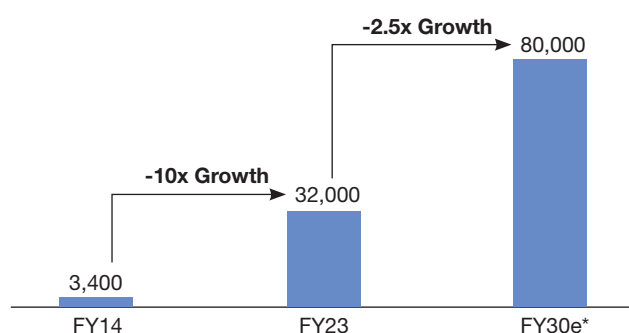
The Government of India has undertaken multiple efforts to expand crop insurance coverage and bridge the agricultural protection gap. This included the introduction of the Modified National Agriculture Insurance Scheme (MNAIS) in 2010 which led to the inclusion of private insurers and the introduction of Pradhan Mantri Fasal Bima Yojana (PMFBY) in 2016.

Additionally, a series of digital efforts have been undertaken recently, including:

- Land Record Digitisation to improve underwriting by weeding out ineligible farmers
- YES-TECH for technology-based yield estimation to reduce manpower cost, yield disputes and fraud
- WINDS as a single portal for weather data to assist pricing and claims settlement
- Mandatory CCE Mobile Application to enhance transparency and accuracy in Crop Insurance process
- Escrow Account for subsidies to reduce delays in receipt of Government share of premiums
- CROPIC for real-time crop health monitoring at multiple points
- AIDE/Sahayak to assess crop damage via satellite-based advanced technologies

These initiatives position the industry for a period of hypergrowth. The crop insurance GDPI is estimated to reach ₹ 80,000 Cr. by FY 2029-30 from ₹ 32,000 Cr. in FY 2022-23, representing a 2.5x growth. This presents a huge scope to penetrate the market with differentiated offerings.

### Agri insurance poised for a period of hypergrowth



## Kshema well-placed for growth

### Operating in a well-identified white space

- Building a strong presence in digital agri-insurance
- Fully digital general insurance player with a dedicated focus on agriculture

### Expanding our differentiated product range

- Operational portfolio of 2 proprietary tech-driven, peril-based products and 2 government products ensuring comprehensive coverage
- 20+ products in the pipeline, focussed on agri and other lines of business like Fire, Motor, Health, etc.

### Unique model to expand reach

- Kshema is a one-stop solution – that allows the selection of crops and villages, geotagging farms, checking the premium amount and sum insured, and performing KYC verification to complete the buying process

- Point of Sales Persons (POSPs) to handhold farmers for any assistance
- Dedicated helpline number where farmers can call and seek assistance, including scheduling in-person meetings

### Building trust through transparency

- Tech-driven process ensures visibility across all stages and seamless information availability
- Consultative approach with customers and farmers, including periodical feedback to develop products and align them to their needs

### Spreading awareness

- Undertaking nationwide marketing across all channels to highlight the importance of crop insurance

# Creating a sustainable impact

At Kshema, our commitment extends beyond business to creating a profound impact on society and the environment while ensuring commercial viability. We have set ambitious targets around supporting farmers and rural populace, promoting women's empowerment and climate action to create thriving communities and driving sustainable progress.

## Our ambitious ESG goals

**1 Cr.**

Cultivators to be empowered in 5 years

**₹ 2,500 Cr.**

Additional income opportunities to be created for 2,50,000 people over the next 5 years

**₹ 800 Cr.**

Of income opportunities (employment and entrepreneurship) to be created over the next 5 years

**30%**

Of our rural entrepreneurs, mostly POSPs, who counsel and onboard farmers, to be educated women

**2,70,000 Tonnes**

Of CO<sub>2</sub> sequestration by 2025 by incentivising sustainable agriculture

### EMPOWERING FARMERS RESILIENCE

We provide financial cushion to cultivators, protecting them from income shocks and economic uncertainties caused by extreme climate events. We ensure this through our innovative and diverse product range, pioneering technologies and a dedicated customer-centric team. We empowered ~1 Lakh+ farmers in FY 2023-24 and aim to take the number to 1 Cr. in 5 years.

### SUPPORTING RURAL ENTREPRENEURSHIP

We are focussed on creating entrepreneurial opportunities for educated rural communities. By facilitating a supportive and enabling environment for rural entrepreneurs, we not only support our customers and create additional income opportunities but also contribute to rural economic development, ensuring a brighter future for all. Over the next five years, 2,50,000 people are expected to earn an additional ₹ 2,500 Cr. through this initiative.



### CHAMPIONING WOMEN EMPOWERMENT

We aim to ensure that at least 30% of our rural entrepreneurs, primarily POSPs who counsel and onboard farmers, are educated women. Through Kshema, we are actively working to create employment and income opportunities for rural women.

### CLIMATE ACTION FOR A SUSTAINABLE FUTURE CHANGE

We are committed to a climate-resilient, sustainable future. Kshema will incentivise adaptation of sustainable cultivation practices among its customers through premium discounts to encourage the battle against climate change.



# Leaders guiding our path to excellence

**Natraj Nukala**

Founder, Chairman &amp; Director

Natraj has been involved with the insurance sector for over a decade while his family interests include agriculture and textile businesses. This gave him first-hand experience and deep insight into the Indian agriculture sector and the workings of the Indian farmers. He brought his expertise and experience together to create Kshema General Insurance Ltd. Prior to this, he established a successful insurance broking company, ITUS. He has an undergraduate degree in engineering from India and a master's in risk management from New York University, USA.

**Dr Vyasa Krishna Burugupalli**

Managing Director and CEO

Dr Burugupalli is an insurance industry veteran with an illustrious career spanning over 45 years in different regulatory regimes across continents. He was the CEO of the First Insurance Company Limited in Kampala before taking over as the MD and CEO of Kshema. His leadership extends to guiding various NGOs, including the Bill and Melinda Gates Foundation grantees, on microinsurance. He holds a doctoral qualification in insurance risk management. He is a Fellow of the Australian and New Zealand Institute of Insurance and Finance, a Fellow of the Insurance Training College of Uganda and a Certified Insurance Practitioner.

**Rajeshnani Dasari**

Independent Director

Rajeshnani is a technologist with over two decades of experience across insurance, automotive, manufacturing, pharmaceutical and high-tech industries. He was with Oracle Corporation as Senior Director in emerging technologies of mobility, bots, IoT, and blockchain in his most recent stint. Prior to this, he led Oracle's efforts to serve customers in their adoption of cloud and emerging technologies. He is an alumnus of prestigious institutions like BITS Pilani (India), Clemson University, South Carolina (USA), and State University of New York College at Buffalo (USA).



**Deepa Karthykeyan**  
Independent Director

Deepa is co-founder and partner of Athena Infonomics – a global impact solutions group. She has led several programmes in Asia and Africa focussed on advancing equitable and safe public services in changing urban contexts. She serves as part of the Technical Advisory Group for the Global Partnership for Sustainable Development Data (GPSDD) and is a member of the IWA digital water program steering committee. She holds a master’s degree in economics from the National University of Singapore.



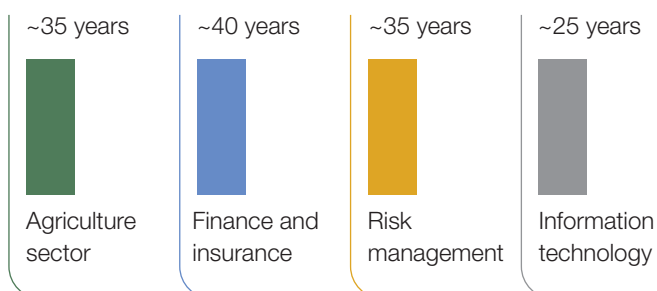
**Sivarama Prasad Tammana**  
Independent Director

Sivarama has over 40 years of experience spanning banking, investor relations, appraisal of corporate & SME proposals, handling operations in agriculture, personal banking, investments, and stressed assets management across geographies. He played key roles in Andhra Bank and represented Karur Vysya Bank Ltd. (KVBL) as a Board Director at the Industrial and Technical Consultancy Organisation of Tamil Nadu Limited. He served as a member of asset-liability, credit, credit risk, central management and NPA committees and liaised with FIIs, HNIs and Merchant Bankers globally as Chief Investor Relations Officer (CIRO). He retired as the CFO and CIRO of KVBL after having served in various capacities since 1994. He holds a B. Tech degree in Chemical Engineering from Andhra University.

**Board skills and experience**

**30 Years**

Average experience of the Board Member



# Driving our strategy to success



**Piyush Jain**

Appointed Actuary

Piyush has worked with prominent organisations like the RSA Insurance Group, McKinsey, KPMG and AXA XL across geographies including the UK, Ireland, Middle East, Asia-Pacific, Europe, and India in his decade-long career. As an Appointed Actuary, in addition to the traditional responsibilities of reserving and pricing, he also leads data science and catastrophe modelling capabilities at Kshema. He has a bachelor's degree in commerce from Delhi University and a fellowship from the Institute of Actuaries of India (IAI) and Institute and Faculty of Actuaries (IFOA), UK.



**Prashant Shenoy**

Chief Financial Officer

Prashant has been associated with Kshema since February 2023. He brings nearly two decades of global experience in corporate finance, project finance, accounting, budgetary control & variance analysis, working capital & treasury management, mergers & acquisitions, auditing, and taxation matters. He has a proven track record in team building, process development, and handling complex accounting and taxation matters. He has previously held senior positions in organisations green energy, pharma and infrastructure sectors. He is a member of the Institute of Chartered Accountants of India and a commerce graduate from Osmania University, Hyderabad.



**Arinjay Jaini**

Chief Investment Officer

Arinjay assumed his role at Kshema in July 2023. He brings nearly two decades of rich experience in the financial sector, including working with prominent insurance companies, private equity firms etc. He has successfully spearheaded investments, multiple strategic projects, and initiatives across markets globally, significantly enhancing organisational value and efficiency. He has held pivotal roles at Aviva Life Insurance, Canara HSBC Life Insurance, and Global Growth – a US-based PE firm. He is a Fellow member of the Institute of Chartered Accountants of India and is an alumnus of Shri Ram College of Commerce, University of Delhi.



**Bhaskar Thakur**

Chief Marketing Officer

Bhaskar leads Kshema's marketing, brand, and communications. He brings nearly two decades of experience across different sectors in India, SEA and China. He drives brand, digital sales, customer delight & retention across all touchpoints and phases of the consumer journey using cutting-edge data analytics. His focus is on creating maximum awareness about Kshema and building trust amongst the target group. He has previously worked in senior roles with OPPO and OYO among others. He is a management post-graduate from ENPC France.



### **Kumar Saurav**

**Chief Risk Officer**

Kumar has been associated with Kshema since July 2023. He brings over 20 years of experience in his role as the Chief Risk Officer and devises effective strategies to remain vigilant and manage risks. An accomplished risk professional, he leads the enterprise risk management initiative and assures the Risk Management Committee on the company's exposure to key risks. His specialisation includes reporting to and extensive interaction with Risk Committee, setting up the ERM Framework and execution (including operational risks, technology risks & cyber security, business continuity management), liaising with regulators and representing the organisation at industry forums. He has previously worked at HDFC Life and Edelweiss Tokio Life Insurance. He is an alumnus of the Indian Institute of Technology, Delhi.



### **CV Kumar**

**Chief Underwriting Officer**

CV Kumar is an insurance industry veteran with a three-decade-long career in both the public and private sectors. He has extensive experience across underwriting, claims, reinsurance and marketing functions. He was with the New India Assurance Company Limited and worked at an insurance broking firm prior to joining Kshema. He is a graduate of Agriculture and a Fellow Member of the Insurance Institute of India. He also holds a degree in law from Osmania University, Hyderabad and a master's degree in human resource management from Nagarjuna University.



### **Prabha Vadlamannati**

**Company Secretary & Chief Compliance Officer**

Prabha joined Kshema in January 2023. With over 20 years of experience in Corporate Secretarial, Regulatory, and Compliance roles, she excels in risk assessment and mitigation, legal documentation, process improvement and SOP implementation. In one of her previous roles, she expertly resolved a major industrial relations issue with minimal financial and reputational impact while maintaining employee morale and commitment during a protracted arbitration process. She was previously associated with Singapore and US-based multinationals like Japfa Comfeed and Waterhealth. She is a Fellow Member of the Institute of Company Secretaries and holds a master's degree in commerce from Andhra University.



### **Karambir Singh Rai**

**Chief Growth Officer**

Karambir joined Kshema in July 2023. He brings over 25 years of varied global experience across the telecom, financial services, entertainment, FMCG and consumer goods sectors from his stints in Asia, Africa and Oceania. In his current role at Kshema, he drives sales and distribution by combining global best practices and market insights to drive growth and expansion. He has previously worked with Jio, Ogilvy and Digicel.

# Corporate Information

## Board of Directors

**Mr. Natraj Nukala**

Chairman and Director

**Dr. Vyasa Krishna Burugupalli**

Managing Director and Chief Executive Officer

**Mr. Rajeshnani Venkata Dasari**

Independent Director

**Ms. Deepa Karthykeyan**

Independent Director

**Mr. Sivarama Prasad Tammana**

Independent Director

## Company Secretary and Chief Compliance Officer

**Ms. Prabha Vadlamannati**

## Chief Financial Officer

**Mr. Prashant Shenoy**

## Joint Statutory Auditors

1. **M/s Jawahar and Associates**

Chartered Accountants

2. **M/s SCV & Co. LLP**

Chartered Accountants

## Secretarial Auditors

**Anil Kumar Tekalkote**

Company Secretary in Practice

## Banker details

Karur Vysya Bank

ICICI Bank

Axis Bank

## Registrar and Share Transfer Agent

**Maashitla Securities Private Limited**

451, Krishna Apra Business Square

Netaji Subhash Place, Pitampura

New Delhi – 110 034

## Registered Office

No. 413, 4<sup>th</sup> Floor, My Home Tycoon, Kundan Bagh,

Begumpet, Hyderabad – 500 016, Telangana, India

## Corporate Office

Orwell Block 1, 10<sup>th</sup> Floor, Salarpuria Sattva Knowledge

City, Raidurgam, Hyderabad – 500 081, Telangana, India



# Notice

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of the Members of Kshema General Insurance Limited will be held on Friday, 27<sup>th</sup> September 2024 at 3.00 pm at the registered office of the Company situated at No 413, 4<sup>th</sup> Floor, My Home Tycoon Building Kundan Bagh, Begumpet Hyderabad - 500 016, Telangana to transact the following businesses:

## ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March 2024 and the statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Natraj Nukala (DIN: 02119316), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Umamaheswara Rao & Co, Chartered Accountants, (ICAI FRN 004453S), Hyderabad as Statutory Auditors of the Company.

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the IRDAI (Corporate Governance for Insurers ) Regulations, 2024 and Master Circular on Corporate Governance for Insurers, 2024 and other applicable law, consent of the members be and is hereby accorded for the appointment of M/s Umamaheswara Rao & Co, Chartered Accountants, Hyderabad [Firm Registration No: 004453S] as the Statutory Auditors of the Company for a term of 4 (four) consecutive years from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2028 on such terms and conditions and on such remuneration as may be fixed mutually between the Auditors and the Board.

## SPECIAL BUSINESS:

### 4. To approve Kshema General Insurance Limited - Employees Stock Option Plan - 2024

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), relevant provisions of the Memorandum of Association and Articles of Association of the Company

and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), consent of the Members of the Company be and is hereby accorded for approval of Kshema General Insurance Limited - Employees Stock Option Plan - 2024 (**“Scheme”**) as initialled by the Chairman for the purpose of identification and to create, grant, offer, issue and allot under the Scheme, in one or more tranches, not exceeding **55,64,380 [Fifty Five Lakhs Sixty Four Thousand Three Hundred and Eighty only]** Employee Stock Options (**“Options”**) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of Employees and Directors of the Company (as permitted under the applicable laws), in India or outside India and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (**“Eligible Employees”**), exercisable into not more than **55,64,380 [Fifty Five Lakhs Sixty Four Thousand Three Hundred and Eighty only]** Equity Shares of face value of ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the provisions of the applicable laws and the provisions of the Scheme.

**RESOLVED FURTHER THAT** The maximum number of Options that may be granted pursuant to this Scheme in any one Financial Year shall not exceed 1% of the paid-up equity shares of the Company at the time of such Grant, and the total number of shares held by employees, including Key Managerial Personnel shall not exceed 5% of the paid up equity shares at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby recommends the Scheme to the Shareholders for their adoption, approval and necessary action.

**RESOLVED FURTHER THAT** the Scheme shall be implemented through direct route, for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

**RESOLVED FURTHER THAT** the Scheme shall be administered by the Nomination and Remuneration

Committee who shall have all the necessary powers as defined in the Scheme and under applicable laws.

**RESOLVED FURTHER THAT** the new Equity Shares, to be issued and allotted by the Company under the Scheme shall rank pari-passu in all respects with the then existing Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Board of Directors, subject to compliance with applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration or amendment of the Scheme and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisor(s), Merchant Banker(s), Consultant(s) or Representative(s), being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby also authorized to nominate and appoint one or more persons for carrying out any or all the activities that the Board of Directors is authorized to do for the purpose of giving effect to this resolution.”

**5. Revision of remuneration payable to Dr. Vyasa Krishna Burugupalli [DIN: 03072517], Managing Director and CEO for the Financial Year 2024-25**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Insurance Regulatory and Development Authority of India

(Corporate Governance for Insurers) Regulations 2024 and the Master Circular on Corporate Governance for Insurers, 2024 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, and subject to the approval of Insurance Regulatory and Development Authority of India (IRDAI), consent of the members be and is hereby accorded for revision in the remuneration payable to Dr. Vyasa Krishna Burugupalli, Managing Director & CEO, [DIN: 03072517] for the Financial Year 2024-25 as below:

Remuneration	Existing (Amount in ₹)	Proposed (Amount in ₹)
Fixed Pay	80,00,000/-	1,00,00,000/-
Variable Pay		
i. Performance Bonus	20,00,000/-	25,00,000/-
ii. Stock Options	20,00,000/-	25,00,000/-
<b>Total</b>	<b>1,20,00,000/-</b>	<b>1,50,00,000/-</b>

**RESOLVED FURTHER THAT**, the remuneration payable to Dr. Vyasa Krishna Burugupalli, Managing Director & CEO, (DIN: 03072517) shall at all times be in accordance with the approved remuneration policy of the Company read with the Insurance Regulatory and Development Authority of India (Governance for Insurers) Regulations 2024 and the Master Circular on Corporate Governance for Insurers, 2024.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, Dr. Vyasa Krishna Burugupalli shall be entitled to receive remuneration including perquisites and allowances, if any, upto the limit approved by the members hereinabove, as minimum remuneration.

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the terms and remuneration within the limits as approved by the members.

**RESOLVED FURTHER THAT** Ms. Prabha Vadlamannati, Company Secretary of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters, things as are considered necessary and expedient to give effect to this resolution including the filing of necessary forms with the office of concerned Registrar of Companies.”

By Order of the Board of Directors of  
**Kshema General Insurance Limited**

Sd/-  
**Prabha Vadlamannati**  
Company Secretary & Chief Compliance Officer

Place: Hyderabad  
Date: 06.09.2024

**EXPLANATORY STATEMENT TO THE NOTICE**  
**[Pursuant to Section 102 of the Companies Act, 2013]**

**ITEM NO. 4:**

**To approve Kshema General Insurance Limited - Employees Stock Option Plan - 2024**

Employee stock options play a substantial role in promoting the culture of employee ownership and in attracting, retaining and motivating talented personnel by way of recognising and rewarding them. In its ongoing commitment to building a high-performance culture and aligning its employees' interests with its long-term success, the Company proposes the issuance of Employee Stock Options (ESOPs) to eligible employees of the Company under the Kshema General Insurance Ltd - Employee Stock Option Plan 2024 (ESOP-2024 Scheme) to the employees of the Company, whether existing or future, by enabling them to participate in the ownership of the Company. Equity based remuneration includes alignment of personal goals of the Employees with Organisational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key Employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on 05<sup>th</sup> September, 2024, approved Kshema General Insurance Ltd - Employee Stock Option Plan 2024 **"(Scheme)"**.

In terms of Section 62 and other applicable provisions of the Companies Act, 2013, for the issue of Equity Shares **"(Shares)"** under a Employee Stock Options Scheme, the approval of the existing Members by way of **Special Resolution** is required. The Special Resolution set out at Item No. 4 seeks your approval for the said purpose.

The main features and other details of the scheme as per Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, of Chapter IV of Companies Act, 2013, are as under:

**1) The total number of Stock Options to be granted:**

The maximum number of Options that may be granted pursuant to this Scheme in any one Financial Year shall not exceed 1% of the paid-up equity shares of the Company at the time of such Grant, and the total number of shares held by employees, including Key Managerial Personnel shall not exceed 5% of the paid-up equity shares at any point of time.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be added back to the Option Pool and shall be available for further grants under the Scheme unless otherwise determined by the Committee.

Further, the maximum number of **Stock Options** that can be granted and the Shares that arise upon exercise

of these **Stock Options** shall stand adjusted in case of corporate action.

The **Stock Options** granted, whether vested or unvested, shall not have any voting or other rights.

**2) Identification of classes of Employees entitled to participate in the Employee Stock Options Scheme:**

- a. Permanent Employee of the Company who has been working in India or outside India; or
- b. a whole time or executive Director of the Company including the Managing Director, but does not include an Independent Director
- c. an Employee as defined in clauses (a) or (b), of a Subsidiary Company(ies),

but does not include:

- a. an Employee who is a Promoter or a Person belonging to the Promoter Group; or
- b. a Director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding equity Shares of the Company.

**3) The appraisal process for determining the eligibility of employees to the Employee Stock Options Scheme:**

The Committee in consultation with the Board of Directors after considering the financial performance of the Company, may if required on the basis of the determined parameters, decide on the Employees who are eligible for the grant of **Stock Options** under the Scheme and the terms and conditions thereof.

The Employees satisfying the eligibility criteria shall be termed as **"Eligible Employee"**

New Joinees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

**4) The requirements of vesting and period of vesting:**

Vesting period shall commence from the grant date subject to a maximum period of 3 (Three) years from the grant date at the discretion of and in the manner prescribed by the Committee.

The actual vesting will be subject to the continued employment of the Grantee and may further be linked with certain performance criteria, as determined by the Committee and mentioned in the Grant Letter.

**5) The maximum period within which the Stock Options shall be vested:**

The **Stock Options** granted shall be subject to a maximum period of 3 (Three) years from the grant date at the discretion of and in the manner prescribed by the Committee.

**6) The Exercise Price or the formula for arriving at the same.**

The Exercise Price will be based upon the on the Fair Market Value of the Shares as on date of grant of Options.

The Committee has a power to provide suitable discount on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company in compliance with the applicable laws.

**7) Exercise period and process of Exercise:**

After vesting, the Options can be exercised, wholly or partially, through Cash Mechanism by submitting the exercise application, as prescribed by the Committee from time to time, along with exercise price, applicable taxes, and other charges, if any.

The Options shall be exercisable within a period of 1 (One) Month from the date of vesting of options.

Failure to exercise within this time period, shall result in lapsing of vested Options in the hands of the Grantees and shall be added back to the pool and be available for fresh grants.

Upon valid exercise, the Grantee will receive the Shares, by the Company via fresh allotment, equivalent to the number of Stock Options exercised.

The mode and manner of the exercise shall be communicated to the Grantees individually.

**8) Lock in period:**

The Shares so allotted pursuant to the exercise of Options will not be subject to any lock in period from the date of allotment.

**9) The Maximum number of Stock Options to be granted per employee and in aggregate:**

The maximum number of Options that may be granted pursuant to this Scheme in any one Financial Year shall not exceed 1% of the paid-up equity shares of the Company at the time of such Grant, and the total number of shares held by employees, including Key Managerial Personnel shall not exceed 5% of the paid-up equity shares at any point of time.

Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting and regulatory approvals as may be applicable.

**10) The method which the company shall use to value its Stock Options:**

Fair market Value Method

**11) The conditions under which Stock Options vested in employees may lapse e.g., in case of termination of employment for misconduct:**

The conditions under which Stock Options vested in employees may lapse are:

- The vested Options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished. and
- In case of termination of employment due to misconduct

**12) The specified time period within which the employee shall exercise the vested Stock Options in the event of proposed termination of employment or resignation of the employee:**

All unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date.

All vested Options as on that date shall be exercisable by the Grantee by the last day of employment in the Company or before the expiry of exercise period, whichever is earlier, as intimated by the Committee. The vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

**13) Statement to the effect that the company shall comply with the applicable accounting standards:**

The Company shall comply with the disclosure and accounting policies as prescribed by appropriate authority from time to time. Presently it is to be done as per ICAI Guidance Note 18 (The Accounting note on the Share based employee benefit), the Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations 2024 read with Clause 9 of the Master Circular on Corporate Governance for Insurers 2024. The Company shall use appropriate valuation methodology to value its Options.

Compensation cost will be booked in the books of accounts of the Company over a vesting period.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Stock Options those may be granted under the said Scheme.

The Board of Directors of the Company recommends the Resolutions to be passed as **Special Resolutions** as set out at Item No. 4 for the approval of the Members.

Kshema General Insurance Limited Employee Stock Options Scheme – 2024 and other documents referred to in the aforesaid resolutions are available for inspection at the Registered office of the Company.

#### ITEM NO. 5

##### **Revision of remuneration payable to Dr. Vyasa Krishna Burugupalli [DIN: 03072517], Managing Director and CEO for the Financial Year 2024-25**

On the recommendations of the Nomination and Remuneration Committee in their meeting held on 2<sup>nd</sup> September 2024, the Board of Directors in their meeting held on 05<sup>th</sup> September, 2024, approved revision of remuneration payable to Dr. Vyasa Krishna Burugupalli [DIN: 03072517], Managing Director and CEO for the Financial Year 2024-25 from ₹ 1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) to ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only).

In terms of Section 198 and other applicable provisions of the Companies Act, 2013, revision of remuneration payable to the Managing Director, approval of the existing Members by way of **Ordinary Resolution** is required. Company proposes to pass the Special Resolution for revision of remuneration payable to Managing Director and CEO of the Company. The **Special Resolution** set out at Item No. 5 seeks your approval for the said purpose.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives except Dr. Vyasa Krishna Burugupalli, are in any way, concerned or interested, financially or otherwise in the said Special Resolution.

**By Order of the Board of Directors of  
Kshema General Insurance Limited**

**Sd/-**

**Prabha Vadlamannati**

**Company Secretary & Chief Compliance Officer**

Place: Hyderabad

Date: 06.09.2024

**ADDENDUM TO THE NOTICE OF 6TH ANNUAL GENERAL MEETING**

Addendum to the Notice of the 6<sup>th</sup> Annual General Meeting of the Members of Kshema General Insurance Limited scheduled to be held on Friday, 27<sup>th</sup> September 2024 at 3.00 pm at the registered office of the Company situated at No 413, 4<sup>th</sup> Floor, My Home Tycoon Building Kundan Bagh, Begumpet Hyderabad - 500 016, Telangana to transact the following businesses:

Pursuant to Section 149, 152, 160, 196 and 197 read with Rules made thereunder and Schedule V of the Companies Act, 2013, notice is hereby given to the members of Kshema General Insurance Limited that subsequent to the issuance of 6<sup>th</sup> Annual General Meeting Notice dated 06<sup>th</sup> of September 2024, Board of Directors vide its meeting dated 19<sup>th</sup> September 2024 proposed

- To appoint Mr. Arun Agarwal [DIN: 07299000] as Non-Executive Independent Director of the Company and
- To approve change in designation of Mr. Rajeshnani Venkata Dasari [DIN: 09632402] from Non-Executive Independent Director to Executive Director of the Company

Accordingly, after requisite statutory compliances, this addendum is being circulated electronically to the members and it shall form an integral part of the original notice dated 06<sup>th</sup> September 2024 of 06<sup>th</sup> AGM of the Company and the notes provided therein, for all purposes.

**SPECIAL BUSINESS:**

**6. Appointment of Mr. Arun Agarwal [DIN: 07299000] as Non-Executive Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’), the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and IRDAI Master Circular on Corporate Governance Guidelines for Insurers, 2024, consent of the members be and is accorded for appointment of Mr. Arun Agarwal [DIN: 07299000] as Non-Executive Independent Director of the Company for a period of 1 (One) year, not liable to retire by rotation with effect from ensuing Annual General meeting upto the Annual General Meeting to be held in the Financial year 2025 (both days inclusive).

**RESOLVED FURTHER THAT** Mr. Arun Agarwal [DIN: 07299000] may be invited or inducted as a member of such Committee(s) as may be decided by Board from time to time.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Arun Agarwal [DIN: 07299000] be paid such sitting fees and remuneration as the Board of Directors of the Company may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

**7. Change in designation of Mr. Rajeshnani Venkata Dasari [DIN: 09632402] from Non-Executive Independent Director to Executive Director of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations 2024 and the Master Circular on Corporate Governance for Insurers, 2024 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to the approval of Central Government, Ministry of Corporate Affairs, as may be applicable, and Insurance Regulatory and Development Authority of India (IRDAI); and members of the Company, appointment of Mr. Rajeshnani Venkata Dasari [DIN: 09632402] as Executive Director of the Company for a period of 5 (Five) years with effect from September 28, 2024 upon the terms and conditions set out hereunder with liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Rajeshnani Venkata Dasari [DIN: 09632402].

**RESOLVED FURTHER THAT,** in the interim Mr. Rajeshnani Venkata Dasari [DIN: 0932402] will be continuing as a Non-Executive Director of the Company.

**RESOLVED FURTHER THAT,** the Board be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals – statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.

The Remuneration, benefits, perquisites and allowances will be in line with the tax structure of the Company and within the limit of the salary.

**Role and responsibilities:**

The responsibilities of the Executive Director will include:

1. Develop and execute a comprehensive digital strategy that aligns with the Company's business objectives. This includes identifying and prioritizing digital opportunities and initiatives.
2. Oversee the development and implementation of digital platforms, such as websites, mobile apps, and other digital products. Ensure these platforms are user-friendly, scalable, and secure;
3. Monitor and analyze the performance of digital platforms using key performance indicators (KPIs) and analytics tools. Implement continuous improvement processes to enhance platform performance and user engagement;
4. Work closely with IT, marketing, product management, and customer support teams to align digital platform initiatives with overall business goals;
5. Making recommendations to the Board on the appropriate delegation of authority within the Company;
6. Keeping the Board informed regularly of the Company's performance and bringing promptly to the Board's attention all matters that materially affect, or are capable of materially affecting, the performance of the Company and the achievement of its goals;

7. Developing for the Board's approval appropriate values and standards to guide all activities undertaken by the Company;
8. Lead, mentor and develop the digital platforms team to achieve high performance. Conduct regular performance reviews and provide coaching to team members;
9. Ensure that all digital platforms comply with relevant regulations and standards, and maintain robust security measures to protect user data;
10. Such other responsibilities as may be assigned by the Board from time to time.

**RESOLVED FURTHER THAT** pursuant to Section 152 and Section 170 of the Companies Act 2013 (as amended or re-enacted from time to time) read with rule 17 and 18 of Companies (Appointment of Directors and their Qualification) Rules 2014, Dr. Vyasa Krishna Burugupalli [DIN: 03072517], Managing Director and CEO of the Company and / or Ms. Prabha Vadlamannati, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things to give effect to this resolution and to file the necessary forms with the Registrar of Companies, Hyderabad.”

By Order of the Board of Directors of  
**Kshema General Insurance Limited**

Sd/-

**Prabha Vadlamannati**

**Company Secretary & Chief Compliance Officer**

Place: Hyderabad

Date: 19.09.2024

## NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. A proxy form for the Meeting is enclosed. Proxies are requested to bring their identity document to prove identity at the time of attending the Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, Members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
7. Brief profile and other details of Director(s) proposed to be appointed/re-appointed as per Secretarial Standards on General Meetings (SS-2) are given in the Annexure – I to this Notice.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170(1) of the Companies Act, 2013 is available for inspection by the Members at the registered office and the same will be open for inspection at the Meeting.
9. The Register of Contracts or Arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 is available for inspection by the Members at the registered office and the same will be open for inspection at the Meeting.
10. Documents referred to in the Notice will be kept open for inspection by the Members at the registered office of the Company up to the date of the Meeting and at the Meeting.
11. The Company has fixed Wednesday, 04<sup>th</sup> September 2024 as the Record Date for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the Annual General Meeting.
12. Route map including prominent landmark for easy location of the place of the Meeting is also enclosed to the Notice.



## ANNEXURE - I

**Brief profile of the Director seeking appointment/re-appointment at the Annual General Meeting pursuant to Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India.**

SI No	Particulars	
1	Name of Director	Mr. Arun Agarwal
	Age	72 Years
	Qualification	Bachelor of Science (Geology), Master of Science (Botany). Advanced studies in Ancient Indian History, European History, Indian Constitution, International Relations, International Law, and Commercial Law., Cleared IPS and Allied Services in 1975.
	Experience	Mr. Arun Agarwal has a rich experience of 47 years both for the Indian as well as global Insurance Industry. More further described as under:  <b>Professional Achievements:</b> <ul style="list-style-type: none"> <li>• <b>Tata AIG General Insurance Company:</b> Mr. Arun was the first employee of the AIG Inc. in India, helped as founding members to set up the Tata AIG Joint Venture (JV) company called Tata AIG General Insurance Company (2000-2002).</li> <li>• <b>Chola MS General Insurance Company:</b> Mr. Arun was First MD and CEO of the JV between Murugappa Group and Mitsui Sumitomo called Chola MS General Insurance Company (2002-2006).</li> <li>• <b>ICICI Lombard General Insurance Company:</b> Senior Advisor (2006-2010).</li> <li>• <b>Lloyd's, London:</b> Mr. Arun served as Chief Executive for India and have been instrumental in legislative changes for onshore reinsurance branches in India (2011-2017).</li> <li>• <b>Kotak Mahindra General Insurance Company:</b> Independent Director, Audit Committee Chairman, and member of the Nomination and Remuneration Committee (2015-2023).</li> <li>• <b>Lifetime Achievement Award</b> at the 24<sup>th</sup> Asia Insurance Industry Awards, Singapore (2020).</li> </ul>
	Terms and conditions of appointment (along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable)	Appointed as Independent Director of the Company, not liable to retire by rotation for a period of one year  He shall be paid a fee for attending the meetings of the Board and/or Committees thereof and reimbursement of expenses for participating in the meetings
	Date of first appointment on the Board	At the ensuing Annual General Meeting
	Shareholding in the Company	NIL
	Relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	Independent
	Number of Meetings of the Board attended during the year	NIL
	Other Directorships Membership/ Memberships	NIL
	Chairmanship of Committees of other Boards	NA

## EXPLANATORY STATEMENT TO THE NOTICE

[Pursuant to Section 102 of the Companies Act, 2013]

### ITEM NO. 6

#### Appointment of Mr. Arun Agarwal [DIN: 07299000] as Non-Executive Independent Director of the Company

Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on September 19, 2024, proposed the appointment of Mr. Arun Agarwal [DIN: 07299000] as Non-Executive Independent Director of the Company for a period of 1 (One) year, not liable to retire by rotation with effective from the ensuing Annual General Meeting upto the Annual General Meeting to be held in the Financial year 2024-25 (both days inclusive), for the approval of the Members by way of a Special Resolution.

Mr. Arun Agarwal [DIN: 07299000] is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act 2013.

The Board recommends the **Special Resolution** set out in Item No. 6 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise in the said Special Resolution

### ITEM NO. 7

#### Change in designation of Mr. Rajeshnani Venkata Dasari [DIN: 09632402] from Non-Executive Independent Director to Executive Director of the Company

Members are hereby informed that Mr. Rajeshnani Dasari [DIN: 09632402] is currently serving as an Independent Director on the Board of the Company. His tenure of appointment as Independent Director expires at the ensuing Annual General Meeting. Mr Rajeshnani Dasari has conveyed that he will not be seeking re-appointment as Independent Director and will continue in the capacity as Non-Executive Director.

Mr. Rajeshnani Venkata Dasari has an extensive background and vast expertise and experience in emerging technologies and his advice and guidance has significantly bolstered Kshema's digital initiatives. His expertise in Mobility, Bots, IoT, and Blockchain has enabled the Company to innovate and streamline its digital processes, enhancing customer experience and operational efficiency. By leveraging his knowledge, the Company has implemented advanced digital solutions, ensuring they remain at the forefront of the digital insurance sector.

Considering his expertise and experience and based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on September 19, 2024, recommends the change in designation of Mr. Rajeshnani Venkata Dasari [DIN: 09632402] as Non-Executive Director and subsequently as Executive Director of the Company subject to receipt of appropriate statutory approvals as per Sections 196 and 197 read with Schedule V of the Companies Act, 2013 and other regulatory authorities as may be applicable.

Your Board recommends resolution no. 7 as a **Special Resolution** for the approval of the Shareholders.

Other than Mr. Rajeshnani Venkata Dasari [DIN: 09632402], none of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said Special Resolution.

By Order of the Board of Directors of  
**Kshema General Insurance Limited**

Sd/-

**Prabha Vadlamannati**

**Company Secretary & Chief Compliance Officer**

Place: Hyderabad

Date: 19.09.2024

**ATTENDANCE SLIP**

Folio No.: \_\_\_\_\_

DP ID: \_\_\_\_\_

Client ID: \_\_\_\_\_

Name of Member: \_\_\_\_\_

Address of Member: \_\_\_\_\_

Name(s) of joint holder(s), if any: \_\_\_\_\_

Name of Proxy holder: \_\_\_\_\_

Number of shares held: \_\_\_\_\_

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I / We hereby record my/our presence at the Sixth Annual General Meeting of the Company on Friday, 27<sup>th</sup> September 2024 at 3.00 pm at the registered office of the Company situated at No 413, 4<sup>th</sup> Floor, My Home Tycoon Building Kundan Bagh, Begumpet Hyderabad - 500 016, Telangana.

Full name of proxy (in case of proxy)

Signature of first holder/proxy  
Signature of joint holder(s)

**Notes:**

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company and/or their proxy will be allowed to attend the meeting.



**Form No. MGT-11**  
**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)  
Of the Companies (Management and Administration) Rules, 2014]

CIN: U66000TG2018PLC125484

Name of the Company: **Kshema General Insurance Limited**

Registered office: No 413, 4<sup>th</sup> Floor, My Home Tycoon Building Kundan Bagh,  
Begumpet Hyderabad - 500 016, Telangana.

Name of the member (s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above-named company, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: ....., or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company, to be held at the registered office of the Company, on Friday, 27<sup>th</sup> September 2024 at 3.00 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Please indicate preference (√) *	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of the financial statements of the Company for the year ended March 31, 2024 including the audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss Account for the year ended on that date and together with the reports of the Auditors and Board of Directors thereon.		
2.	Appoint a Director in place of Mr. Natraj Nukala (DIN: 02119316), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appoint M/s. Umamaheswara Rao & Co, Chartered Accountants, (ICAI FRN 004453S), Hyderabad as Statutory Auditors of the Company.		



Resolution No.	Resolution	Please indicate preference (√) *	
		For	Against
<b>Special Business</b>			
4.	Approve Kshema General Insurance Limited - Employees Stock Option Plan - 2024		
5.	Revision of remuneration payable to Dr. Vyasa Krishna Burugupalli [DIN: 03072517], Managing Director and CEO for the Financial Year 2024-25		
6.	Appointment of Mr. Arun Agarwal [DIN: 07299000] as Non-Executive Independent Director of the Company		
7.	Change in designation of Mr. Rajeshnani Venkata Dasari [DIN: 09632402] from Non-Executive Independent Director to Executive Director of the Company		

Signed this \_\_\_\_\_ day \_\_\_\_\_ of 2024

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

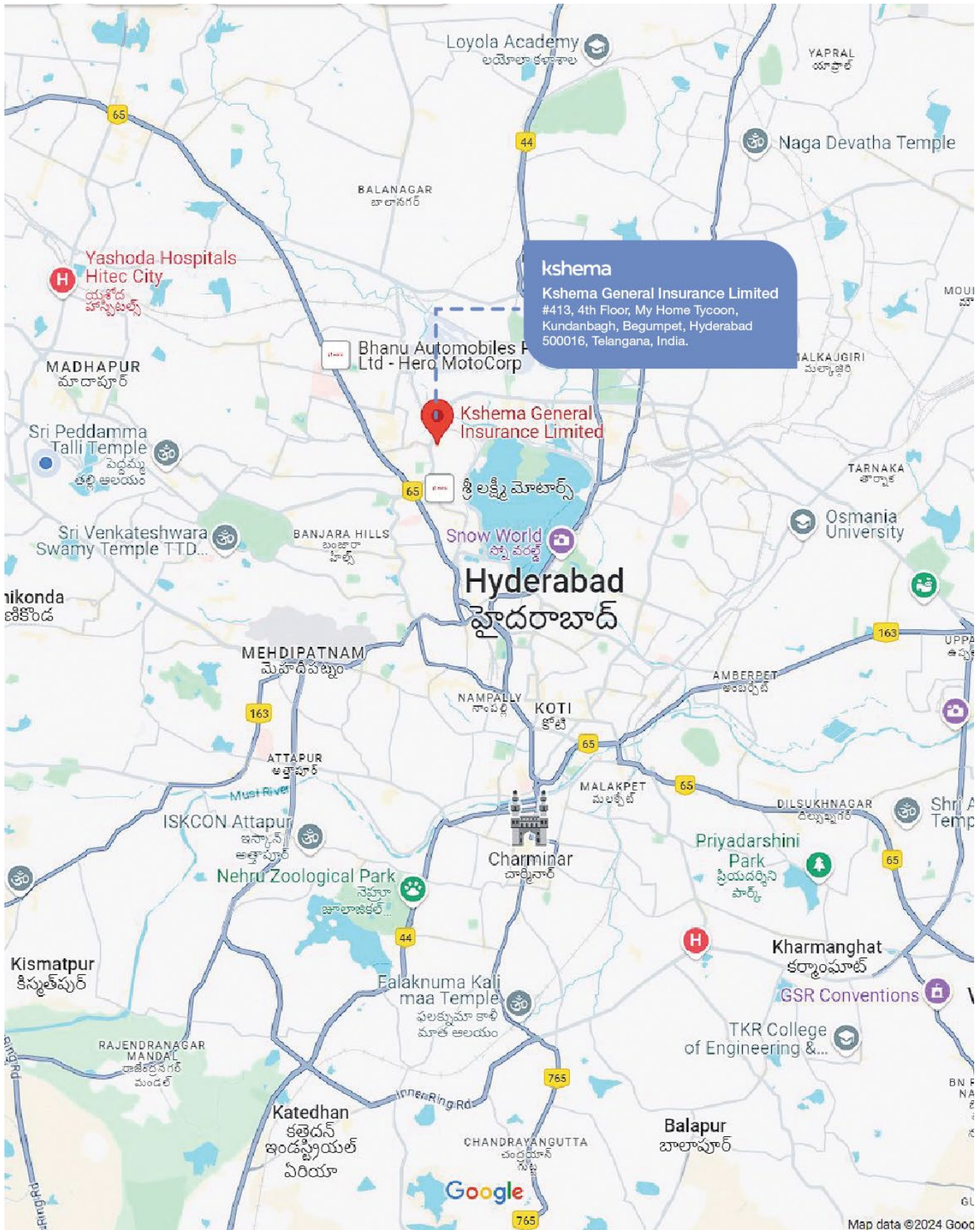


**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

\* It is optional to indicate your preference. If you leave the for or against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

ROUTE MAP



# Directors' Report

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

Your Directors have pleasure in presenting their **Sixth Annual Report** along with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2024.

## 1. FINANCIAL PERFORMANCE

(Amt. in ₹'000)

Particulars	FY ended 31 <sup>st</sup> March 2024	FY ended 31 <sup>st</sup> March 2023
Gross written premium	56,84,950.44	NIL
Net earned premium	39,22,464.79	NIL
Net claims incurred	28,13,274.41	NIL
Income from Investments	54,969.63	NIL
Profit before tax	5,97,837.88	-48,416.59
Profit after tax	4,46,569.47	-23,683.96
Earning per share – Basic & Diluted	4.01	-0.48

## 2. OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

The Company commenced operations on 05<sup>th</sup> May 2023 and launched two products under the Crop Line of Business - Kshema Prakriti and Kshema Sukriti. During the later period of the year, the Company also launched the Kshema Bharat Griha Raksha policy under the Fire - Line of Business.

Your Company was also successful in being empanelled with the Ministry of Agriculture and Farmers' Welfare, Government of India for the implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) on 10<sup>th</sup> May 2023 and was awarded clusters in the States of Uttarakhand, Puducherry, Himachal Pradesh, Rajasthan, Haryana and Andaman & Nicobar Islands. In Himachal Pradesh and Karnataka, we were successful in getting a cluster for implementing the Restructured Weather Based Crop Insurance Scheme (RWBCIS) also.

Products are in the pipeline for commencing business under Motor / Motor Third Party obligations as also in the area Health and Personal Accident and are expected to be launched soon as under. Some of the products listed for launch are:

- Kshema Bharat Griha Raksha
- Kshema Samridhhi

- Kshema Two-Wheeler Liability Only Policy
- Kshema Two-Wheeler Long Term Liability Only Policy
- Kshema Private Car – Liability Only Policy
- Kshema Private Car Long Term Liability Only Policy
- Kshema Goods Carrying Liability Only Policy
- Kshema Miscellaneous Liability Only Policy
- Kshema Passenger Carrying Vehicle Liability Only Policy
- Kshema Compulsory Personal Accident Policy
- Kshema Saral Suraksha Bima Policy

## 3. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There have been no material changes or commitments, affecting the financial position of the Company which have occurred between the end of financial year of the Company and the date of this report.

## 4. DIVIDEND

The Board of Directors of the Company do not recommend any dividend for the year under review.

## 5. TRANSFER TO RESERVES

The Company does not propose to transfer any amounts to reserves.

## 6. DEPOSITS

### (1) Details Relating to Deposits

- Accepted during the year: Nil
- Remained unpaid or unclaimed as at the end of the year: Nil
- Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
  - at the beginning of the year: Nil
  - Maximum during the year: Nil
  - at the end of the year: Nil

### (2) Details of Deposits Which Are Not In Compliance With The Requirements Of Chapter V Of The Act

The Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## 7. SOLVENCY

Your Company monitors its solvency margins regularly to ensure it is maintained in line with the requirements of IRDAI (Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016 as amended from time to time. As on 31<sup>st</sup> March 2024 the solvency ratio of the Company stood at 1.72 against the required solvency of 1.50

## 8. INVESTMENT PERFORMANCE

Your Company ensures management of investment assets in accordance with the Investment Policy of the Company, reviewed and approved by the Board of Directors periodically. The Investment Committee oversees the Investment department to ensure safety, liquidity and returns of the Policyholders and Shareholders funds. The performance of the investments has been commensurate with the risk appetite in the initial stages of the company and has been invested accordingly in the highest safety instruments (viz. sovereign, AAA or equivalent instruments and cash or cash equivalents). Your Company's Assets under Management (AUM) stands at ₹ 402.36 crores as on 31<sup>st</sup> March 2024.

## 9. ALLOCATION & APPORTIONMENT OF EXPENSES OF MANAGEMENT

As per the Notification issued by IRDAI (Reg./12/124/2016 dated April 27, 2016), no Insurer carrying on General Insurance Business in India shall spend in any financial year as Expenses of Management, an amount exceeding a certain allowable in relation to the following expenses:

- a) Commission or other remuneration paid to insurance agents and insurance intermediaries in respect of their business transacted in the financial year;
- b) Commission and expenses reimbursed on reinsurance inward; and

## c) Operating expenses.

The expense allowable limit is computed on the basis of percentages to Total Gross Premium Written in India during the financial year in respect of various segments of business. As per the notification, the Insurer shall ensure that their Expenses of Management are within the allowable limit on a segment wise basis. Where the Company exceeds the limits of expenses of management in one or more segments, but is compliant on an overall Company basis, the excess of such Expenses of Management shall be borne by the Shareholders. Further, as required under the Regulation, the Company has prepared a Policy for the allocation and apportionment of expenses of management amongst the various business segments. The Policy has been approved by the Board and is reviewed periodically.

## 10. RURAL & SOCIAL SECTOR OBLIGATIONS

Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015, prescribes minimum obligations for every General Insurance Company, to be undertaken during the financial year pertaining to the Rural & Social Sector.

It is provided in the regulations that in the first year of operations of Insurer, for the purpose of compliance to these regulations, the applicable obligations for the first year shall be 2500 lives for Social Sector and the obligations for Rural Sector shall be half of the percentage prescribed for Insurers for the first year.

Your Company was granted License to operate as General Insurance Company on 11<sup>th</sup> January, 2023 and commenced its operations on 05<sup>th</sup> May 2023. As provided in these regulations, financial year 2023-24 shall be considered as the first year of operation of the Company and accordingly the Company has complied with the said regulations as below:

Disclosure of business based on Gross Written Premium (GWP) as per the IRDAI (Obligations of Insurers to Rural or Social Sectors) Regulations, 2015 is as under:

### Rural Sector

As prescribed by IRDAI	As prescribed by IRDAI for First year from inception	Total Business undertaken by Company during f.y. 2023-24 (Amt. in ₹ '000)	Business undertaken by Company during f.y. 2023-24 under Rural Sector Number of policies sold	Business undertaken by Company during f.y. 2023-24 under Rural Sector			
				Gross Premium Written Direct (Amt. in ₹'000)			
				As prescribed	Actual		
2% of Gross Premium Written Direct	1% of Gross Premium Written Direct	56,84,950.44	42,32,754	56849.5044	1% of Gross Premium Written Direct	56,84,950.44	100% of Gross Premium Written Direct

### Social Sector

As prescribed by IRDAI	As prescribed by IRDAI for First year from inception	Business undertaken by Company during f.y. 2023-24 under Social Sector	
		Number of Persons Covered	Gross Premium Written Direct (Amt. in ₹'000)
0.5% "Percentage of Social Sector lives" computed on the total business procured in the preceding financial year	2,500 lives	75,407 lives	6,89,600



## 11. DIRECTORS

### (1) Constitution of the Board

The details of the Composition of Board and its Committee(s) are provided in Corporate Governance Report in **Annexure A** attached to the report.

### (2) Directors retiring by rotation and eligible for re-appointment

In terms of provisions of Section 152 of the Companies Act, Mr. Natraj Nukala (DIN: 02119316), retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his reappointment at the ensuing Annual General Meeting.

### (3) Directors appointed during the year

During the financial year under review Mr. Sivarama Prasad Tammana [DIN: 06405913] was appointed as Additional Director in the capacity of Independent Director with effect from 17<sup>th</sup> June 2023.

Further, at the 5<sup>th</sup> Annual General Meeting of the Company held on 22<sup>nd</sup> September 2023 the appointment of Mr. Sivarama Prasad Tammana [DIN: 06405913] and Ms. Deepa Karthykeyan [DIN: 03114477] as Additional Directors during the financial year was regularized and appointed as Directors in a capacity of Independent Director for period of one (1) year upto 31<sup>st</sup> March 2024.

Subsequently, Ms. Deepa Karthykeyan [DIN: 03114477] and Mr. Sivarama Prasad Tammana [DIN: 06405913] were re-appointed as Independent Directors for a further period of 3 Years effective from 01<sup>st</sup> April 2024 vide Members Resolution dated 05<sup>th</sup> June 2024.

### (4) Declarations by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Companies Act, 2013. The Board is of the opinion that the Independent Directors are persons of integrity and possess relevant expertise, proficiency and experience.

### (5) Declaration of Fit & Proper Criteria

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and all the Directors have confirmed that they fulfil the 'fit and proper' criteria as laid down under Guidelines for Corporate Governance for insurers in India issued by IRDAI.

### (6) Resignation of Director

There were no resignations from the office of Director during the year under review.

## 12. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel ("KMP") of the Company as on 31<sup>st</sup> March 2024, are as under:

1. Dr Vyasa Krishna Burugupalli - Managing Director & CEO
2. Mr Prashant Shenoy - Chief Financial Officer
3. Ms Prabha Vadlamannati, Company Secretary and Chief Compliance Officer

In accordance with the IRDAI Corporate Governance Guidelines 2016 and IRDAI Corporate Governance Regulations 2024, the Company has the following Key Management Persons in addition to aforesaid KMPs:

1. Mr Piyush Jain – Appointed Actuary
2. Mr Arinjay Jaini – Chief Investment Officer
3. Mr Bhaskar Thakur – Chief Marketing Officer
4. Mr Kumar Saurav – Chief Risk Officer

## 13. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

One Independent Director was appointed during the year by the Company. The Board is satisfied with the expertise, integrity and experience of the Independent Directors, both individually and collectively.

## 14. DETAILS OF BOARD AND COMMITTEE MEETINGS

Please refer Annexure A annexed to the Report.

## 15. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013 ("the Act"), Your Directors wish to confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have 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 as at 31<sup>st</sup> March 2024 and of the **Profit** of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. The annual accounts have been prepared on a **going concern basis**;
- e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 16. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS UNDER SECTION 178 OF THE COMPANIES ACT, 2013

Your Company has a duly constituted Nomination and Remuneration Committee (NRC) which is a sub-committee of the Board. Your company has put in place the relevant framework and a Nomination & Remuneration Policy as required under Section 178 of the Companies Act 2013.

## 17. DIRECTORS AND OFFICERS ('D&O') LIABILITY INSURANCE

The Company has taken D&O Policy to indemnify all the Directors and Officers including Independent Directors for claims brought against them. The Policy is currently in force.

## 18. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The Nomination and Remuneration Committee reviewed the performance of the individual Directors.

A separate meeting of independent Directors was also held to review the performance of non-independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and Individual Directors.

## 19. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company has made the necessary disclosures as under, in terms of Section 134(3) of the Companies Act, 2013.

### a) Conservation of Energy

Your Company is in the Financial Services Sector and does not operate industrial machinery, production facilities, or other such energy intensive operations. However, as a responsible corporate citizen, the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews the consumption of energy. The Company has

also taken appropriate steps as under to reduce the consumption through efficiency in usage and timely maintenance/installation/upgradation of all the energy saving devices.

- Implemented standardized switching routines to ensure lights are turned off when not in use.
- Created a schedule to turn off lights during non-operational hours.
- Grouped lights into zones and controlled them with a single switch for simplified switching.
- Divided the facility into zones and control temperature settings based on occupancy and usage.
- Adjustment in Temperature Settings ensuring energy consumption.
- Activate energy-saving modes during unoccupied periods or low-load conditions.
- Consider replacing older units with high-efficiency VRF systems.
- Ensured regular filter cleaning, coil cleaning, and refrigerant leak checks.

The Company has successfully implemented and is working on renewable energy options and conservation projects like solar energy and Energy efficient air conditioning solutions with internal expertise and association with external agencies.

### b) Technology Absorption

Your Company continues to track trends and latest developments in various technology areas is proud to report that the following systems are put in place during the last fiscal year. These systems have enabled setting up appropriate business processes and automation of the same within the first year of operations, in addition to easing the customer purchase and claims management.

#### Enterprise Systems

- Finance – Sun Systems
- Investments – mPower [all processes involving front, mid and back-offices]
- HR – Zoho HR [onboarding, time management] and Zoho Recruit
- Payroll – Externalized payroll processing to PBC India with integration to biometric attendance monitoring
- Enterprise ticketing system – Zoho Desk
- Telecommunications – Tata Tele Services [inbound] and Convergence [outbound]
- CRM – in-house application for CRM

### Insights

- Standardized on Azure PowerBI as the platform for all dashboards to gain enterprise, risk and customer insights

### Operations

- Crop Data Management – Assists in managing crops for every season at the village level
- Survey – Assists in collecting field survey inputs and leveraged in claims management
- Smart CCE – Instant collection of crop cutting experiment (CCE) data, leveraged in potential loss assessments
- Automatic synchronization of NCIP data (government policies) with Kshema platform
- Interim claims management system leveraging satellite imagery for quick settlement
- End to end operations module for UW validation / finance and claims management

### GIS

- Digitized and integrated cadastral maps
- Completed LULC mapping for over 60% of the country
- Automated loss assessment for individual farms using satellite imagery
- IU level loss prevention / assessment for PMFBY policies using AI / ML

### Kshema App

- Rolled out the newly branded and updated Kshema app with following key features:
  - Pricing based on customer product selection using proprietary dynamic pricing algorithms
  - Pre-underwritten products for customer to choose from [Prakriti, Sukriti]
  - Cadastral maps integration for easier farm polygon identification
  - Proactive notifications to customer at various steps in the sale and claims process
  - Automated validation of KYC documents to expedite the UW validation process
  - Integration with Telangana state portal to validate the land documents [other states in progress]

### Infrastructure

- 100% applications hosted on cloud infrastructure [Microsoft Azure]
- Proactive monitoring of the infrastructure and applications
- Secure systems architecture in place

### c) Foreign Exchange Earnings and Outgo

Activities relating to exports, initiatives taken to increase exports, development of new export market for services and export plans.

During the year under review, your Company has incurred the following foreign exchange transactions:

Foreign exchange used and earned	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	18,31,53,878	NIL

## 20. RISK MANAGEMENT FRAMEWORK

The objective of the Risk Management Framework (“the Framework”) of the Company is to ensure that various risks are identified, assessed, evaluated and mitigated. Various policies, procedures and standards are adopted to address these risks for systemic response and adherence. The Company has identified enterprise-wide risks, which are categorised under six broad risk groups namely Credit Risk, Market Risk, Underwriting Risk, Operational Risk, Strategic Risk and Environmental, Social and Governance (ESG) Risk.

Risks are reviewed from time to time and controls are put in place. Given the nascent stage of its operations, the Company does not foresee any material risk that would threaten the existence of the Company.

## 21. CORPORATE SOCIAL RESPONSIBILITY

During the year under review the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder were not applicable to your Company.

However, as the Company has posted a profit after tax of ₹ 44.66 cr for the FY 2023-24, the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder have become applicable to your Company and it is in process of complying with the same.

## 22. ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORTING

The Company has voluntarily and proactively adopted Business Responsibility and Sustainability Reporting emphasising its commitment to ESG reporting and Greenhouse Gas emissions. The Company has engaged M/s Bureau Veritas India Private Limited to carry out an independent ESG materiality assessment to identify and pave the way for high impact initiatives.

## 23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year

under review impacting the going concern status of your Company and its operations in future.

## 24. INTERNAL CONTROLS

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Company has adopted the following Frameworks in order to ensure that internal controls are adequate and effective.

### i. Internal Audit Framework

Internal Audit's objective is to provide independent objective assurance on the effectiveness of internal controls, risk management and corporate governance and to suggest improvements to add value. It helps the Company to accomplish its objectives by evaluating and improving the effectiveness of risk management, internal controls and governance processes, through a systematic and disciplined approach.

Internal Audit acts as an independent entity and reports to the Audit Committee. Internal Auditor has unrestricted access to the Chairperson of the Audit Committee and the Managing Director & CEO of the Company.

Internal Audit carries out audits based on the approved Audit Plan and key audit findings, the recommendations and compliance mechanism are reported to the Audit Committee on a quarterly basis. Internal Auditor also closely monitors effective implementation of the recommendations. In addition, Internal Audit also reports audit ratings, audit culture assessment and trend of risk through various executive reports to the Audit Committee on a periodic basis. The Chairperson of the Audit Committee briefs the Board on deliberations at the Audit Committee Meeting.

### ii. Internal Financial Controls and their Adequacy

The Company has in place adequate internal financial controls commensurate with its size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

### iii. Cyber Security

In an era where digital technologies are deeply integrated into daily life and business operations,

cybersecurity has become more critical than ever. Cybersecurity is critical in today's digital age as it protects sensitive information, ensures business continuity, and maintains trust with customers and stakeholders. With increasing cyber threats, robust cybersecurity practices are essential for safeguarding personal, corporate, and governmental data.

The Company's has adopted the Board approved Information and Cyber Security Policy. This policy states the intent of the Company to identify responsibilities and establishes the goals for consistent and appropriate protection of the organization's Critical data and Information Assets. Implementing this policy shall reduce risk of accidental or intentional disclosure, modification, destruction, delay, or misuse of Information Assets. This policy enables the Information Security Office to provide direction for implementing, maintaining and improving the security of Critical data and Information Assets Implementing this policy shall also protect information and information infrastructure in cyberspace, build capabilities to prevent and respond to cyber threats, reduce vulnerabilities and minimize damage from cyber incidents through a combination of institutional structures, people, processes, technology.

By implementing this policy, the organization will be able to consistently establish and maintain controls for all information assets in following manner:

**Confidentiality:** information should be accessible only to authorized personnel

**Integrity:** information should be modifiable only by authorized personnel

**Availability:** information should be made available to personnel who need it

The Cyber Security Audit for FY 2023-24 was carried out by M/s RSM Astute Consulting Pvt Ltd in accordance with the IRDAI regulations.

## 25. PARTICULARS OF EMPLOYEES

There are no employees of the Company, who are drawing the salary in excess of the limits specified in Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at the workplace and lays down the guidelines and

timelines for the prevention and redressal of complaints pertaining to sexual harassment. Accordingly, Company has adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees including permanent, temporary, on training and on contract basis at all the workplace within the Company which are based on fundamental principles of justice and fair play.

The Company has in place Internal Complaints Committee which has submitted its report to the management; following are the excerpts of the report.

- a) Number of sexual harassment complaints received in the year: Nil
- b) Number of complaints disposed of in the year: Nil
- c) Number of cases pending for more than 90 days: Nil
- d) Number of awareness programs or workshops against sexual harassment conducted during the year: Nil
- e) Nature of the Action taken by the employer or district officer with respect to the cases: NA

## 27. ESTABLISHMENT OF VIGIL MECHANISM

During the year under review the provisions of Section 177(9) & (10) of the Companies Act, 2013 and rules made thereunder were not applicable to your Company.

## 28. CAPITAL

### Authorised Share Capital

During the financial year under review company has increased its authorized share capital as follows:

S. No	Existing (Amount in ₹)	Revised (Amount in ₹)	Date of Increase
1.	120,00,00,000/-	220,00,00,000/-	22 <sup>nd</sup> September, 2023

The issued, subscribed and paid up capital is ₹ 1,11,28,76,430/-

## 29. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the material contracts or arrangement or transactions were at arm's length basis as disclosed in **Form AOC-2 (Annexure B)** as required under the Companies Act, 2013.

## 30. DETAILS OF SUBSIDIARY OR JOINT VENTURE OR ASSOCIATE COMPANY

Your Company does not have any subsidiary or joint venture or associate company.

## 31. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, the Company has appointed **CS Anil Kumar Tekalkote, Practicing Company Secretaries** to undertake the Secretarial Audit of the Company for the FY ended 31<sup>st</sup> March 2024. There are no qualification, reservation or adverse remarks made by the Secretarial Auditor in their Report. The Secretarial Audit Report is annexed as **Annexure C** to this Report.

## 32. AUDITORS' OBSERVATIONS

The observations, if any, made in the Auditor's Report, read with the relevant notes thereon, are self-explanatory and hence do not call for any comments under Section 134 of the Companies Act, 2013

## 33. AUDITORS

### (1) Statutory Auditors

M/s. Jawahar and Associates, Chartered Accountants, [ICAI FRN 001281S] and M/s SCV & Co, LLP, Chartered Accountants, New Delhi [FRN: 000235N/N500089] are the joint Statutory Auditors of the Company.

The Company appointed M/s. Jawahar and Associates, Chartered Accountants, [ICAI FRN 001281S] were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 30<sup>th</sup> November 2019 for a period of 5 (five) years. Their tenure of appointment expires at the conclusion of the ensuing Annual General Meeting i.e., 6<sup>th</sup> Annual General Meeting.

In accordance with IRDAI (Corporate Governance for Insurers) Regulations, 2024 read with Clause 7(b) of the Master Circular on Corporate Governance for Insurer, 2024 an audit firm which completes the tenure of four years at the first instance in respect of an insurer may be reappointed as statutory auditors of that Insurer for another term after a cooling-off period of three years. Existing appointments for a period of five (5) years will continue until the expiry of the tenure of appointment.

As M/s. Jawahar and Associates, Chartered Accountants, current Statutory Auditors have completed the tenure of 5 years, they will not be eligible for re-appointment as Statutory Auditors in the ensuing Annual General Meeting.

The Audit Committee of the Board has recommended the appointment of M/s Umamaheswara Rao & Company, Chartered Accountants, Hyderabad [Firm Registration No. 004453S] as the Statutory

Auditors of the Company for a period of four (4) years commencing from the conclusion of the forthcoming Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2028. M/s Umamaheswara Rao & Company, Chartered Accountants, Hyderabad [Firm Registration No. 004453S] have conveyed their eligibility and consent for the appointment. Your Directors recommend their appointment. A resolution proposing the appointment forms part of the notice of the forthcoming Annual General Meeting.

**(2) Joint Statutory Auditor**

M/s SCV & CO. LLP, Chartered Accountants, Noida (FRN:000235N/N500089) were appointed as Joint statutory auditors of the Company to hold office from the conclusion of the 5<sup>th</sup> Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2028.

**34. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review, the statutory auditors have not reported any instances of fraud by its officers or employees against the Company to the Audit Committee, the details of which would need to be mentioned in the Board's report as required under section 143(12) of the Companies Act, 2013.

**35. COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

**36. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

During the Financial year under review, the Company does not have any proceeding pending against it under the Insolvency and Bankruptcy Code, 2016.

**37. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of Section 186(4) of the Companies Act, 2013 ("the Act"), require disclosure in the financial statements of the full particulars of the loans given, investments made or guarantees given or security provided including the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.

The provisions of Section 186 except 186(1) is not applicable to a loan made, guarantee given or security

provided by a banking company or an insurance company or a housing finance company in the ordinary course of its business or a company engaged in the business of financing of companies or of providing infrastructural facilities. Hence, the disclosures under Section 186(4) of the Companies Act, 2013 is not applicable to the Company.

**38. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

This section is not applicable to the Company.

**39. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India, for the time being in force and applicable, during the year under review.

**40. DEMATERIALISATION OF SHARES AND DETAILS OF REGISTRARS AND SHARE TRANSFER AGENTS**

The Share Capital of the Company is held under the Depository System and the International Securities Identification Number ("ISIN") allotted to the Company's equity shares is INE0GE001017.

The Registrar and Transfer Agents of the Company are M/s Maashitla Securities Private Limited, 451, Krishna Apra Business Square Netaji Subhash Place, Pitampura New Delhi -110 034

**41. WEBLINK OF THE ANNUAL RETURN**

As required under Section 134(3)(a) of the Companies Act, 2013, the Annual Return for the Financial Year ended 31<sup>st</sup> March 2023 is hosted on the Company's website. The Company will place the Annual Return for FY 2023-24 on the website of the Company once the return is filed with the Registrar of Companies, Telangana. The annual return can be accessed on the website of the Company at [www.kshema.co/public-disclosures/](http://www.kshema.co/public-disclosures/).

**42. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE UPTO THE DATE OF THE REPORT**

**Re-appointment of Independent Directors**

- a) Mr. Sivarama Prasad Tammana (DIN: 06405913) was re-appointed as Non-Executive Independent Director for a term of 3 years in the Extra Ordinary General Meeting held on 05<sup>th</sup> June 2024.
- b) Ms. Deepa Karthykeyan (DIN: 03114477) was re-appointed as Non-Executive Independent Director for a term of 3 years in the Extra Ordinary General Meeting held on 05<sup>th</sup> June 2024.



### 43. ACKNOWLEDGEMENTS

The Board of Directors place on record its appreciation to Insurance Regulatory and Development Authority of India for its continued cooperation and support. The Directors would also like to take this opportunity to express their

sincere appreciation for the continued support and guidance of Company's Bankers, Consultants, Advisors and Shareholders. The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

For and on behalf of Board of Directors

**Kshema General Insurance Limited**

Sd/-

**Mr. Natraj Nukala**

Chairman & Director

DIN: 02119316

Date: 05.09.2024

Sd/-

**Dr. Vyasa Krishna Burugupalli**

Managing Director and CEO

DIN: 03072517

Date: 05.09.2024

# Corporate Governance Report

In accordance with the provisions of the Master Circular on Corporate Governance for Insurers, 2024 issued by the Insurance Regulatory & Development Authority of India (IRDAI), the report containing details of the Corporate Governance systems and processes of the Company for the Financial Year 2024-25 is as under:

## PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance philosophy of the Company is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of the Board Committees to oversee critical areas. The Company's Corporate Governance establishes that the Board's independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. The Board Committees are generally comprising of a majority of Independent/Non-executive Directors. All the Board Committees are chaired by Non-executive, Independent Directors of the Company.

### I. Details of Board and its Committees

Your Board of Directors today comprise an ideal mix of Independent and Non-Independent Directors complying the regulatory requirements of the Companies Act, 2013 and also the Insurance Regulatory and Development Authority of India (IRDAI).

#### Terms of reference

The Board of Directors (BoD) plays a crucial role in the governance and strategic direction of an organization. Here's an overview of their key roles and responsibilities:

#### 1. Strategic Oversight

- **Setting Vision and Strategy:** The BoD is responsible for establishing the organization's long-term vision and strategic direction. This involves setting goals, approving strategic plans, and ensuring alignment with the organization's mission and values.
- **Reviewing Performance:** Regularly assessing the organization's progress towards its strategic objectives, and making necessary adjustments to the strategy.

#### 2. Governance and Compliance

- **Adherence to Laws and Regulations:** Ensuring that the organization complies with relevant laws, regulations, and industry standards. This includes overseeing adherence to corporate governance practices and ethical standards.
- **Policies and Procedures:** Approving and monitoring policies and procedures to ensure they support the organization's objectives and compliance requirements.

#### 3. Financial Oversight

- **Approval of Budgets and Financial Plans:** Reviewing and approving the organization's annual budget, financial plans, and major expenditures.
- **Financial Reporting:** Ensuring accurate and transparent financial reporting. This includes reviewing financial statements and overseeing the organization's financial health.

#### 4. Risk Management

- **Identifying and Managing Risks:** Overseeing the organization's risk management processes to identify, assess, and mitigate potential risks. This includes financial, operational, and strategic risks.
- **Crisis Management:** Providing guidance and oversight during crises or significant challenges, ensuring the organization is prepared and can respond effectively.

#### 5. Accountability and Transparency

- **Ensuring Accountability:** Holding the executive management team accountable for their performance and the organization's results.
- **Transparency:** Ensuring transparency in operations and decision-making processes, fostering trust among stakeholders.

#### 6. Legal and Ethical Oversight

- **Ensuring Ethical Conduct:** Promoting ethical behavior and ensuring that the organization adheres to high standards of integrity and corporate responsibility.
- **Handling Conflicts of Interest:** Addressing and managing any potential conflicts of interest among board members and executives.

#### 8. Continuous Improvement

- **Board Evaluation:** Regularly evaluating the Board's performance and effectiveness, and implementing improvements as needed.
- **Professional Development:** Ensuring that board members stay informed about industry trends, governance practices, and emerging issues.

#### 9. Stakeholder Relations

- Ensuring fair treatment of policyholders and employees;
- Ensuring information sharing with and disclosures to stakeholders, including investors, policyholders, employees, the regulators, consumers, financial analysts and/or rating agencies;



## 10. Talent Management

- Overseeing talent management practices to ensure the organization has the necessary skills and capabilities for future success.
- Developing a corporate culture that recognizes and rewards adherence to ethical standards.

As on the date of this report, the **Board of Directors consist of Five (5) Directors**. The composition of the Board as on 31<sup>st</sup> March 2024 is given below:

Sl. No.	Name of the Director	Category	Date of appointment	Academic qualifications	Area of Specialization	Directorships as on 31 <sup>st</sup> March 2024	Details of the remuneration paid (excluding sitting fees) ('000)
1	Mr. Natraj Nukala	Non-Executive	05 <sup>th</sup> July 2018	Masters in Risk Management from New York University, USA.	Business Development and Risk Management	<ul style="list-style-type: none"> <li>• Sri Nukala Rama Koteswara Rao Textiles Private Limited</li> <li>• Kshema Capital Private Limited</li> <li>• Kshema Holdings Private Limited</li> </ul>	NIL
2	Mr. Rajeshnani Venkata Dasari	Non-Executive Independent	09 <sup>th</sup> June 2022	<ul style="list-style-type: none"> <li>• MSc (Hons) Mathematics – BITS Pilani</li> <li>• MS Computer Science - Clemson University</li> </ul>	Information Technology	NIL	NIL
3	Ms. Deepa Karthykeyan	Non-Executive Independent	06 <sup>th</sup> March 2023	Master's in Economics from the University of Madras and the National University of Singapore.	Governance and Institutional effectiveness, Sustainable Development	<ul style="list-style-type: none"> <li>• Athena Infonomics India Private Limited</li> <li>• Shanti Narayan Foundation</li> </ul>	NIL
4	Mr. Sivarama Prasad Tammana	Non-Executive Independent	17 <sup>th</sup> June 2023	B.Tech (Chemical Engineering) from Andhra University, JAIIIB	Finance, Investor Relations	<ul style="list-style-type: none"> <li>• Delhi Airport Parking Services Private Limited</li> <li>• Vaasavi IVF Micro Finance Private Limited</li> <li>• Tim Delhi Airport Advertising Private Limited</li> </ul>	NIL

Sl. No.	Name of the Director	Category	Date of appointment	Academic qualifications	Area of Specialization	Directorships as on 31 <sup>st</sup> March 2024	Details of the remuneration paid (excluding sitting fees) ('000)
5	Dr. Vyasa Krishna	Executive	03 <sup>rd</sup> November 2022	<ul style="list-style-type: none"> <li>Doctor of Philosophy (PhD - Management)</li> <li>Master of Insurance Business (M.I.B)</li> <li>Fellow (ANZIIF) and CIP</li> </ul>	Insurance, Micro Insurance, Reinsurance, Human Resource Management	NIL	8,000/-

### Meetings of the Board

During the financial year ended 31<sup>st</sup> March 2024, Five (05) meetings of the Board of Directors were held. The attendance of directors in the said meetings are provided below:

Sl. No	Name of Director	Nature of Directorship	Date of Meeting(s) and Attendance				
			07 <sup>th</sup> July 2023	14 <sup>th</sup> August 2023	29 <sup>th</sup> September 2023	09 <sup>th</sup> November 2023	29 <sup>th</sup> January 2024
1	Mr. Natraj Nukala	Chairman, Non-executive, Director	Present	Present	Present	Leave of Absence	Present
2	Dr. Vyasa Krishna Burugupalli	Managing Director & Chief Executive Officer	Present	Present	Present	Present	Present
3	Mr. Rajeshnani Venkata Dasari	Non-Executive, Independent Director	Present	Present	Present	Present	Present
4	Ms. Deepa Karthykeyan	Non-Executive, Independent Director	Present	Present	Present	Present	Present
5	Mr. Sivarama Prasad Tammana	Non-Executive, Independent Director	Present	Present	Present	Present	Present

## II. Board Committees

The Company has constituted various Committees in compliance with the requirements of the Companies Act 2013 and IRDAI Master Circular on Corporate Governance for Insurers, 2024.

Apart from this, Independent Directors of the Company also conduct a separate meeting in a year as per the provisions of Companies Act, 2013.

The details of the mandatory Committees constituted by the Company are as detailed below:

### (1) Audit Committee

The key functions of the Audit Committee shall be to oversee the financial statements, financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis. It shall set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.

### Terms of reference

- Review Financial Statements and examine the organization's financial statements and disclosures to ensure they are accurate, complete, and in accordance with accounting standards and regulations.
- Assess Internal Controls and Evaluate the effectiveness of internal controls over financial reporting to ensure they provide reasonable assurance of the accuracy and reliability of financial statements.
- Recommend the appointment, reappointment, or dismissal of the external auditor, and ensure their independence and objectivity.
- Assess and approve the external auditor's audit plan, including the scope and approach of the audit.
- Evaluate the performance of the external auditor and address any issues or concerns related to the audit process.

- Review and assess the organization's risk management processes to identify, manage, and mitigate financial and operational risks.
- Ensure that appropriate risk management policies and procedures are in place and are being followed effectively.
- Ensure that there are procedures in place for employees and stakeholders to report concerns about financial misconduct or unethical behavior.
- Review and address whistleblower reports and ensure that appropriate actions are taken to investigate and resolve any issues.

**The Audit Committee comprises of the following members as on 31 March 2024:**

- Mr. Sivarama Prasad Tammana, Non-Executive Independent Director – Chairperson
- Mr. Rajeshnani Venkata Dasari, Non-Executive Independent Director
- Mr. Natraj Nukala, Non- Executive Director

The details of the Committee meetings for the FY 2023-24 is as follows:

Sl. No	Name of Member	Nature of Membership	Date of Meeting(s) and Attendance						
			22 <sup>nd</sup> June 2023	07 <sup>th</sup> July 2023	14 <sup>th</sup> August 2023	27 <sup>th</sup> October 2023	09 <sup>th</sup> November 2023	29 <sup>th</sup> January 2024	18 <sup>th</sup> March 2024
1	Mr. Sivarama Prasad Tammana	Chairperson, Independent Director	Present	Present	Present	Present	Present	Present	Present
2	Mr. Rajeshnani Venkata Dasari	Independent Director	Present	Present	Present	Present	Present	Leave of Absence	Present
3	Mr. Natraj Nukala	Director	Present	Present	Present	Present	Leave of Absence	Present	Present

**(2) Nomination and Remuneration Committee**

The key functions of the Nomination and Remuneration Committee shall be to approve and review the implementation of the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees which has been formulated in accordance with the terms of the provisions of the Companies Act, 2013, the Insurance Act, 1938, IRDAI Master Circular on Corporate Governance for Insurer, 2024 or regulations or circulars issued by IRDAI or any other applicable law as amended from time to time in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

**Terms of reference**

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To consider and approve employee stock option schemes and to administer and supervise the same.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and formulate a criteria for evaluation of every director's performance.

- To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To approve the compensation programme and to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To ensure that the proposed appointments re-appointments of key managerial personnel or directors are in conformity with the Board approved policy.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013, as amended, or by any other regulatory authority.

**The Nomination and Remuneration Committee comprises of the following members as on 31<sup>st</sup> March 2024:**

- Ms. Deepa Karthykeyan – Non-Executive Independent Director – Chairperson
- Mr. Sivarama Prasad Tammana, Non-Executive Independent Director
- Mr. Natraj Nukala, Non-Executive Director

The details of the Nomination and Remuneration Committee meetings for the FY 2023-24 is as follows:

Sl. No	Name of Member	Designation	Date of Meeting(s) and Attendance		
			22 <sup>nd</sup> June 2023	14 <sup>th</sup> August 2023	18 <sup>th</sup> March 2024
1	Ms. Deepa Karthykeyan	Chairperson - Independent Director	Present	Present	Present
2	Mr. Sivarama Prasad Tammana	Independent Director	Present	Present	Present
3	Mr. Natraj Nukala	Director	Present	Present	Present

### (3) Investment Committee

The key functions of the Investment Committee (IC) are to formulate the Investment Policy (IP) and strategies for the investment of the policyholder and shareholder funds in accordance with the limits prescribed by applicable law, including, Insurance Act, 1938, relevant regulations, circulars, guidelines and to review the investment performance.

The Committee is responsible for formulating the investment policy and strategies for the investment of the policyholder and shareholder funds in accordance with the limits prescribed by law and to review the investment performance.

#### Terms of reference

- Overseeing the implementation of the investment policy approved by the Board from time to time.
- Reviewing the investment policy.
- Periodically updation to the Board with regard to investment activities of the Company.
- Reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company.

- Reviewing the broker policy and making suitable amendments from time to time.
- Supervising the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy.
- Overseeing the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company.

The Investment Committee was constituted on 18<sup>th</sup> July 2023.

The Investment Committee comprises of the following members as on 31<sup>st</sup> March 2024:

- Mr. Sivarama Prasad Tammana – Independent Director
- Dr. Vyasa Krishna Burugupalli - Managing Director & Chief Executive Officer
- Mr. Prashant Shenoy - Chief Financial Officer
- Mr. Arinjay Jaini - Chief Investment Officer
- Mr. Piyush Jain - Appointed Actuary
- Mr. Kumar Saurav - Chief Risk Officer

The details of the Committee meetings for the FY 2023-24 are as follows:

Sl. No	Name of Member	Designation	Date of Meeting(s) and Attendance		
			08 <sup>th</sup> September 2023	08 <sup>th</sup> December 2023	16 <sup>th</sup> February 2024
1	Dr. Vyasa Krishna Burugupalli	Managing Director & Chief Executive Officer - Chairperson	Present	Present	Present
2	Mr. Sivarama Prasad Tammana	Independent Director	Present	Present	Present
3	Mr. Prashant Shenoy	Chief Financial Officer	Present	Present	Present
4	Mr. Arinjay Jaini	Chief Investment Officer	Present	Present	Present
5	Mr. Piyush Jain	Appointed Actuary	Present	Present	Present
6	Mr. Kumar Saurav	Chief Risk Officer	Present	Present	Present

### (4) Risk Management Committee

The key functions of the Risk Management Committee shall be to implement the Company's Risk Management Strategy, for development of a strong risk management system and mitigation strategies for the Company.

#### Terms of reference

- Assisting the Board in effective operation of the risk management programme by performing specialised analysis and quality reviews.
- Reporting to the Board details on the risk exposures and the actions taken to manage the exposures.

- Advising to the Board with regard to risk management decisions in relation to strategic and operational matters.
- To review the solvency position of the Company on a regular basis.
- To monitor and review regular updates on business continuity.
- To review and recommend appropriate policy including establishment of effective Risk Management framework, risk management policy and processes, to the Board as may be prescribed by IRDAI from time to time.
- To review the Company's risk management and operational risk related policies/ frameworks including fraud monitoring policy & framework and anti-fraud policy & framework and monitoring implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.
- To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/ provided by any other regulatory authority as may be applicable.

The Risk Management Committee was constituted on 19<sup>th</sup> July 2023.

The Risk Management Committee comprises of the following members as on 31<sup>st</sup> March 2024:

- Dr. Vyasa Krishna Burugupalli – Managing Director & Chief Executive Officer
- Mr. Natraj Nukala - Director
- Mr. Kumar Saurav - Chief Risk Officer
- Mr. Prashant Shenoy - Chief Financial Officer

The details of the Committee meetings for the FY 2023-24 are as follows:

Sl. No	Name of Member	Designation	Date of Meeting(s) and Attendance	
			11 <sup>th</sup> August 2023	29 <sup>th</sup> December 2023
1	Dr. Vyasa Krishna Burugupalli	Managing Director & Chief Executive Officer	Present	Present
2	Mr. Natraj Nukala	Director	Present	Present
3	Mr. Kumar Saurav	Chief Risk Officer	Present	Present
4	Mr. Prashant Shenoy	Chief Financial Officer	Present	Present

**(5) Policyholders Protection, Grievance Redressal and Claims monitoring Committee (PPGR & CM Committee) (earlier known as Policyholders' Protection of Interests Committee):**

The key functions of the Policyholders Protection, Grievance Redressal and Claims Monitoring Committee (PPGR&CM Committee) shall be to recommend policies for fair treatment to the policyholders including but not limited to policies on customer education and customer grievance management. The PPGR&CM Committee shall put up such policies for approval of the Board and ensure proper implementation of the same.

**Terms of reference**

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- Ensuring compliance with the statutory requirements as laid down in the regulatory framework.
- Reviewing the mechanism at periodic intervals.
- Reviewing the status of complaints at periodic intervals.

- Details of grievance at periodic intervals in such formats as may be prescribed by the authority.
- Providing details of insurance ombudsman to the policyholders.
- Monitoring of payments of dues to the policyholders and disclosure of unclaimed amount thereof.
- To review claim report including status of outstanding claims with ageing of outstanding claims.
- To review repudiated claims with analysis of reasons.

**The Committee was constituted on 19<sup>th</sup> July 2023**

The Policyholders Protection, Grievance Redressal and Claims Monitoring Committee comprises of the following members as on 31<sup>st</sup> March 2024:

- Mr. Natraj Nukala – Chairperson and Director
- Dr. Vyasa Krishna Burugupalli – Managing Director & Chief Executive Officer
- Mr. Sarat Gangisetty - Customer Service Representative
- Mr. Prashant Shenoy – Chief Financial Officer
- Ms. Prabha Vadlamannati – Chief Compliance Officer

The details of the Committee meetings for the FY 2023-24 are as follows:

Sl. No	Name of Member	Designation	Date of Meeting(s) and Attendance	
			07 <sup>th</sup> November 2023	24 <sup>th</sup> January 2024
1	Mr. Natraj Nukala	Director	Present	Present
2	Dr. Vyasa Krishna Burugupalli	Managing Director & Chief Executive Officer	Present	Present
3	Mr. Sarat Gangisetty	Customer Service Representative	Present	Present
4	Mr. Prashant Shenoy	Chief Financial Officer	Present	Present
5	Ms. Prabha Vadlamannati	Chief Compliance Officer	Present	Present

### Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (“KMP”) of the Company as on 31<sup>st</sup> March 2024, are as under:

1. Dr Vyasa Krishna Burugupalli - Managing Director & CEO
2. Mr Prashant Shenoy - Chief Financial Officer
3. Ms Prabha Vadlamannati, Company Secretary and Chief Compliance Officer

In accordance with the IRDAI Corporate Governance Guidelines 2016 and IRDAI Corporate Governance Regulations 2024, the Company has the following Key Management Persons in addition to aforesaid KMPs:

1. Mr Piyush Jain – Appointed Actuary
2. Mr Arinjay Jaini – Chief Investment Officer
3. Mr Bhaskar Thakur – Chief Marketing Officer
4. Mr Kumar Saurav – Chief Risk Officer
5. Mr. C V Kumar – Chief Underwriting Officer

### III. Code Of Conduct

The Company is committed to conduct its business with highest standards of compliance and ethical conduct. The Company has in place Code of Conduct (“the Code”) to summarize the standards of business conduct that must guide the actions of the employees including all Directors of the Company at all times. The Code aims that all employees of the Company observe highest standard of integrity, honesty, fairness, discipline, decorum and ethical conduct while working for the Company as well as while representing the Company. The Code also lays down strict guidelines that restrain employees from offering, accepting or authorising any form of bribes or

corruption in any business interaction. The Company has a zero-tolerance approach to bribery and corruption. All the employees of the Company are required to familiarise themselves and abide by the Policy.

### IV. Whistle Blower Policy

The Company has in place the Whistle Blower Policy (“the Policy”) which is reviewed annually. The Policy provides a mechanism for employees including directors, secondees or stakeholders of the Company to raise any issue concerning breach of any law, statute or regulation, accounting policies and procedures, acts resulting in financial loss or loss of reputation, misuse of office, suspected/actual fraud and criminal offences without the risk of subsequent victimization, discrimination or disadvantage. The Policy aims to ensure that concerns are appropriately raised, independently investigated and addressed. The Policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. There are no reportable instances for the Financial Year 2023-24 which fall within the ambit of the policy.

### V. Anti-Money Laundering/Counter Financing Of Terrorism Policy And Framework

The Company has in place the Anti-Money Laundering/Counter Financing of Terrorism Policy and Framework (“AML/CFT Policy”) in accordance with AML guidelines issued by the Insurance Regulatory and Development Authority of India (“IRDAI”) and other statutory or regulatory authorities. The AML/CFT Policy lays down guidelines for compliance with KYC requirements and to prohibit the use of the Company’s assets, products and services for money laundering or terror financing purposes. All the employees must adhere to the guidelines defined in the AML/CFT Policy.

For and on behalf of Board of Directors

**Kshema General Insurance Limited**

Sd/-  
**Mr. Natraj Nukala**  
 Chairman & Director  
 DIN: 02119316  
 Date: 05.09.2024

Sd/-  
**Dr. Vyasa Krishna Burugupalli**  
 Managing Director and CEO  
 DIN: 03072517  
 Date: 05.09.2024



## Annexure B

## 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 transactions under third proviso thereto.**

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There are no contracts or arrangements or transactions which were not on arms' length basis.

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

#### 2.1 Service Agreements

S. No	Description	Details of the Contracts
i	Name(s) of the related party and nature of relationships	Kshema Capital Private Limited
ii	Nature of contracts/arrangements/transactions	Service Agreement
iii	Duration of the contracts / arrangements/transactions	3 years – commencing from 01 <sup>st</sup> January 2023 to 31 <sup>st</sup> December 2025
iv	Salient terms of the contracts or arrangements or transactions including the value, if any	Providing advisory services
v	Material terms of the contract including the value, if any	₹ 143 lakhs – payable monthly
vi	Date(s) of approval by the Board, if any	7 <sup>th</sup> July 2023
vii	Amount paid as advances, if any	NIL

#### 2.2 Licence Agreement

S. No	Description	Details of the Contracts
i	Name(s) of the related party and nature of relationships	Kshema Capital Private Limited
ii	Nature of contracts/arrangements/transactions	License Agreement
iii	Duration of the contracts / arrangements/transactions	3 years – commencing from 01 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2026
iv	Salient terms of the contracts or arrangements or transactions including the value, if any	Kshema Capital owns the licensed mark “Kshema – Extremes Se Suraksha” and has agreed to grant of licence to Kshema General for use of the Licensed mark in its business operations.
v	Material terms of the contract including the value, if any	₹ 20 lakhs – payable monthly
vi	Date(s) of approval by the Board, if any	7 <sup>th</sup> July 2023
vii	Amount paid as advances, if any	NIL

For and on behalf of Board of Directors

**Kshema General Insurance Limited**

Sd/-

**Mr. Natraj Nukala**

Chairman & Director

DIN: 02119316

Date: 05.09.2024

Sd/-

**Dr. Vyasa Krishna Burugupalli**

Managing Director and CEO

DIN: 03072517

Date: 05.09.2024

## Annexure C

# Secretarial Audit Report

To  
The Members,  
KSHEMA GENERAL INSURANCE LIMITED, ("Company")  
Reg Off: No 413, 4<sup>th</sup> Floor, My Home Tycoon Building Kundan Bagh,  
Begumpet, Hyderabad, Telangana – 500016, India.

My report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### Anil Kumar Tekalkote

Company Secretary in Practice

FCS : 7743

CP No. : 17865

Place : Hyderabad

Date : 30<sup>th</sup> August 2024

UDIN : F007743F001078881

PR : 5583/2024



Form No. MR-3

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**KSHEMA GENERAL INSURANCE LIMITED, ("Company")**  
Reg Off: No 413, 4<sup>th</sup> Floor, My Home Tycoon Building, Kundan Bagh, Begumpet, Hyderabad, Telangana – 500016, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**KSHEMA GENERAL INSURANCE LIMITED**" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable
- (v) The industry Specific Acts, Labour Law and other applicable laws as provided by the management of the company:

I have also examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01st July 2015, as amended.

## I further report that

The following list of Acts, Laws and Regulations are specifically applicable to the Company:

- Insurance Act, 1938 and Insurance Rules, 1939
- Insurance Regulatory and Development Authority Act, 1999 and Rules and Regulation, Circular and Notification issued thereunder

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

## I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, the meetings held at shorter notice were in compliance with SS-1 Secretarial Standard on Meetings of the Board of Directors.

All decisions at Board Meetings and Committee Meetings are carried out unanimously and recorded in the minutes of the respective Board of Directors or Committee meetings.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## Anil Kumar Tekalkote

Company Secretary in Practice  
FCS : 7743  
CP No. : 17865  
Place : Hyderabad  
Date : 30<sup>th</sup> August 2024  
UDIN : F007743F001078881  
PR : 5583/2024



# Management Report

for the Financial Year ended 31 March 2024

The Management Report has been prepared in accordance with the Insurance Regulatory and Development Authority of India ("IRDAI") (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, including amendments thereto, for the financial year ended 31 March 2024.

With respect to the operations of Kshema General Insurance Limited ("the Company") for the year ended 31 March 2024 and results thereof, the Management of the Company confirms and declares as follows:

## 1. CERTIFICATE OF REGISTRATION

The Company had obtained Regulatory approval to undertake General Insurance business on 11 January 2023 from the Insurance Regulatory and Development Authority of India ("IRDAI") and holds a valid certificate of registration.

## 2. STATUTORY LIABILITIES

All dues payable to the statutory authorities have been duly paid.

## 3. SHAREHOLDING PATTERN AND TRANSFER OF SHARES

The shareholding pattern is in accordance with the statutory and regulatory requirements. There have been no transfer of shares during the year.

## 4. INVESTMENTS OUTSIDE INDIA

The Management has not invested any funds of holders of policies issued in India, directly or indirectly, outside India.

## 5. SOLVENCY MARGIN

We confirm that the required solvency margin has been maintained.

## 6. VALUATION OF ASSETS IN THE BALANCE SHEET

We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts", except Debt securities which are stated at cost/amortised cost.

## 7. OVERALL RISK EXPOSURE AND STRATEGY ADOPTED TO MITIGATE THE SAME

The Company believes that Risk Management is of paramount importance to the sustainability of its business. The risk exposure of the Company's present portfolio comprises, almost entirely, of Crop line of business. As such, the Company relies heavily on data-driven risk assessment framework, coupled with prudence in decision-making process.

The Company is exposed to several risks such as market risks (such as interest rate movements, portfolio value fluctuations etc.), liquidity risks, credit risks etc. With an endeavour to optimise risk and to balance growth and prudence, the Investment Committee meets quarterly to review the quality of investments, adherence to regulations issued by the IRDAI and such other factors. The Company recognises that Crop insurance business invariably has short term policies, and therefore, the liquidity of investments is planned accordingly.

The Company also recognises that there is a risk of material loss arising from inadequate internal control processes in its operations, such as claims, or any external event that may potentially expose the Company to legal and regulatory risk. Such risks adversely impact the Company's ability to service its customers. The Company has put in place the following processes to mitigate this risk:

- i. Clear mapping of various departments and individual key-result areas.
- ii. Objective assessment of prospective vendors and including terms and conditions in contract entered into with them in line with prevalent best practices.
- iii. An offsite disaster recovery centre for data backup.
- iv. Board approved policies, including but not limited to a policy on fraud identification, monitoring, assessment and mitigation.
- v. Internal Audit by an independent firm of Chartered Accountants.
- vi. Audit of Internal Financial Controls over Financial Reporting by an independent firm of Chartered Accountants.
- vii. Quarterly meeting of the Risk Management Committee covering, inter-alia, key process risks, regulatory risks, credit risks etc. including identifying appropriate measures to mitigate them.

As we grow as an organisation, the endeavour is to make all relevant stakeholders build an inherent practice of identifying risks in every decision-making process.

The Risk Management Committee of the Company advises the Board on various exposures and actions to be taken by the Company to mitigate potential and identified risks.

## 8. OPERATIONS OUTSIDE INDIA

The Company does not have operations in any country other than India.

## 9. AGEING OF CLAIMS

As F.Y. 2023-24 is the Company's first full year of operations, the data required to be provided for the preceding five years is not applicable.

- a. Ageing analysis of claims outstanding\* as on 31 March 2024:

Line of Business	No. of Claims	₹ in '000
Crop	Nil	Nil

\* The Company has made a provision for claims payable based on management's best estimate, including IBNR as certified by the Appointed Actuary.

- b. Details of average claims settlement time during the year:

Line of Business	No. of Claims	Average Settlement time (Days)
Crop	2	2

## 10. VALUATION OF INVESTMENTS

Investments in debt securities are valued at historical cost subject to amortization of premium/discount. This valuation is in accordance with IRDAI (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 as amended from time to time.

For the purpose of comparison, the fair value of debt securities has been arrived on a Yield to maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA) in respect of Government Securities and Crisil's Security Level Valuation (SLV) in respect of other debt instruments.

Units of Mutual fund investments are stated at fair value, being the closing net asset value as at balance sheet date.

## 11. REVIEW OF ASSET QUALITY AND PERFORMANCE OF INVESTMENTS

The Company adheres to a prudent investment policy that receives regular approval and review from the Board of Directors and the Investment Committee. Investments have been prioritized with safety, liquidity, and reasonable returns, considering the risk appetite of both Policyholder and Shareholders funds. Currently, all investments are in sovereign and other highly rated debt instruments with low risk. The portfolio is well-diversified across various issuers, groups, and sectors, and it complies with IRDAI's regulations and guidelines. Asset-liability matching is ensured in the Policyholder fund. To date, there are no non-performing investments.

## 12. MANAGEMENT RESPONSIBILITY STATEMENT

The Management of the Company hereby certifies that:

- In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed with no material departures;
- The management has adopted accounting policies and applied them consistently and made judgements 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 operating profit and of the profit of the Company for the year;
- The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The financial statements have been prepared on a going concern basis.
- The management has set up an internal audit system commensurate with the size and nature of the business and the same was operational during the year ended 31 March 2024.

## 13. PAYMENTS MADE TO PARTIES IN WHICH DIRECTORS ARE INTERESTED

A schedule of payments which have been made to individuals, firms, companies and organisations in which Directors of the Company are interested is given below.

Entity in which Director is interested	Name of the Director	Interested as	Payment during the year ended (₹ in '000)	
			FY 2024	FY 2023
Kshema Capital Private Limited	Natraj Nukala	Director	36,600	27,500
Itus Insurance Brokers Private Limited	Natraj Nukala	Shareholder	-	4,786

For and on behalf of the Board of Directors

**Kshema General Insurance Limited**

CIN: U66000TG2018PLC125484

Sd/-

**Vyasa Krishna Burugupalli**

Managing Director &  
Chief Executive Officer  
DIN: 09632402

Sd/-

**Natraj Nukala**

Director  
DIN: 02119316

Sd/-

**Prabha Vadlamannati**

Company Secretary &  
Chief Compliance Officer

Sd/-

**Prashant Shenoy**

Chief Financial Officer

Place: Hyderabad

Date: 17 July 2024

# Independent Auditors' Report

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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying financial statements of Kshema General Insurance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the related Revenue accounts of crop and fire insurance (collectively known as "Revenue accounts"), the Profit and Loss Account and Receipts and Payments Account for the year then ended, the schedules annexed thereto and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "financial statements").
2. 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 in accordance with the provisions of the Insurance Act, 1938 as amended (the "Insurance Act"), Insurance Regulatory and Development Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations"), the circulars/orders/directions/issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended ('Accounting Standards') and other accounting principles generally accepted in India which are not inconsistent with the accounting principles as prescribed in the IRDAI Financial Statements Regulations:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;
- b) in the case of Revenue accounts, of the operating profit in the Crop, Fire business for year ended on that date;
- c) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

### BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (the "SAs") specified under section 143(10) of the Act. 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 Act and the rules made thereunder, 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

4. 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 the matters described below to be the key audit matters to be communicated:

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b>Investments:</b></p> <p>The Company's investment portfolio consists of Policyholders investments and Shareholders investments.</p> <p>The Company's investments represent substantial portion the total assets as at March 31, 2024 which are valued in accordance with accounting policy framed as per regulatory guidelines.</p> <p>The valuation of all investments is as per the investment policy framed by the Company as per the requirements contained in with IRDAI (Investment) Regulations, 2016, and the IRDA Preparation of Financial Statement Regulations. The valuation methodology specified in these aforesaid regulations is applied by the Company for each class of investment which includes various measurement techniques such as amortised cost, fair value etc as further described in Note No. 2.15 to the accompanying financial statements.</p> <p>The Company has a policy framework for Valuation and impairment of Investments. The Company performs an impairment review of its investments at each balance sheet date and recognizes impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy of the Company. Such assessment of impairment involves significant management judgment.</p> <p>The valuation of these investments was considered 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 and thereby identified as a key audit matter for current year audit.</p>	<p>Our audit procedures on Investments included the following:</p> <ul style="list-style-type: none"> <li>• Understood Company's process and controls to ensure proper investments valuation and impairment process.</li> <li>• Tested the design, implementation, management oversight and operating effectiveness of key controls over the valuation process of investments including impairment.</li> <li>• Obtained independent external confirmations for investments as at balance sheet date from the Custodians and Depository Participants appointed by the company to confirm the units of securities for the purpose of valuation re-computation.</li> <li>• On a test check basis recomputed valuation of different class of investments to assess appropriateness of the valuation methodologies with reference to IRDAI Investment Regulations along with Company's own investment policy.</li> <li>• Examined movement and appropriateness of accounting in Fair Value change account for Specific Investments.</li> <li>• Reviewed the Company's impairment Policy and assessed the adequacy of its impairment charge on investments outstanding at the year end.</li> <li>• Examined the rating downgrades by credit rating agencies and assessed the adequacy of impairments to various investments.</li> <li>• Evaluated appropriateness and reasonableness of methodology, assumptions and judgements used by the management with reference to the Company's investment valuation and impairment assessment as per policy.</li> <li>• Obtained written representations from management on compliance of valuation of investments with the regulations and adequacy of impairment recorded for the year.</li> </ul>

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors Report and Management Discussion & Analysis but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We confirm that we have nothing material to report, add or draw attention to in this regard.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS:**

6. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance, and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act and other accounting principles generally accepted in India which are in consistent with the accounting principles as prescribed under IRDA Financial Statements Regulations, the IRDA Act and the circulars / orders / directions issued by the IRDAI in this regard. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statements 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 and Board of Directors are 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. 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 the 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 aggregate, that 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 the SAs specified under section 143(10) of the Act, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 and Board of Directors 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.

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 of the current period 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 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

8. The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported ("IBNR") and Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve ("PDR") is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at 31 March 2024 has been duly certified by the Appointed Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves and the PDR contained in the financial statements of the Company.

Our opinion is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated July 17, 2024, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statements Regulations.

10. As required by the paragraph 2 of schedule C to the IRDAI Financial Statement Regulations read with Section 143 (3) of the Act, in our opinion and according to the information and explanations given to us, we report to the extent applicable that:

- a) 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 of the accompanying financial statements;
- b) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) As the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
- d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- e) The aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, and other accounting principles generally accepted in India which are not

inconsistent with the accounting principles prescribed in the IRDAI Financial Statements Regulations, the Insurance Act, the IRDAI Act and circulars/orders/directions issued by the IRDAI in this regard;

- f) Investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations and/or orders/directions issued by IRDAI in this regard.
- g) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;
- h) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company as on 31 March 2024 and operating effectiveness of such controls, refer to our separate Report in "**Annexure A**";
- i) With respect to the other matters to be included in the Auditors' 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:
  - i. The Company does not have any pending litigations in its financial statements and same is disclosed in Schedule 16 (3) to the 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. Refer Note No 27) of Schedule 16 to the financial statements.
    - A. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- B. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- C. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (A) and (B) above contain any material misstatement.
- iv. The company has neither declared nor paid any dividends during the year under audit.
- v. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
11. With respect to the other matters to be included in the Auditors' Report, in terms of the requirements of section 197(16) of the Act, we report that managerial remuneration payable to the Company's Directors is governed by the provisions of Section 34A of the Insurance Act, 1938 and is approved by IRDAI. Accordingly, the managerial remuneration limits specified under Section 197 of the Act do not apply.

**For JAWAHAR AND ASSOCIATES**

Chartered Accountants  
(FRN No. 001281S)

**M.Chandramouleswara Rao**

Partner // ICAI M. No. 024608  
UDIN: 24024608BKGTEA3308

Dated : July 17, 2024  
Place : HYDERABAD

**For SCV & Co. LLP**

Chartered Accountants  
(FRN:000235N / N500089)

**Anuj Dhingra**

Partner // ICAI M. No. 512535  
UDIN: 24512535BKCFE2106

Dated : July 17, 2024  
Place : NEW DELHI

## Annexure-A to Independent Auditors' Report

Referred to in Paragraph 10 (h) of the Independent Auditors' Report of even date to the members of **Kshema General Insurance Company Limited** on the Financial Statements for the year ended March 31, 2024

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

1. We have audited the internal financial controls with reference to the aforesaid financial statements of Kshema General Insurance Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, including the provisions of the Insurance Act, 1938 as amended (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), circulars/orders/ directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard.

### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## OPINION

8. In our opinion, the Company has, in all material respects, maintained an adequate internal financial controls system

### For JAWAHAR AND ASSOCIATES

Chartered Accountants  
(FRN No. 001281S)

#### M.Chandramouleswara Rao

Partner // ICAI M. No. 024608  
UDIN: 24024608BKGTEA3308

Dated : July 17, 2024  
Place : HYDERABAD

### For SCV & Co. LLP

Chartered Accountants  
(FRN:000235N / N500089)

#### Anuj Dhingra

Partner // ICAI M. No. 512535  
UDIN: 24512535BKCFE2106

Dated : July 17, 2024  
Place : NEW DELHI

## Independent Auditors' Certificate

### RELATED TO CERTAIN MATTERS IN PARAGRAPH 3 AND 4 OF SCHEDULE C OF THE IRDAI FINANCIAL STATEMENTS REGULATIONS

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

**(REFERRED TO IN PARAGRAPH 9 OF OUR REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS FORMING PART OF INDEPENDENT AUDITOR'S REPORT DATED 17 JULY 2024)**

1. This certificate is issued in accordance with the terms of our engagement letter dated 15 April, 2024 with Kshema General Insurance Company Limited (the "Company"), wherein we are requested to issue certificate for compliance with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "Regulations") read with regulation 3 of the Regulations.

#### MANAGEMENT'S RESPONSIBILITY

2. The Company's Management and Board of Directors are responsible for complying with the provisions of The Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDAI Financial Statements Regulations, orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") which includes:

- (i) Preparation of Management Report consistent with the financial statements;
- (ii) Compliance with terms and conditions of the registration stipulated by the Authority;
- (iii) Maintenance and custody of cash balances and maintenance of investments with custody and depository; and
- (iv) Ensuring that no part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, relating to the application of investments of the Policyholders' Funds.

This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid and applying appropriate basis of preparation; and making estimates and judgements that are reasonable in the circumstances.

#### INDEPENDENT AUDITOR'S RESPONSIBILITY

3. Pursuant to the requirement of paragraphs 3 and 4 of Schedule C of the IRDAI Financial Statements Regulations,

it is our responsibility to provide reasonable assurance and form an opinion based on our audit and examination of books of accounts and other records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C, read with Regulation 3, to the IRDAI Financial Statement Regulations as of and for the year ended 31 March 2024.

4. The Financial statements of the Company for the year ended 31 March 2024 have been audited jointly by us on which we have issued an unmodified audit opinion vide our report dated 17 July 2024. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the ICAI, which include the concepts of test checks and materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics, issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

#### OPINION

7. In accordance with information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended March 31, 2024, we certify that:

A. We have reviewed the Management Report attached to the financial statements for year ended March 31, 2024, and on the basis of our review, there is no apparent mistake or material inconsistency with the financial statements;

B. Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board of Directors, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDAI, we certify

that the Company has complied with the terms and conditions of registration stipulated by the IRDAI;

- C. We have verified,
- a. the cash balances, to the extent considered necessary by physical verification and/or obtaining certificates / confirmations from the concerned branches/Head Office personnel of the Company; and
  - b. securities relating to the Company's loans and investments as of 31 March 2024, by obtaining certificates / confirmations received from the Custodians and/or Depository Participants appointed by the Company.
- D. The Company is not a trustee of any trust; and

- E. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

#### RESTRICTION ON USE

8. This certificate is issued solely for inclusion in the annual accounts of the company in order to comply with the IRDAI Financial Statements Regulations and should not be used by any other person or for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

#### For JAWAHAR AND ASSOCIATES

Chartered Accountants  
(FRN No. 001281S)

#### M.Chandramouleswara Rao

Partner // ICAI M. No. 024608  
UDIN: 24024608BKGTEB2457

Dated : July 17, 2024  
Place : HYDERABAD

#### For SCV & Co. LLP

Chartered Accountants  
(FRN:000235N / N500089)

#### Anuj Dhingra

Partner // ICAI M. No. 512535  
UDIN: 24512535BKCXFF5024

Dated : July 17, 2024  
Place : NEW DELHI

# Revenue Account - Crop Insurance

For the year ended March 31, 2024

FORM B - RA | IRDAI REGISTRATION NO. 162 DATED JANUARY 11, 2023

Rupees in ('000)

Particulars	Schedule No	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Premium earned (net)	1	39,22,464.79	-
2 Profit/Loss on sale/redemption of Investments		5,447.69	-
3 Interest, Dividend and Rent - Gross		54,969.63	-
4 Others		-	-
(a) Amortization of Premium/Discount on Investments		1,903.71	-
(b) Foreign exchange gain /loss		92.62	-
<b>Total (A)</b>		<b>39,84,878.43</b>	<b>-</b>
1 Claims Incurred (net)	2	28,13,274.41	-
2 Commission (net)	3	(39,603.52)	-
3 Operating expenses related to insurance business	4	6,74,606.83	46,490.04
<b>Total (B)</b>		<b>34,48,277.71</b>	<b>46,490.04</b>
<b>Operating Profit/(Loss) C= (A-B)</b>		<b>5,36,600.72</b>	<b>(46,490.04)</b>
<b>Appropriations</b>			
Transfer to Shareholder's Account		5,36,600.72	(46,490.04)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>5,36,600.72</b>	<b>(46,490.04)</b>

Significant accounting policies and notes to accounts 16

The Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

**For Jawahar and Associates**

Chartered Accountants  
FRN.: 001281S

**For SCV & Co. LLP**

Chartered Accountants  
FRN.: 000235N/N500089

**For and on behalf of Board**

Kshema General Insurance Limited

**CA M. Chandramouleswara Rao**

Partner  
M.No: 024608  
UDIN: 24024608BKGTEA3308

**CA Anuj Dhingra**

Partner  
M.No: 512535  
UDIN: 24512535BKCFE2106

**Vyasa Krishna Burugupalli**

Managing Director & CEO  
DIN: 03072517

**Natraj Nukala**

Director  
DIN: 02119316

**Rajeshnani Venkata Dasari**

Director  
DIN: 09632402

**Deepa Karthykeyan**

Director  
DIN: 03114477

**Sivarama Prasad Tammana**

Director  
DIN: 06405913

**Prabha Vadlamannati**

Company Secretary &  
Chief Compliance Officer

**Prashant Shenoy**

Chief Financial Officer

Place : Hyderabad  
Date : July 17, 2024

Place : New Delhi  
Date : July 17, 2024

Place : Hyderabad  
Date : July 17, 2024

# Revenue Account - Fire Insurance

For the year ended March 31, 2024

FORM B - RA | IRDAI REGISTRATION NO. 162 DATED JANUARY 11, 2023

Rupees in ('000)

Particulars	Schedule No	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Premium earned (net)	1	0.02	-
2 Profit/Loss on sale/redemption of Investments		-	-
3 Interest, Dividend and Rent - Gross			-
4 Others		-	-
<b>Total (A)</b>		<b>0.02</b>	<b>-</b>
1 Claims Incurred (net)	2	0.02	-
2 Commission (net)	3	-	-
3 Operating expenses related to Insurance Business	4	-	-
<b>Total (B)</b>		<b>0.02</b>	<b>-</b>
<b>Operating Profit/(Loss) C= (A-B)</b>		<b>0.00</b>	<b>-</b>
<b>Appropriations</b>			
Transfer to Shareholder's Account		0.00	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>0.00</b>	<b>-</b>

Significant accounting policies and notes to accounts 16

The Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

**For Jawahar and Associates**  
Chartered Accountants  
FRN.: 001281S

**For SCV & Co. LLP**  
Chartered Accountants  
FRN.: 000235N/N500089

**For and on behalf of Board**  
Kshema General Insurance Limited

**CA M. Chandramouleswara Rao**  
Partner  
M.No: 024608  
UDIN: 24024608BKGTEA3308

**CA Anuj Dhingra**  
Partner  
M.No: 512535  
UDIN: 24512535BKCXFE2106

**Vyasa Krishna Burugupalli**  
Managing Director & CEO  
DIN: 03072517

**Natraj Nukala**  
Director  
DIN: 02119316

**Rajeshnani Venkata Dasari**  
Director  
DIN: 09632402

**Deepa Karthykeyan**  
Director  
DIN: 03114477

**Sivarama Prasad Tammana**  
Director  
DIN: 06405913

**Prabha Vadlamannati**  
Company Secretary &  
Chief Compliance Officer

**Prashant Shenoy**  
Chief Financial Officer

Place : Hyderabad  
Date : July 17, 2024

Place : New Delhi  
Date : July 17, 2024

Place : Hyderabad  
Date : July 17, 2024

# Revenue Account - Miscellaneous

For the year ended March 31, 2024

FORM B - RA | IRDAI REGISTRATION NO. 162 DATED JANUARY 11, 2023

Rupees in ('000)

Particulars	Schedule No	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Premium earned (net)	1	-	-
2 Profit/Loss on sale/redemption of Investments		-	-
3 Interest, Dividend and Rent - Gross		-	-
4 Others			
<b>Total (A)</b>		-	-
1 Claims Incurred (net)	2	-	-
2 Commission (net)	3	-	-
3 Operating expenses related to insurance business	4	-	-
<b>Total (B)</b>		-	-
<b>Operating Profit/(Loss) C= (A-B)</b>		-	-
<b>Appropriations</b>			
Transfer to Shareholder's Account		-	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		-	-

Significant accounting policies and notes to accounts

16

The Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

**For Jawahar and Associates**

Chartered Accountants

FRN.: 001281S

**For SCV & Co. LLP**

Chartered Accountants

FRN.: 000235N/N500089

**For and on behalf of Board**

Kshema General Insurance Limited

**CA M. Chandramouleswara Rao**

Partner

M.No: 024608

UDIN: 24024608BKGTEA3308

**CA Anuj Dhingra**

Partner

M.No: 512535

UDIN: 24512535BKCFE2106

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Managing Director & CEO

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Director

DIN: 06405913

**Prabha Vadlamannati**

Company Secretary &

Chief Compliance Officer

**Prashant Shenoy**

Chief Financial Officer

Place : Hyderabad

Date : July 17, 2024

Place : New Delhi

Date : July 17, 2024

Place : Hyderabad

Date : July 17, 2024



# Balance Sheet

As at March 31, 2024

FORM B - BS | IRDAI REGISTRATION NO. 162 DATED JANUARY 11, 2023

Rupees in ('000)

Particulars	Schedule No.	As at March 31, 2024	As at March 31, 2023
<b>SOURCES OF FUNDS</b>			
Share capital	5	11,12,876.43	11,12,876.43
Reserves and surplus	6	3,67,363.29	(79,206.18)
Fair value change account			
- Shareholders' funds		75.92	-
- Policyholders' funds		2,201.07	-
Borrowings	7	-	-
<b>TOTAL</b>		<b>14,82,516.71</b>	<b>10,33,670.25</b>
<b>APPLICATION OF FUNDS</b>			
Investments - Shareholders	8	8,42,257.40	-
Investments - Policyholders	8A	31,81,302.55	-
Loans	9	-	-
Fixed assets	10	1,79,815.45	40,058.10
Deferred tax asset (Net)		(3,299.94)	24,732.63
Current assets			
- Cash and bank balance	11	19,985.03	9,64,711.81
- Advances and other assets	12	24,57,250.60	27,473.15
<b>Sub-Total (A)</b>		<b>24,77,235.62</b>	<b>9,92,184.97</b>
Current liabilities	13	50,97,429.01	22,256.44
Provisions	14	97,365.35	1,049.01
<b>Sub-Total (B)</b>		<b>51,94,794.36</b>	<b>23,305.45</b>
Net Current Assets (C) = (A-B)		(27,17,558.74)	9,68,879.52
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit & Loss Account			
<b>Total</b>		<b>14,82,516.71</b>	<b>10,33,670.25</b>

Contingent liabilities (Refer note 3.01 of Schedule 16)

Significant accounting policies and notes to the financial statements 16

The Schedules referred to above & notes to accounts form an integral part of the financial statements

As per our attached report of even date

**For Jawahar and Associates**

Chartered Accountants  
FRN.: 001281S

**For SCV & Co. LLP**

Chartered Accountants  
FRN.: 000235N/N500089

**For and on behalf of Board**

Kshema General Insurance Limited

**CA M. Chandramouleswara Rao**

Partner  
M.No: 024608  
UDIN: 24024608BKGTEA3308

**CA Anuj Dhingra**

Partner  
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DIN: 03114477

**Sivarama Prasad Tammana**

Director  
DIN: 06405913

**Prabha Vadlamannati**

Company Secretary &  
Chief Compliance Officer

**Prashant Shenoy**

Chief Financial Officer

Place : Hyderabad  
Date : July 17, 2024

Place : New Delhi  
Date : July 17, 2024

Place : Hyderabad  
Date : July 17, 2024

# Profit and Loss Account

For the year ended March 31, 2024

FORM B - PL | IRDAI REGISTRATION NO. 162 DATED JANUARY 11, 2023

Particulars	Schedule No.	Rupees in ('000)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1 Operating Profit/(Loss)</b>			
(a) Crop insurance		5,36,600.72	(46,490.04)
(b) Fire insurance		0.00	-
(c) Marine insurance		-	-
(d) Miscellaneous insurance		-	-
<b>2 Income from Investments</b>			
(a) Interest, Dividend & Rent - Gross		60,933.11	26,244.83
(b) Profit on sale/redemption of investments		288.55	-
Less : (Loss on sale/redemption of investments)		-	-
(c) Amortization of premium/discount on investments		15.49	-
<b>3 Other income - Miscellaneous income</b>		-	-
<b>Total (A)</b>		<b>5,97,837.88</b>	<b>(20,245.22)</b>
<b>4 Provisions (other than taxation)</b>			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
<b>5 Other expenses</b>			
(a) Expenses other than those related to insurance business		-	28,171.37
(b) Bad debts written off		-	-
(c) Others		-	-
<b>Total (B)</b>		-	<b>28,171.37</b>
<b>Profit/(Loss) Before Tax</b>		<b>5,97,837.88</b>	<b>(48,416.59)</b>
Provision for taxation		-	-
(a) Current tax		1,23,235.84	-
(b) Deferred tax Expense/(Income)		28,032.57	(24,732.63)
		<b>1,51,268.41</b>	<b>(24,732.63)</b>
Profit/(Loss) after tax		<b>4,46,569.47</b>	<b>(23,683.96)</b>
<b>APPROPRIATIONS</b>			
(a) Interim dividends paid during the year		-	-
(b) Final dividend paid		-	-
(c) Transfer to any reserves or other accounts (to be specified)		-	-
<b>Balance of Profit/(Loss) brought forward from last year</b>		<b>(79,206.18)</b>	<b>(55,522.22)</b>
<b>Balance carried forward to Balance Sheet</b>		<b>3,67,363.29</b>	<b>(79,206.18)</b>
Earning per share: Basic and Diluted (Refer note 2.23 of Schedule 16)		4.01	(0.48)

Significant accounting policies and notes to accounts

16

The Schedules referred to above & notes to accounts form an integral part of the financial statements

As per our attached report of even date

**For Jawahar and Associates**

Chartered Accountants  
FRN.: 001281S

**For SCV & Co. LLP**

Chartered Accountants  
FRN.: 000235N/N500089

**For and on behalf of Board**

Kshema General Insurance Limited

**CA M. Chandramouleswara Rao**

Partner  
M.No: 024608  
UDIN: 24024608BKGTEA3308

**CA Anuj Dhingra**

Partner  
M.No: 512535  
UDIN: 24512535BKCFE2106

**Vyasa Krishna Burugupalli**

Managing Director & CEO  
DIN: 03072517

**Natraj Nukala**

Director  
DIN: 02119316

**Rajeshnani Venkata Dasari**

Director  
DIN: 09632402

**Deepa Karthykeyan**

Director  
DIN: 03114477

**Sivarama Prasad Tammana**

Director  
DIN: 06405913

**Prabha Vadlamannati**

Company Secretary &  
Chief Compliance Officer

**Prashant Shenoy**

Chief Financial Officer

Place : Hyderabad  
Date : July 17, 2024

Place : New Delhi  
Date : July 17, 2024

Place : Hyderabad  
Date : July 17, 2024

# Receipts & Payments Account (Cashflow) Direct Basis

For the year ended March 31, 2024

IRDAI REGISTRATION NO. 162 DATED JANUARY 11, 2023

Rupees in ('000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
1. Premium received from policyholders, including advance receipts	45,61,307.14	-
2. Other receipts	380.54	690.08
3. Payment to the re-insurers, net of commission and claims	(5,79,098.06)	-
4. Payment to co-insurers, net of claims recovery	-	-
5. Payment of claims	-	-
6. Payment of commission and brokerage	(6,207.10)	-
7. Payment of other operating expenses	(7,63,078.16)	(1,08,787.86)
8. Preliminary and pre-operative expenses	-	-
9. Deposits, advances and staff loans	(18,953.85)	(1,320.00)
10. Income taxes paid (net)	(63,235.82)	-
11. Good & Service tax paid	(3,588.68)	(2,749.73)
12. Other payments	(6,117.11)	(1,054.56)
<b>13. Cash flows before extraordinary items</b>	<b>31,21,408.89</b>	<b>(1,13,222.06)</b>
14. Cash flows from extraordinary operations	-	-
<b>15. Net cash from operating activities (A)</b>	<b>31,21,408.89</b>	<b>(1,13,222.06)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
1. Purchase of fixed assets	(63,365.41)	(1,457.35)
2. Proceeds from sale of fixed assets	-	-
3. Purchase of investments	(1,08,25,724.25)	(9,57,500.00)
4. Loans disbursed	-	-
5. Sale of Investments	83,30,550.59	-
6. Repayments received	-	-
7. Rents/interest/dividend received	84,550.33	23,620.57
8. Investments in money market instruments and in liquid mutual funds (net)	(6,40,639.44)	-
9. Expenses related to investments	(7.50)	-
<b>11. Net cash from investing activities (B)</b>	<b>(31,14,635.68)</b>	<b>(9,35,336.78)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
1. Proceeds from Issuance of Share Capital Application Money (including Share Premium and net of Share Issue Expenses)	-	10,56,230.50
2. Proceeds from Borrowings	-	3,814.00
3. Repayment of Borrowings	-	(4,300.00)
4. Interest and dividend paid	-	-
5. Dividend Distribution Tax	-	-
<b>6. Net cash from financing activities (C)</b>	<b>-</b>	<b>10,55,744.50</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents, net</b>	<b>-</b>	<b>-</b>
<b>E. Net increase in cash and cash equivalents: (E)=(A)+(B)+(C)+(D)</b>	<b>6,773.21</b>	<b>7,185.65</b>

# Receipts & Payments Account (Cashflow) Direct Basis

For the year ended March 31, 2024

Rupees in ('000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Add : Cash and cash equivalents at the beginning of the year	7,211.81	26.16
<b>Cash and cash equivalents at the end of the year</b>	<b>13,985.03</b>	<b>7,211.81</b>
<b>F. Components of cash and cash equivalents at the end of the year</b>	<b>13,985.03</b>	<b>7,211.81</b>
(a) Cash (including Stamps on hand)	2.30	1,825.44
(b) Cheques on hand		
(c) Bank balances	13,982.73	5,386.38
(d) Short term Fixed Deposits	6,000.00	9,57,500.00
(e) Money at call and short notice (only due within 3 months)	-	-
(f) Temporary overdraft as per books of accounts -		
<b>Cash and cash equivalents at the end of the year (a)+(b)+(c)+(d)+(e)</b>	<b>19,985.03</b>	<b>9,64,711.81</b>
Add: Fixed Deposits maturing after 3 Months	-	-
Add: Temporary overdraft as per books of accounts	-	-
<b>Cash and Bank balance as per Balance Sheet</b>	<b>19,985.03</b>	<b>9,64,711.81</b>

For Cash and cash equivalents – Refer note 2.23 of schedule 16

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 under the 'Direct method' in accordance with Accounting Standard 3 on Cash Flow Statements notified under the Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2016.

As per our attached report of even date

**For Jawahar and Associates**

Chartered Accountants  
FRN.: 001281S

**For SCV & Co. LLP**

Chartered Accountants  
FRN.: 000235N/N500089

**For and on behalf of Board**

Kshema General Insurance Limited

**CA M. Chandramouleswara Rao**

Partner  
M.No: 024608  
UDIN: 24024608BKGTEA3308

**CA Anuj Dhingra**

Partner  
M.No: 512535  
UDIN: 24512535BKCFE2106

**Vyasa Krishna Burugupalli**

Managing Director & CEO  
DIN: 03072517

**Natraj Nukala**

Director  
DIN: 02119316

**Rajeshnani Venkata Dasari**

Director  
DIN: 09632402

**Deepa Karthykeyan**

Director  
DIN: 03114477

**Sivarama Prasad Tammana**

Director  
DIN: 06405913

**Prabha Vadlamannati**

Company Secretary &  
Chief Compliance Officer

**Prashant Shenoy**

Chief Financial Officer

Place : Hyderabad  
Date : July 17, 2024

Place : New Delhi  
Date : July 17, 2024

Place : Hyderabad  
Date : July 17, 2024

# Schedule

Forming part of the financial statements

## SCHEDULE NO.1 | PREMIUM EARNED (NET)

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023					
	Crop	Fire	Marine	Miscellaneous	Total	Crop	Fire	Marine	Miscellaneous	Total
	Rupees in ('000)									
Premium from direct business written - net of GST	56,84,950.44	4.01	-	-	56,84,954.45	-	-	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-	-	-	-	-	-	-
Less: Premium on reinsurance ceded	17,62,480.01	-	-	-	17,62,480.01	-	-	-	-	-
<b>Net Premium</b>	<b>39,22,470.44</b>	<b>4.01</b>	-	-	<b>39,22,474.45</b>	-	-	-	-	-
Adjustment for change in reserve for unexpired risks	5.65	3.99	-	-	9.64	-	-	-	-	-
<b>Total premium earned (net)</b>	<b>39,22,464.79</b>	<b>0.02</b>	-	-	<b>39,22,464.81</b>	-	-	-	-	-
<b>Note :</b>										
<b>Premium income earned from business concluded</b>										
- In India	39,22,464.79	0.02	-	-	39,22,464.81	-	-	-	-	-
- Outside India	-	-	-	-	-	-	-	-	-	-
<b>Total premium earned (net)</b>	<b>39,22,464.79</b>	<b>0.02</b>	-	-	<b>39,22,464.81</b>	-	-	-	-	-

## SCHEDULE NO.2 | CLAIMS INCURRED (NET)

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023					
	Crop	Fire	Marine	Miscellaneous	Total	Crop	Fire	Marine	Miscellaneous	Total
	Rupees in ('000)									
Claims Paid	11.76	-	-	-	11.76	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-	-	-
Add: Re-insurance accepted	-	-	-	-	-	-	-	-	-	-
Less: Re-insurance ceded	-	-	-	-	-	-	-	-	-	-
<b>Net Claim Paid</b>	<b>11.76</b>	-	-	-	<b>11.76</b>	-	-	-	-	-
Add: Claims Outstanding at the end of the year (net of reinsurance)	28,13,262.65	0.02	-	-	28,13,262.67	-	-	-	-	-
Less: Claims Outstanding at the start of the year (net of reinsurance)	-	-	-	-	-	-	-	-	-	-
<b>Total Claims incurred (net)</b>	<b>28,13,274.41</b>	<b>0.02</b>	-	-	<b>28,13,274.42</b>	-	-	-	-	-
Claims incurred										
- In India	28,13,274.41	0.02	-	-	28,13,274.42	-	-	-	-	-
- Outside India	-	-	-	-	-	-	-	-	-	-
<b>Total Claims incurred (net)</b>	<b>28,13,274.41</b>	<b>0.02</b>	-	-	<b>28,13,274.42</b>	-	-	-	-	-

# Schedule

Forming part of the financial statements

## SCHEDULE NO.3 | COMMISSION

Particulars	Rupees in ('000)							
	For the year ended March 31, 2024			For the year ended March 31, 2023				
	Crop	Fire	Miscellaneous	Total	Crop	Fire	Miscellaneous	Total
<b>Commission paid direct</b>	48,399.06	-	-	48,399.06	-	-	-	-
Add : Commission on re-insurance accepted	-	-	-	-	-	-	-	-
Less : Commission on re-insurance ceded	88,002.58	-	-	88,002.58	-	-	-	-
<b>Net Commission</b>	<b>(39,603.52)</b>	-	-	<b>(39,603.52)</b>	-	-	-	-

### Break-up of commission paid direct :

Particulars	Rupees in ('000)							
	For the year ended March 31, 2024			For the year ended March 31, 2023				
	Crop	Fire	Miscellaneous	Total	Crop	Fire	Miscellaneous	Total
Agents	-	-	-	-	-	-	-	-
Brokers	-	-	-	-	-	-	-	-
Corporate agency	-	-	-	-	-	-	-	-
Referral	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
i) Banks	40,703.30	-	-	40,703.30	-	-	-	-
ii) CSC	7,695.76	-	-	7,695.76	-	-	-	-
<b>Total</b>	<b>48,399.06</b>	-	-	<b>48,399.06</b>	-	-	-	-
Net Commission	-	-	-	-	-	-	-	-
- In India	<b>48,399.06</b>	-	-	<b>48,399.06</b>	-	-	-	-
- Outside India	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>48,399.06</b>	-	-	<b>48,399.06</b>	-	-	-	-

# Schedule

Forming part of the financial statements

## SCHEDULE NO.4 | OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023					
	Crop	Fire	Marine	Miscellaneous	Total	Crop	Fire	Marine	Miscellaneous	Total
	Rupees in ('000)									
Employees' remuneration & welfare benefits	1,24,026.32	-	-	-	1,24,026.32	2,176.49	-	-	-	2,176.49
Travel, conveyance and vehicle running expenses	24,327.46	-	-	-	24,327.46	1,239.41	-	-	-	1,239.41
Training expenses	-	-	-	-	-	-	-	-	-	-
Rents, rates and taxes	18,499.65	-	-	-	18,499.65	558.13	-	-	-	558.13
Repairs and maintenance	4,034.40	-	-	-	4,034.40	717.30	-	-	-	717.30
Printing and stationery	1,117.40	-	-	-	1,117.40	29.18	-	-	-	29.18
Communication	2,114.20	-	-	-	2,114.20	55.38	-	-	-	55.38
Legal and professional charges	1,52,871.05	-	-	-	1,52,871.05	26,244.15	-	-	-	26,244.15
Auditors' fees, expenses, etc.	-	-	-	-	-	-	-	-	-	-
(a) as auditors	1,600.00	-	-	-	1,600.00	364.00	-	-	-	364.00
(b) as advisor or in any other capacity in respect of:	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	300.00	-	-	-	300.00	-	-	-	-	-
(c) In any other capacity	-	-	-	-	-	-	-	-	-	-
(d) Out of pocket expenses	-	-	-	-	-	-	-	-	-	-
Advertisement and publicity	1,22,736.64	-	-	-	1,22,736.64	65.00	-	-	-	65.00
Interest and bank charges	705.66	-	-	-	705.66	0.08	-	-	-	0.08
<b>Others</b>	-	-	-	-	-	-	-	-	-	-
Business support services	64,445.82	-	-	-	64,445.82	2,500.00	-	-	-	2,500.00
Information technology	6,395.00	-	-	-	6,395.00	420.98	-	-	-	420.98
Miscellaneous expenses	49,358.60	-	-	-	49,358.60	290.52	-	-	-	290.52
Depreciation	7,085.37	-	-	-	7,085.37	97.14	-	-	-	97.14
GST on premium/expenses account	94,989.28	-	-	-	94,989.28	-	-	-	-	-
<b>Total</b>	<b>6,74,606.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,74,606.83</b>	<b>34,757.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,757.76</b>

# Schedule

Forming part of the financial statements

## Schedule No.4A | Operating expenses-Other than those related to Insurance business

Particulars	For the year ended March 31, 2024	For the year ended March 31,2023 (from 01 April 2022 to 10 January 2023)
Employees' remuneration, benefits and other manpower costs (Net)	-	5,626.72
Travel, conveyance and vehicle running expenses	-	1,662.04
Training expenses	-	-
Rents, rates and taxes	-	400.87
Repairs and maintenance	-	191.58
Printing and stationery	-	73.19
Communication	-	87.55
Legal and professional charges	-	1,438.35
Auditors' fees, expenses, etc.	-	-
(a) as auditors	-	-
(b) as advisor or in any other capacity in respect of:	-	-
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services	-	-
(iv) Tax audit	-	-
(c) In any other capacity	-	-
(d) Out of pocket expenses	-	-
Advertisement and publicity	-	131.00
Interest and bank charges	-	1.38
Business development and promotion	-	-
Marketing and support services	-	-
Other acquisition costs	-	-
<b>Others</b>	-	-
Exchange (gain) /loss (net)	-	-
Other office running expenses	-	363.48
Membership Fee of IRDAI	-	500.00
Information technology	-	277.85
Insurance Charges	-	10.20
Director Sitting Fee	-	1,470.00
Remuneration to Directors	-	5,400.00
Trademark Fee	-	666.67
Fees and Taxes	-	9,524.41
Donations	-	-
Miscellaneous expenses	-	0.03
Depreciation	-	346.05
<b>Total</b>	-	<b>28,171.37</b>



# Schedule

Forming part of the financial statements

## SCHEDULE NO.5 | SHARE CAPITAL

Rupees in ('000)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
<b>1</b>	<b>Authorized Capital</b>		
	22,00,00,000 (previous year : 12,00,00,000) Equity Shares of ₹10/- each	22,00,000.00	12,00,000.00
<b>2</b>	<b>Issued Capital</b>		
	11,12,87,643 (previous year : 11,12,87,643) Equity Shares of ₹10/- each	11,12,876.43	11,12,876.43
<b>3</b>	<b>Subscribed Capital</b>		
	11,12,87,643 (previous year 11,12,87,643) Equity Shares of ₹10/- each	11,12,876.43	11,12,876.43
<b>4</b>	<b>Called-up Capital</b>		
	11,12,87,643 (previous year 11,12,87,643) Equity Shares of ₹10/- each	11,12,876.43	11,12,876.43
	Less: Class Unpaid		
	Add: Equity Shares forfeited (Amount originally paidup)	-	-
	Less: Par value Equity Shares bought back	-	-
	Less: Preliminary expenses to the extent not written of	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	<b>Total</b>	<b>11,12,876.43</b>	<b>11,12,876.43</b>

## Schedule - 5A | Pattern of shareholding (As certified by the management)

Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>Promoters</b>				
Indian				
Kshema Holdings Private Limited	11,12,83,143.00	99.9,960%	11,12,83,143.00	99.9,960%
Others	3,150.00	0.0,028%	3,150.00	0.0,028%
Foreign				
Nil	-	-	-	-
Others	1,350.00	0.0,012%	1,350.00	0.0,000%
<b>Total</b>	<b>11,12,87,643.00</b>	<b>100.0,000%</b>	<b>11,12,87,643.00</b>	<b>100.0,000%</b>

## SCHEDULE NO.6 | RESERVES AND SURPLUS

Rupees in ('000)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserve	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance of Profit & Loss Account	3,67,363.29	(79,206.18)
	<b>Total</b>	<b>3,67,363.29</b>	<b>(79,206.18)</b>

# Schedule

Forming part of the financial statements

## SCHEDULE NO.7 | BORROWINGS

Rupees in ('000)

S. No.	Particulars	Shareholders	
		As at March 31, 2024	As at March 31, 2023
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others (to be specified)	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

## SCHEDULE NO.8 | INVESTMENTS-SHAREHOLDERS

Rupees in ('000)

S. No.	Particulars	Shareholders	
		As at March 31, 2024	As at March 31, 2023
	<b>Long-term Investments</b>		
1	Government securities and Government guaranteed bonds including Treasury bills	3,02,342.30	-
2	Other approved securities	-	-
3	Approved Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	99,711.27	-
	(e) Other Securities (to be specified)		
	(i) ATI Bonds	-	-
	(ii) Tri-party repo (TREPs)	-	-
	(f) Subsidiaries	-	-
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	3,98,370.57	-
5	Other investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	<b>Sub-Total (A)</b>	<b>8,00,424.15</b>	<b>-</b>
	<b>Short Term Investments</b>		
1	Government securities and Government guaranteed bonds including Treasury bills	28,657.33	-
2	Other approved securities	-	-
3	Approved Investments		
	(a) Shares		
	(aa) Equity shares	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	13,175.92	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	-	-

# Schedule

Forming part of the financial statements

Rupees in ('000)

S. No.	Particulars	Shareholders	
		As at March 31, 2024	As at March 31, 2023
	(e) Other Securities (to be specified)		
	(i) ATI Bonds	-	-
	(f) Subsidiaries	-	-
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	-	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	<b>Sub-Total (B)</b>	<b>41,833.25</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>8,42,257.40</b>	<b>-</b>
	<b>Investments</b>		
	In India	8,42,257.40	-
	Outside India	-	-
	<b>Total</b>	<b>8,42,257.40</b>	<b>-</b>

## SCHEDULE NO.8A | INVESTMENTS-POLICYHOLDERS

Rupees in ('000)

S. No.	Particulars	Policyholders	
		As at March 31, 2024	As at March 31, 2023
	<b>Long-term Investments</b>		
1	Government securities and Government guaranteed bonds including Treasury bills	5,497.25	-
2	Other approved securities		-
3	Approved Investments		
	(a) Shares		
	aa) Equity shares	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	-	-
	(e) Other Securities (to be specified)		
	(i) ATI Bonds	-	-
	(ii) Tri-party repo (TREPs)	-	-
	(f) Subsidiaries		
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	-	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	<b>Sub-Total (A)</b>	<b>5,497.25</b>	<b>-</b>

# Schedule

Forming part of the financial statements

Rupees in ('000)

S. No.	Particulars	Policyholders	
		As at March 31, 2024	As at March 31, 2023
	<b>Short Term Investments</b>		
1	Government securities and government guaranteed bonds including Treasury bills	11,35,558.59	-
2	Other approved securities		-
3	Approved Investments		
	(a) Shares		
	(aa) Equity shares	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	3,56,701.07	
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	9,86,097.00	-
	(e) Other Securities (to be specified)	-	-
	(i) ATI Bonds	-	-
	(ii) Tri-party repo (TREPs)	3,51,130.22	-
	(f) Subsidiaries		
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	3,46,318.42	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares		
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	<b>Sub-Total (B)</b>	<b>31,75,805.30</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>31,81,302.55</b>	<b>-</b>
	<b>Investments</b>		
	In India	31,81,302.55	-
	Outside India	-	-
	<b>Total</b>	<b>31,81,302.55</b>	<b>-</b>

\* Investments are segregated into Policyholders' and Shareholders' fund as per the directions from IRDAI - Refer note no. 2.15 of Schedule 16

## Notes:

- Investments in subsidiary/holding companies, joint ventures and associates - ₹ Nil (Previous Year ₹ Nil)
- Aggregate amount of company's investments other than listed equity securities and derivative instruments - ₹ Nil (Previous Year ₹ Nil)
- Investments made out of Catastrophe reserve - ₹ Nil (Previous Year ₹ Nil)
- Debt securities are considered as 'held to maturity' securities and are measured at historical cost subject to amortisation.

# Schedule

Forming part of the financial statements

## SCHEDULE NO.9 | LOANS

Rupees in ('000)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
<b>1</b>	<b>SECURITY-WISE CLASSIFICATION</b>		
	Secured	-	-
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On shares, bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	<b>Total</b>	-	-
<b>2</b>	<b>BORROWER-WISE CLASSIFICATION</b>		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	<b>Total</b>	-	-
<b>3</b>	<b>PERFORMANCE-WISE CLASSIFICATION</b>		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	<b>Total</b>	-	-
<b>4</b>	<b>MATURITY-WISE CLASSIFICATION</b>		
	(a) Short-Term	-	-
	(b) Long-Term	-	-
	<b>Total</b>	-	-
	<b>Grand Total</b>	-	-

Note: Short-term loans include those, which are repayable within 12 months from the date of Balance Sheet. Long term loans are the loans other than short-term (Previous Year ₹Nil)

# Schedule

Forming part of the financial statements

**SCHEDULE 10 | FIXED ASSETS**

As at March 31, 2024

Particulars	Cost/Gross Block				Depreciation/Amortisation			Net Block		
	Opening	Additions	Deductions	Closing	Upto last year	For the period	On Sales / Adjustments	To date	As at	
									March 31, 2024	
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	-	1,02,567.68	-	1,02,567.68	-	1,873.23	1,873.23	1,873.23	1,00,694.44	-
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Property	-	23,224.73	-	23,224.73	-	1,837.62	1,837.62	1,837.62	21,387.11	-
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	4,315.12	-	4,315.12	-	158.73	158.73	158.73	4,156.39	-
Information Technology Equipment	2,642.33	12,419.74	-	15,062.06	1,473.98	2,200.40	3,674.38	3,674.38	11,387.68	1,168.35
Vehicles	973.92	4,475.82	-	5,449.74	68.25	264.56	332.80	332.80	5,116.94	905.68
Plant and Machinery	-	-	-	-	-	-	-	-	-	-
Office Equipment	139.09	10,567.90	-	10,707.00	38.28	750.81	789.09	789.09	9,917.90	100.81
Others	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,755.34</b>	<b>1,57,570.98</b>	<b>-</b>	<b>1,61,326.33</b>	<b>1,580.51</b>	<b>7,085.35</b>	<b>-</b>	<b>8,665.86</b>	<b>1,52,660.47</b>	<b>2,174.84</b>
Capital Work-in-Progress (including advances)	37,883.27	91,839.39	1,02,567.68	27,154.98	-	-	-	-	27,154.98	37,883.27
<b>Grand total</b>	<b>41,638.61</b>	<b>2,49,410.37</b>	<b>1,02,567.68</b>	<b>1,88,481.30</b>	<b>1,580.51</b>	<b>7,085.35</b>	<b>-</b>	<b>8,665.86</b>	<b>1,79,815.45</b>	<b>40,058.10</b>

Rupees in ('000)



# Schedule

Forming part of the financial statements

As at March 31, 2023

Particulars	Cost/Gross Block			Depreciation/Amortisation		Net Block	
	Opening	Additions	Deductions	Closing Upto last year	For the period Adjustments	To date March 31, 2023	As at March 31, 2022
Goodwill	-	-	-	-	-	-	-
Intangibles - Computer Software	-	-	-	-	-	-	-
Land-Freehold	-	-	-	-	-	-	-
Leasehold Property	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-
Information Technology Equipment	1,821.20	821.12	-	2,642.33	1,086.58	387.40	1,168.35
Vehicles	92.40	881.52	-	973.92	28.98	39.26	1,473.98
Plant and Machinery	-	-	-	-	-	-	63.42
Office Equipment	71.66	67.43	-	139.09	21.76	16.52	100.81
Others	-	-	-	-	-	-	49.91
<b>Total</b>	<b>1,985.27</b>	<b>1,770.07</b>	<b>-</b>	<b>3,755.34</b>	<b>1,137.31</b>	<b>443.19</b>	<b>2,174.84</b>
Capital Work-in-Progress (including advances)	-	37,883.27	-	37,883.27	-	-	37,883.27
<b>Grand total</b>	<b>1,985.27</b>	<b>39,653.34</b>	<b>-</b>	<b>41,638.61</b>	<b>1,137.31</b>	<b>443.19</b>	<b>40,058.10</b>
							<b>847.95</b>

# Schedule

Forming part of the financial statements

## SCHEDULE NO.11 | CASH AND BANK BALANCE

		Rupees in ('000)	
S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
<b>1</b>	<b>Cash (including cheques, drafts and stamps)</b>	2.30	1,825.44
<b>2</b>	<b>Bank Balance</b>		
	(a) Deposit Accounts	-	-
	(aa) Short term (due within 12 months) *	6,000.00	9,57,500.00
	(bb) Others	-	-
	(b) Current Accounts	13,982.73	5,386.38
	(c) Others (to be specified)	-	-
<b>3</b>	<b>Money at Call and Short Notice</b>		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
<b>4</b>	<b>Others (to be specified)</b>		
	<b>Total</b>	<b>19,985.03</b>	<b>9,64,711.81</b>

\* Other than Fixed deposits forming part of Investment assets which is reflecting in Schedule 8 & Schedule 8A - Investments.

## SCHEDULE NO.12 | ADVANCES AND OTHER ASSETS

		Rupees in ('000)	
S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
	<b>Advances</b>		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	5,750.56	346.52
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for tax)		2,626.15
6	Others ( To be specified)		
	(a) Advance to Employees	70.27	1,325.00
	(b) Capital Advances	75,000.00	-
	Less: Provision for doubtful advances	-	-
	(c) Unutilized Tax credit carried forward		
	- Goods and Service Tax (GST)	-	9,795.48
	<b>Total (A)</b>	<b>80,820.82</b>	<b>14,093.15</b>
	<b>Other Assets</b>		
1	Income accrued on investments	1,01,428.08	-
2	Outstanding premiums	22,45,856.65	-
	Less: Provision for doubtful if any	-	-
3	Agents Balances	-	-
	Less: Provision for doubtful amounts	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	-	-
	Less: Provision for doubtful amounts	-	-
6	Due from Subsidiaries/holdings	8,600.00	8,600.00
7	Deposit with Reserve Bank of India (Pursuant to section 7 of Insurance Act, 1938)	-	-
8	Others (To be specified)		
	(a) Other Deposits	20,545.05	4,780.00
	(b) Investment of Unclaimed amount of Policyholders		
	<b>Total (B)</b>	<b>23,76,429.77</b>	<b>13,380.00</b>
	<b>Grand Total (A+B)</b>	<b>24,57,250.60</b>	<b>27,473.15</b>



# Schedule

Forming part of the financial statements

## SCHEDULE NO.13 | CURRENT LIABILITIES

Rupees in ('000)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Agents' Balances	-	-
2	Balances due to other insurance companies	10,95,298.50	-
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	-	-
5	Unallocated Premium	11,22,201.55	-
6	Sundry creditors	65,993.73	3,397.70
7	Due to subsidiaries/holding Company	-	14,715.00
8	Claims outstanding (Net)	27,98,263.57	-
9	Due to Officers/Directors	-	-
10	Others		
	(a) GST Liabilities	188.35	422.10
	(b) Statutory dues	13,030.27	1,789.83
	(c) Other Payables	2,453.05	1,931.80
	<b>Total</b>	<b>50,97,429.01</b>	<b>22,256.44</b>

## SCHEDULE NO.14 | PROVISIONS

Rupees in ('000)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Reserve for unexpired Risk	9.64	-
2	For taxation (less payments and taxes deducted at source)	89,966.83	-
3	Reserve for proposed dividend	-	-
4	For dividend distribution tax	-	-
5	Others		
	For Employee Benefits		
	(a) Gratuity	5,805.40	701.31
	(b) Accrued leaves	1,583.49	347.70
	<b>Total</b>	<b>97,365.35</b>	<b>1,049.01</b>

## SCHEDULE NO.15 | MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

Rupees in ('000)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Discount Allowed in issue of shares/debentures	-	-
2	Others (to be specified)	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

# Schedule

Forming part of the financial statements

## SCHEDULE NO.16

### Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2024.

#### 1 Corporate information

Kshema General Insurance Limited ('the Company') was incorporated on 05 July 2018, as a company under the Companies Act, 2013. The Company is registered with Insurance Regulatory and Development Authority of India ('IRDAI') and is in the business of underwriting general insurance business. The Company holds a valid certificate of registration issued by IRDAI, No. 162 dated 11 January 2023.

#### 2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements. The management evaluates all newly issued or revised accounting pronouncements on an ongoing basis to ensure due compliance.

##### 2.01 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared and presented on going concern basis in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention and accrual basis of accounting and comply with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Amendment Rules, 2021 dated June 23, 2021 to the extent applicable, and in accordance with the statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and other orders and directions issued by the IRDAI, the Companies Act, 2013 to the extent applicable.

The financial statements are presented in Indian rupees rounded off to the nearest thousand.

##### 2.02 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the Balance Sheet and the reported revenue and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of

the relevant facts and circumstances as on the date of the financial statements. Future results could differ due to these estimates and the differences between the actual results and the estimates are prospectively recognised in the periods in which the results are known / materialise.

##### 2.03 Revenue Recognition

###### 1. Premium Income:

Premium, net of goods and service tax, including reinstatement premium, if any, on direct business and reinsurance accepted, is recognized as income over the period of risk or the policy period based on 1/365 method whichever is appropriate, on a gross basis. In respect of Government Schemes being implemented for crop insurance, premium is recognized (including share of Central Government and respective State Government) upon remittance of farmer's share received from the Nodal Banks/ Service Centers (out of such premium collected by them) and subject to acceptance of proposal/ declaration by the Company.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled.

###### 2. Interest / dividend income:

Interest income is recognized on accrual basis and dividend income is recognized when the right to receive the dividend is established.

###### 3. Premium / discount on purchase of investments:

Amortisation of Premium or accretion of discount on acquisition, as the case may be, in respect of fixed income securities, is amortized / accreted on constant yield to maturity basis over the period of maturity/holding.

###### 4. Profit / loss on sale of Equity shares and Mutual fund:

Profit or loss on sale/redemption of equity shares and mutual fund units, being the difference between the net sale consideration and the weighted average cost in the books of the Company, is recognized on trade/redemption date and includes effects of accumulated fair value changes, as applicable and previously recognized.

###### 5. Commission income from reinsurance ceded:

In case of treaties having sliding scale commission, initial recognition would be done once the underlying season's risk exposure is complete and significant portion of claims are settled/finalized. As at end of each balance sheet date, the loss ratio of such

# Schedule

## Forming part of the financial statements

season is estimated and based on such estimate the applicable sliding commission income is recognized. These loss ratios are reviewed at each reporting period and suitable adjustments based on loss ratios are considered as applicable.

### 2.04 Reinsurance Premium ceded

Insurance premium on ceding of risk is recognised simultaneously along with the insurance premium in accordance with reinsurance arrangements with the reinsurers.

### 2.05 Acquisition costs

Acquisition costs, defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz., commission, rewards and incentives, policy issue expenses etc., are expensed in the year in which they are incurred.

### 2.06 Premium received in advance

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the Balance Sheet date, and is recorded on the date of commencement of risk.

### 2.07 Unallocated Premium

Unallocated Premium with respect to the agricultural crop schemes notified by the Government includes monies received from nodal banks and other insurance intermediaries, for which underwriting is yet to commence.

### 2.08 Reserve for Unexpired Risk

Reserve for unexpired risk is recognised net of reinsurance ceded and represents that part of the net premium which is attributable to, and is to be allocated to succeeding accounting periods. It is calculated based on net premium written on all unexpired policies at Balance Sheet date by applying 1/365<sup>th</sup> method on the unexpired period of respective policies.

### 2.09 Premium deficiency

Premium deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. The Company considers maintenance costs as relevant direct costs incurred for ensuring claim handling operations. As per IRDAI circular IRDA/F&A/CIR/FA/126/07/2013, dated 3 July 2013 (Corrigendum to Master Circular IRDA/F&I/CIR/F&A/231/10/2012, dated 5 October 2012), premium deficiency, if any, has been recognized at Segmental Revenue Account Level. The expected claim costs are calculated and duly certified by the Appointed Actuary.

### 2.10 Claims Incurred

Claims are recognized as and when reported and approved. Claims incurred constitutes claims paid, change in the outstanding provision of claims and estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER'). Claims includes specific claims settlement cost, surveyor fees, legal and other directly related costs.

Claims paid (net of recoveries including salvage retained by the insured and includes interest paid towards claims) are charged to the revenue account when approved for payment. Where Salvage Value is taken over by the company, the recoveries from sale of salvage are recognised at the time of such sale.

Provision is made for estimated value of outstanding claims at the Balance Sheet date, net of reinsurance, salvage and other recoveries. Such provision is made on the basis of the ultimate amounts that are likely to be paid against each claim, as anticipated and estimated by the management.

Amounts received/receivable from the reinsurers' and coinsurers', under the terms of the reinsurance and coinsurance arrangements respectively, are recognized together with the recognition of the claim.

### 2.11 IBNR and IBNER (Incurred but not reported and Incurred but not enough reported)

Incurred But Not Reported (IBNR) reserve is a provision for all claims that have occurred prior to the end of the current accounting period but have not been reported to the Company. The IBNR reserve also includes provision for claims Incurred But Not Enough Reported (IBNER). The said liability is determined by Appointed Actuary based on actuarial principles. The actuarial estimate is derived in accordance with relevant IRDAI regulations and applicable guidelines issued by the Institute of Actuaries of India.

### 2.12 Operating expenses related to the insurance business

As required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, the Company has a Board approved policy for allocation and apportionment of expenses of management amongst various business segments. The expenses of management are net of reimbursements and such reimbursements are allocated to the business segments to which the same pertains to the extent allocable. Operating expenses which are directly attributable to a particular business segment and identifiable as such are allocated directly to that segment. Operating expenses which are not directly identifiable to any business segment, but which are attached to

# Schedule

## Forming part of the financial statements

specific functions are apportioned based on the most suitable driver of apportionment for respective functions. Operating expenses which are not attached to specific functions are apportioned based on the most suitable driver of apportionment at Company level.

### 2.13 Income from Investments - Segregation between Policyholders' and Shareholders' funds

Income earned from investments and gains or loss on sale of investments is allocated to Revenue Account and Profit and Loss Account on the basis of actual holding of the investments of the Policyholders and Shareholders as bifurcated according to the IRDAI Circular No. IRDA/F&A/CIR/ CPM/056/03/2016 dated 4 April 2016 with effect from 1 October 2016. The income earned from investments, gains or loss on sale of investments and other income are further allocated to the lines of business in proportion of net premium.

### 2.14 Fixed Assets, Depreciation and Amortization

#### Tangible fixed assets and depreciation

Fixed Assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Tangible Fixed Assets up to the date the asset is ready for its intended use. Subsequent expenditure on Tangible Fixed Assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Temporary structures representing civil and other such works are amortised over a period of their respective useful lives.

#### Intangible fixed assets and amortization

Intangible assets comprising computer software are stated at cost less accumulated amortisation. Computer software including improvements are amortised over a period of the useful life of such intangibles.

Intangible fixed assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. Significant expenditure on improvements to software are capitalized when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and

attributed to the asset reliably. Subsequent expenditures are amortized over the remaining useful life of original software. The management has estimated the useful life for such software as five years (as prescribed under AS 26 for intangible assets).

The useful life of the asset is reviewed by the management at each Balance Sheet date. The Company provides pro rata depreciation from/to the month in which the asset is acquired or put to use/disposed off as appropriate. Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Revenue Account when the asset is de-recognized.

#### Capital Work-in-progress

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

#### Depreciation and amortisation

Depreciation on fixed assets is provided on straight-line method and at the useful life in the manner specified under Schedule II to the Companies Act, 2013. For assets acquired or disposed off during the year, depreciation is provided for on pro-rata basis with reference to the month of acquisition or disposal. Assets costing less than ₹10,000 are fully depreciated / amortized in the year in which they are acquired.

#### Impairment of assets

The carrying amounts of all assets are reviewed by the Company at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. In assessing value in use the estimated future cash flows are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the asset, as determined by the management.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life, if any.

### 2.15 Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938, as amended from time

# Schedule

## Forming part of the financial statements

to time including the amendment brought by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority of India (Investments) Regulations, 2016 as amended from time to time, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and various other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc., if any, and exclude pre-acquisition interest, if any."

### Classification

- Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.
- Investments other than 'short term investments' are classified as 'long term investments'.

Investments that are earmarked, are allocated separately to policyholders' or shareholders', as applicable; balance investments are segregated at Shareholders' level and Policyholders' level notionally based on policyholders' funds and shareholders' funds at the end of period as prescribed by IRDAI.

### Valuation

#### Debt Securities :-

Debt securities including government securities and redeemable preference shares shall be considered as "held to maturity" securities and shall be measured at historical cost subject to amortisation.

#### Equity Securities and Derivative Instruments that are traded in active markets:-

Listed equity securities and derivative instruments that are traded in active markets shall be measured at fair value as at the balance sheet date. For the purpose of calculation of fair value, the lowest of the last quoted closing price of the stock exchanges where the securities are listed shall be taken.

The insurer shall assess on each balance sheet date whether any impairment of listed equity security(ies)/ derivative(s) instruments has occurred.

An active market shall mean a market, where the securities traded are homogenous, availability of willing buyers and willing sellers is normal and the prices are publicly available.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and derivative instruments shall be taken to equity under the head "Fair Value Change Account". The "Profit on sale of investments" or "Loss on sale of investments", as the case may be, shall include accumulated changes in the fair value previously recognised in equity under the heading Fair Value Change Account in respect of a particular security and being recycled to Profit and Loss Account on actual sale of that listed security.

For the removal of doubt, it is clarified that balance or any part thereof shall not be available for distribution as dividends. Also, any debit balance in the said Fair Value Change Account shall be reduced from the profits/free reserves while declaring dividends.

The insurer shall assess, at each balance sheet date, whether any impairment has occurred. An impairment loss shall be recognised as an expense in Revenue/Profit and Loss Account to the extent of the difference between the remeasured fair value of the security/ investment and its acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue/Profit and Loss Account shall be recognised in Revenue/Profit and Loss Account.

#### Unlisted and other than actively traded Equity Securities and Derivative Instruments:-

Unlisted equity securities and derivative instruments and listed equity securities and derivative instruments that are not regularly traded in active market will be measured at historical costs. Provision shall be made for diminution in value of such investments. The provision so made shall be reversed in subsequent periods if estimates based on external evidence show an increase in the value of the investment over its carrying amount. The increased carrying amount of the investment due to the reversal of the provision shall not exceed the historical cost.

For the purposes of this regulation, a security shall be considered as being not actively traded, if as per guidelines governing mutual funds laid down from time to time by SEBI, such a security is classified as "Thinly traded".

### 2.16 Employee benefits

Employee benefits include employee state insurance scheme and gratuity expense.

#### Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the

# Schedule

## Forming part of the financial statements

employee renders the related service. These benefits include salaries, bonus, ex-gratia and compensated absences. All short term employee benefits are accounted on undiscounted basis.

### Post employment - Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### Post employment - Defined benefit plans

Gratuity, which is a defined benefit scheme, is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the projected unit credit method.

### Long term employee benefits - Compensated absences

The Company accounts for its liability towards compensated absences based on the actuarial valuation done as at the Balance Sheet date by an independent actuary using projected unit credit method. The liability includes the long term component accounted on a discounted basis. The costs of such long term employee benefits is internally funded by the company.

## 2.17 Foreign Currency transactions and translations

Transactions in foreign currencies entered into by the Company are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Non-monetary items are carried at historical cost. Revenue and expenses are translated at the exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Profit and Loss Account or Revenue account, as the case may be.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Profit and Loss Account or Revenue account, as the case may be.

## 2.18 Operating leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased

item, are classified as operating lease. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Revenue Account on a straight line basis over the lease term. Initial direct costs incurred specifically for an operating lease are charged to the Revenue Account.

## 2.19 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## 2.20 Goods and Services Tax (GST)

Goods and Services Tax (GST) collected is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized GST credits, if any, are carried forward under "Others – Unutilized GST Carried Forward" and disclosed in Schedule 12 for adjustments in subsequent periods and GST liability to be remitted to the appropriate authority is disclosed under "Others- GST Payable" in Schedule 13. GST paid for eligible input services not recoverable by way of credits is recognized in the Revenue Account as expenses under a separate line item in Schedule 4 and Schedule 4(A).

GST on capital assets is included in the acquisition cost of such assets."

## 2.21 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is

# Schedule

## Forming part of the financial statements

probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

### No provision is recognised for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii. any present obligation that arises from past events but is not recognised because
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Contingent assets are not recognised in the financial statements.

### 2.22 Earnings per share

The basic earnings per share is calculated by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year/ reporting period .

### 2.23 Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances and fixed deposits (other than fixed deposits forming part of investment portfolio as per IRDAI (Investment) regulations with original maturity of three months or less.

# Schedule

Forming part of the financial statements

## NOTES TO ACCOUNTS

### 3 STATUTORY DISCLOSURES AS REQUIRED BY IRDAI

#### 3.01 Contingent Liabilities

S. No.	Particulars	Rupees in ('000)	
		As at March 31, 2024	As at March 31, 2023
1	Partly paid up investments	Nil	Nil
2	Underwriting commitments outstanding	Nil	Nil
3	Claims other than those under policies not acknowledged as debts	Nil	Nil
4	Guarantees given by or on behalf of the Company	Nil	Nil
5	Statutory demands/liabilities in dispute, not provided for, in respect of		
	(a) Income Tax	Nil	Nil
	(b) Goods and Service Tax	Nil	Nil
6	Re-insurance obligations to the extent not provided for in accounts	Nil	Nil

#### 3.02 Encumbrances of assets

The assets of the Company are free from all encumbrances except:

- Fixed deposits of ₹5000 thousand (previous year Rupees.nil) (included in Schedule No.8A Investments-Policyholders) for issuing bank guarantee.
- Margin deposits with CCIL (NDSOM) of ₹200 thousand and 8.97% GOI bond 05/12/2030 (previous year: nil) and (included in Schedule No.8A Investments-Policyholders) for TREPS.

#### 3.03 Capital Commitments

Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹76,695.64 thousand (Previous year ₹Nil). Commitments made and outstanding for loans and investments is ₹Nil (Previous year ₹Nil).

#### 3.04 Claims

- Claims less reinsurance paid to claimants in/outside India are as under:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Claims Paid	-	-
In India	11.76	-
Outside India	-	-

- Ageing of claims outstanding is set out in the table below:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
More than six months	-	-
Others	28,13,262.65	-

- Claims settled and remaining unpaid for a period of more than six months is ₹ Nil (Previous year ₹ Nil).
- There are no products wherein the claims payment period, as per terms of the policy exceeds four years. Hence actuarial assumptions for determination of such claims liabilities are not required.



# Schedule

Forming part of the financial statements

## 3.05 Premium

- a) Premium less reinsurance written from business in/outside India.

Rupees in ('000)

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
In India	39,22,464.81	-
Outside India	-	-

- b) No premium income is recognised on varying risk pattern.

- c) Rural and Social obligation

Percentage of sector - wise (Based on gross direct premium)

(Rupees '000, Count in numbers)

Sector	For the year ended March 31, 2024		For the Year ended March 31, 2023	
	GDPI	% of GDPI	GDPI	% of GDPI
Rural	56,84,951.32	99.99,994%	-	0%
Urban	3.14	0.00,006%	-	0%
<b>Total</b>	<b>56,84,954.45</b>	<b>100.00,000%</b>	<b>-</b>	<b>0%</b>

Social Sector	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
No. of lives	75,407.00	-
GDPI (₹'000)	68,962.32	-

## 3.06 Investments

- a) The Company has invested its funds as per the investment pattern prescribed by the IRDAI Regulations on Investments and the Company's Investment Policy. The amortised book value of Investments of the Company (other than Equity and Mutual Fund Investment) as on March 31, 2024 is ₹ 36,53,682.95 thousand (Previous Year ₹ Nil) and the Market value of the Company's Investments in Equity and Mutual Fund as on that date was ₹ 3,69,876.99 thousand (Previous Year ₹ Nil). Gross Income from Investments amounting to ₹ 1,23,558.17 thousands (Previous year ₹ Nil) include Profit on Sale of Equity is ₹ Nil (Previous Year ₹ Nil).
- b) All investments are made in accordance with insurance act 1938 and IRDAI ( investments regulations,2016) and are performing investments.
- c) The historical cost of those Investments whose reported value is based on Fair Value are:-

(Rupees '000, Count in numbers)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Reported Value	Historical Value	Reported Value	Historical Value
Investments Shareholders	13,175.92	13,100.00	Nil	Nil
Investments Policyholders	3,56,701.07	3,54,500.00	Nil	Nil
<b>Total</b>	<b>3,69,876.99</b>	<b>3,67,600.00</b>	<b>Nil</b>	<b>Nil</b>

- d) The basis of amortization/accretion of premium/discount on purchase of Debt Securities is stated in the Significant Accounting Policy No. 2.15 The effect of amortisation of premium on debt securities is ₹1,919.20 thousand has been amortized during the year (Previous Year ₹Nil).

# Schedule

## Forming part of the financial statements

### e) Value of contracts in relation to investments for:

- i) Purchases where deliveries are pending-nil
- ii) Sales where payments are overdue-nil.
- iii) Investment property-nil.

### f) Allocation of investment income

Investment income is directly identifiable and has been allocated on actuals to revenue account and profit and loss account as applicable.

## 3.07 Additional disclosures on Expenses

Additional disclosures on expenses pursuant to the IRDAI Circular 067/IRDA/F&A/CIR/MAR-08 dated March 28, 2008 have been detailed here in below:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Outsourcing Expenses	1,574.10	-
Business Development	64,445.82	2,500.00
Marketing support	47,476.55	-

## 3.08 Disclosures pursuant to Rule 3(1) of the Companies (Accounts) Rules, 2014:

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 3.09 Software Expenses

Addition to Software amounting to ₹98,141.24 thousand shown in Schedule 10 represents indigenously developed policy administration system. The software cost includes direct costs and allocated overhead required to develop the software. The Company has followed relevant accounting standards while capitalising these costs.

## 3.10 Actuarial methodology

IBNR (including IBNER, where applicable) liability as of March 31, 2024 for the lines of business written during the year has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDAI from time to time and the applicable provisions of the APS21 and APS34 issued by the Institute of Actuaries of India. Pursuant to Actuarial Practice Standard APS33 issued by Institute of Actuaries of India (IAI) which is mandatory and effective from December 1, 2017, the peer review of statutory valuation of liabilities for March 31, 2024 has been carried out by an independent actuary.

# Schedule

## Forming part of the financial statements

### 3.11 Computation of Managerial remuneration

#### Disclosures under the guidelines on Remuneration of Directors and Key Managerial Persons

##### A. Qualitative Disclosures

##### a. Information relating to the composition and mandate of the Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee (hereinafter referred to as "NRC") constituted by the Board of Directors is as follows:

Ms. Deepa Karthykeyan – Independent Woman Director

Mr. Sivaramprasad Tammana – Independent Director

Mr. Natraj Nukala – Non-executive Director

The mandate of the NRC is as follows:

Determine/review the Company's policy on specific remuneration packages for the Executive Directors including any compensation.

Oversee the framing, review and implementation of remuneration policy of the Company on behalf of the Board.

Formulate policy, procedures and schemes and to undertake overall supervision and administration of Employee Incentive Plans in the Company.

Review the Board structure, size and composition and make recommendation for any changes.

##### b. Information relating to the design and structure of remuneration policy and the key features and objective of remuneration policy:

The remuneration policy seeks to ensure that the compensation structure of the Company is in line with industry standards, with an aim to attract and retain talent and at the same time ensuring fairness and objectivity while evaluating performance.

The key features of remuneration policy are as follows:

Remuneration for non-executive directors

Remuneration for Key Managerial Persons (KMPs)

Remuneration for Senior Management Personnel (one level below MD & CEO)

Annual compensation including Fixed and Variable pay and Deferral arrangements

Malus and clawback provisions

Accounting and reporting

The objectives of remuneration policy are as under:

- To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive personnel.
- To ensure that the relationship of remuneration to performance is clear and meets the performance benchmarks.

To ensure that the remuneration involves a balance between Fixed Pay and Variable Pay reflecting the short-term and long-term performance objectives appropriate for the working of the Company and its goals.

##### c. Description of the ways in which current and future risks are taken into account in the remuneration policy:

The Board of the Company approves the Risk Management Framework and all business activities of the Company revolve around this framework. This framework comprises of the Company's risk appetite, financial and non-financial risks, apart from procedures and processes to identify and mitigate such risks. The NRC takes into account all these factors while assessing the Company's overall performance and that of individual employees; and making necessary recommendations to the Board.

# Schedule

## Forming part of the financial statements

The remuneration policy makes it mandatory that the NRC consults the Risk Management Committee constituted by the Board to ensure that remuneration is adjusted for all risks, payouts are sensitive to time horizon risks and the mix of cash, equity and other forms of remuneration are consistent with risk alignment.

d. **Description of the ways in which the Company seeks to link performance, during a performance measurement period, with levels of remuneration:**

The remuneration policy of the Company factors in both qualitative and quantitative aspects while evaluating performance. The following minimum parameters are considered in determining the performance of KMPs – (a) overall financial performance such as Network, Solvency, growth in AUM, Net Profit etc.; (b) Compliance with EOM regulations prescribed by the IRDAI; (c) Claims efficiency in terms of settlement and outstanding; (d) Improvement in Grievance Redressal status; (e) Reduction in unclaimed amounts of policyholders; (f) Renewal rate; (g) Overall compliance status with all applicable laws.

These parameters are given atleast 60% weightage in the performance assessment matrix of MD/CEO and atleast 30% weightage for other KMPs.

B. **Quantitative Disclosures**

a. **Complete details of remuneration awarded for the financial year to MD & CEO:**

		Rupees in ('000)
<b>Name of the MD &amp; CEO</b>		<b>Dr. Vyasa Krishna Burugupalli</b>
Designation		Managing Director and Chief Executive Officer
Fixed Pay	Pay and Allowances	6,000.00
	Perquisites etc	-
	<b>Total</b>	<b>6,000.00</b>
Variable Pay	Cash components	-
	Non-cash components	-
	<b>Total</b>	<b>-</b>
<b>Total of Fixed+Variable Pay</b>		<b>6,000.00</b>
Amount debited to Revenue A/c		-
Amount debited to Profit and Loss A/c		-
Value of joining/sign-on bonus		-
Retirement benefits like gratuity, pension etc. paid during the year		-
Amount of deferred remuneration of earlier years paid/settles during the year		-

b. **Details of outstanding deferred remuneration of MD/CEO at the end of the financial year:**

Name of the MD/CEO	Designation	Remuneration pertains to Financial Year	Nature of Remuneration outstanding	Amount Outstanding (₹ in Lakhs)
Dr. Vyasa Krishna Burugupalli	Managing Director and Chief Executive Officer	2023-24	-	-

c. **Details of Remuneration to Non-Executive Directors are as under**

		Rupees in ('000)			
Sr. No	Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
		Remuneration	Sitting fees paid	Remuneration	Sitting fees paid
1	Natraj Nukala	-	315.00	10,800.00	-
2	Rajeshnani Dasari	-	300.00	-	-
3	Deepa Karthykeyan	-	225.00	-	-
4	Sivaramprasad Tammana	-	375.00	-	-

# Schedule

## Forming part of the financial statements

### 3.12 Premium deficiency

The Company has provided Premium Deficiency ₹ Nil (Previous year ₹ Nil) as per IRDAI regulatory guideline - refer Schedule 16 note 2.09

### 3.13 Extent of risk written and reinsured based on Gross written premium (excluding stop loss)- Basis (value at risk).

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	% age of business written	% age of business written
Risk Retained	70%	-
Risk Reinsured	30%	-
<b>Total</b>	<b>100%</b>	<b>-</b>

### 3.14 Contribution to Environmental Relief Fund

The Company has collected an amount of ₹ NIL (Previous year - ₹.NIL) towards Environment Relief Fund from public liability policies.

### 3.15 Segmental Reporting

The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. The income from investments, other income and operating expenses attributable to the business segments are allocated as mentioned in Notes 2.7 and 2.8 to Schedule 16. Segment revenue and results have been disclosed in the financial statements. Segment assets and liabilities have been identified to the extent possible in the statement annexed (refer Annexure-1) hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interest overseas and does not distinguish any reportable regions within India.

### 3.16 Related Party Disclosures

Related party disclosures have been set out in a separate statement annexed (refer Annexure 2) to this schedule as per Accounting Standard 18 'Related Party Disclosures' issued under Companies (Accounting Standards) Rules, 2006.

### 3.17 Operating lease payments

The Company's significant leasing arrangements include agreements for official and residential premises. These lease agreements are generally mutually renewal/cancellable by the lessor /lessee. The future minimum lease payments relating to non-cancellable leases are disclosed below:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Payable not later than one year	31,396.48	2,792.31
payable later than one year but not later than five years	97,995.36	5,663.28
Payable later than five years	-	-

Amount charged to Revenue accounts in respect of all lease arrangements aggregates ₹16,985.44 thousand (Previous year ₹959 thousand).

There are no transactions in the nature of sub leases.

The period of agreement is generally of three years and renewable thereafter at the option of the lessee.

# Schedule

Forming part of the financial statements

## 3.18 Earnings per Share ('EPS')

Rupees in ('000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax	4,46,569.47	(23,683.96)
Basic earnings before extra-ordinary items (A) Rupees	4,46,569.47	(23,683.96)
Basic earnings after extra-ordinary items (B) Rupees	4,46,569.47	4,46,569.47
Weighted average number of equity shares (par value of Rupees 10 each)	11,12,87,643.00	4,89,35,321
Basic and diluted earnings per share (A/C) Rupees	4.01	(0.48)
Basic and diluted earnings per share after extraordinary items (B/C) Rupees	4.01	9.13

As there were no dilutive equity shares or potential equity shares issued, no reconciliation between the denominator used for computation of basic and diluted earnings per share is necessary.

## 3.19 Taxation

The deferred tax assets and liabilities, arising due to timing differences have been recognized in the financial statements as under

Rupees in ('000)

Deferred tax asset	For the year ended March 31, 2024	For the year ended March 31, 2023
Timing difference on account of -	-	-
Reserve for unexpired risks	-	-
Employee benefits	-	-
Long Term incentive plan	-	-
Provision for doubtful debts	-	-
Solatium fund	-	-
Provision for diminution in value of Investments	-	-
Carryforward of business losses	(24,767.61)	24,767.61
<b>Total</b>	<b>(24,767.61)</b>	<b>24,767.61</b>
<b>Deferred tax liability</b>		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	4,877.38	34.98
<b>Net deferred tax asset</b>	<b>(29,644.99)</b>	<b>24,732.63</b>
Deferred tax (income)/expense recognized in the Profit and loss account	29,644.99	(24,732.63)

During the financial year ended March 31, 2024, the current tax includes provision of income tax ₹ Nil (Previous year - ₹Nil) for earlier years being difference between tax liability as per return of income and tax liability provided in books of account.

During the financial year ended March 31, 2024, the current tax includes reversal of income tax provision of ₹ Nil (Previous year - ₹ Nil) for earlier years.

# Schedule

## Forming part of the financial statements

### 3.20 Employee benefit plans

#### i) Defined contribution plan

The Company has recognized following amounts in the Revenue and Profit and Loss account, as relevant, for the year in respect of contribution towards defined contribution plans:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund	3,211.16	184.04
Superannuation scheme	-	-
Employee state insurance corporation	102.26	25.58
Labour welfare fund	-	-
Contribution to National Pension Scheme	-	-
Contribution to Employee Deposit Linked Insurance	-	-
<b>Total</b>	<b>3,313.42</b>	<b>209.62</b>

#### ii) Defined benefit plan (gratuity)

The Gratuity plan of the Company provides for a lump-sum payment to vested employees at retirement/termination/death or on resignation from employment. The payment is based on employee's last drawn salary and number of years of employment with the Company. The actuarial valuation of gratuity liability of the Company is determined at each Balance Sheet date using projected unit cost method. The following table shows the amounts recognized in the Balance Sheet.

#### I. Revenue Account

##### Net employee benefit expenses (recognized in Employee cost)

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	4,440.70	181.76
Interest cost on defined benefit obligation	52.67	-
Prior Service Cost – Vested benefit	-	519.55
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	610.73	-
<b>Net benefit expenses</b>	<b>5,104.09</b>	<b>701.31</b>

#### II. Balance Sheet

##### (i) Details of provision for gratuity

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation	5,805.40	701.31
Fair value of plan assets	-	-
Net liability/(asset) recognized in the Balance Sheet	5,805.40	701.31

# Schedule

Forming part of the financial statements

(ii) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	701.31	-
Interest cost	52.67	-
Current service cost	4,440.70	181.76
Prior Service Cost – Vested benefit	-	519.55
Benefits paid	-	-
Actuarial losses/(gains) on obligation	610.73	-
Closing fair value of plan assets	5,805.40	701.31

(iii) Changes in the fair value of plan assets are as follows:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial (losses)/gains	-	-
Closing fair value of plan assets	-	-

iv) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024 %	For the year ended March 31, 2023 %
Investments with insurer	-	-
<b>Asset allocation:</b>		
Government securities	-	-
Debentures and bonds	-	-
Fixed Deposits	-	-
Money market instruments	-	-
Others	-	-

v) The principles assumptions used in determining the benefit obligations for the Company's gratuity plans are shown below:

Particulars	Rupees in ('000)	
	For the year ended March 31, 2024 %	For the year ended March 31, 2023 %
Discount rate	7.23%	7.51%
Expected rate of return on assets	0.00%	0%
Increase in compensation cost	10.00%	10%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



# Schedule

## Forming part of the financial statements

vi) Experience Adjustments for the current and previous four years are as follows:

Rupees in ('000)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined benefit obligation	-	-	-	-	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	-	-	-	-	-
Experience adjustments on Plan Liabilities	-	-	-	-	-
Experience adjustments on Plan Liabilities	-	-	-	-	-

### III. Other long-term benefits

#### Compensated absence

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Rupees in ('000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation	-	-
Expenses recognized in the Profit and Loss account and Revenue account during the year	1,235.79	347.70
<b>Actuarial assumptions used</b>		
Discount rate	7.23%	7.51%
Salary escalation rate*	10%	10%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%

\* Future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### Long-term incentive plans

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuations are:

Rupees in ('000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation	-	-
Expense recognized in income statement during the year	1,235.79	-
<b>Actuarial assumptions used</b>		
Discount rate	7.23%	-
Attrition rate	5.00%	-

### iv) Code on social security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. However, the date on which the Code will come into effect has not been notified as on March 31, 2023 and final rules/interpretation have not yet been issued by the respective States. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements.

# Schedule

## Forming part of the financial statements

### 3.21 Summary financial statements and Accounting ratios

The summary of the financial statements for the last 5 years and the ratios required to be furnished have been set out in the statement annexed hereto. (Refer Annexure 3 and Annexure 4)

### 3.22 Expenses related to Policyholder's and Shareholder's investments

Expenses directly identifiable with investment activity amounting to ₹NIL (Previous year ₹NIL) are included under "expenses other than those relating to insurance business" in the Profit & Loss Account.

### 3.23 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

According to information available with the management, on the basis of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act, the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

		Rupees in ('000)	
S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	The principal amount remaining unpaid to any supplier as at the end of the year	-	-
2	Interest due on the above amount	-	-
3	The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
4	Amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
5	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
6	Amount of interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

### 3.24 Fines and Penalties

No penal action has been taken by Government Authorities during the year (Previous Year: Nil).

### 3.25 Claims expense

The management of the Company has repudiated few of the Crop insurance claims in the Crop insurance portal, which were not in line with policy terms. This matter has been contested on grounds of various merits available in favour of the Company and Company's objections raised thereto were yet to be finalised / concluded with government authorities. Pending such finalisation, Claims Incurred (Net) shown in Schedule no. 2 includes a provision amounting to ₹10,95,178.07 thousands (Previous year ₹ Nil) towards such claims, which according to management's assessment and evaluation, adequately reflects the anticipated actual outcome upon finalisation of such claims.

### 3.26 Unclaimed funds

There are no unclaimed funds as required to be disclosed under circular no. IRDA/F&A/CIR/Mis/282/11/2020 dated November 17, 2020 and therefore there is no corresponding investment income.

### 3.27 Unallocated Premium

Unallocated Premium of ₹11,22,201.55 thousands (Previous year ₹Nil) shown in Schedule no.13 represents monies received from banks and other insurance intermediaries during the financial year in respect of Pradhan Mantri Fasal Bima Yojana (PMFBY) for which the Company could not complete its underwriting, owing, inter-alia, to non-tagging of applications to premium. The Company recognises revenue against such monies received upon completion of underwriting, in accordance with its accounting policy.

# Schedule

## Forming part of the financial statements

**3.28** Pending litigations: Nil (Previous year: Nil)

### 3.29 Long Term Contracts

The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard. As at March 31 2024 the Company did not have any outstanding derivative contracts.

### 3.30 Contribution to Investor Education and Protection Fund

For the year ended March 31, 2024, there is no amount that needs to be transferred to the Investor Education and Protection Fund.

### 3.31 Corporate Social Responsibility

During the year the company is not required to spend any money towards corporate social responsibility, as per provisions of section 135 of Companies Act 2013.

### 3.32 Repo and Reverse Repo Transaction

				Rupees in ('000)	
Particulars		Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2024
Securities sold under (treps) repo (At cost)					
1. Government Securities	FY2024	-	-	-	-
	FY2023	-	-	-	-
2. Corporate Debt Securities	FY2024	-	-	-	-
	FY2023	-	-	-	-
Securities purchased under( treps) reverse repo (At cost)					
1. Government Securities	FY2024	44,492.02	3,50,340.81	1,88,456.48	3,50,340.81
	FY2023	-	-	-	-
2. Corporate Debt Securities	FY2024	-	-	-	-
	FY2023	-	-	-	-

### 3.33 Solvency Margin

			Rupees in ('000)	
Solvency Margin		For the year ended March 31, 2024	For the year ended March 31, 2023	
Required solvency margin under IRDAI Regulations (A)		8,43,978.79		-
Available solvency margin (B)		14,44,778.32		-
Solvency ratio actual (times) (B/A)		1.71		-
Solvency ratio prescribed by Regulation		1.50		-

**3.34** Dividend - ₹ Nil (Previous year ₹ Nil)

### 3.35 Provision for Standard assets for debt portfolio

In accordance with the 'Guidelines on Prudential norms for income recognition, Asset classification, Provisioning and other related matters in respect of Debt portfolio' as specified by IRDAI vide the Master Circular dated 11 December 2013 a provision for standard assets at 0.40% of the value of the asset is required. There are no loans in the nature of investments outstanding and hence, no provisioning has been made during the year.

# Schedule

## Forming part of the financial statements

### 3.36 Provision for Standard assets for debt portfolio

In accordance with the 'Guidelines on Prudential norms for income recognition, Asset classification, Provisioning and other related matters in respect of Debt portfolio' as specified by IRDAI vide the Master Circular dated 11 December 2013 a provision for standard assets at 0.40% of the value of the asset is required. There are no loans in the nature of investments outstanding and hence, no provisioning has been made during the year.

### 3.37 Foreign exchange gain/loss

The foreign exchange loss (net) debited to Revenue Account for the year ended March 31, 2024 is ₹92.63 thousand (Previous Year ₹Nil).

### 3.38 Disclosures on other work given to auditors

Pursuant to Corporate Governance guidelines issued by IRDAI dated May 18, 2016, the additional works (other than statutory/ internal audit) given to the auditors are detailed below:

Name of the Firm	Nature of service	Rupees in ('000)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Jawahar and Associates	Tax Audit fee	300.00	-
SCV & Co. LLP		-	-

### 3.39 Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under section 11 (3) of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015

Particulars	From April 01, 2023 to March 31, 2024
Name of the person in-charge	Dr. Vyasa Krishna Burugupalli
Designation of person in-charge	Managing Director and Chief Executive Officer
Occupation of person in-charge	Service
Directorship	Kshema General Insurance Limited
Name of the person in-charge	Prabha Vadlamannati
Designation of person in-charge	Company Secretary & Chief Compliance Officer
Occupation of person in-charge	Service
Directorship	Nil
Name of the person in-charge	Prashant Shenoy
Designation of person in-charge	Chief Financial Officer
Occupation of person in-charge	Service
Directorship	Nil
Name of the person in-charge	Piyush Jain
Designation of person in-charge	Appointed Actuary
Occupation of person in-charge	Service

### 3.40 Contribution from Shareholders' account to Policyholders' account

In line with IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016, as amended from time to time, we confirm that at an overall level the Company's expenses are well within expense limits set thereunder.

# Schedule

## Forming part of the financial statements

### 3.41 Operating Expenses

Operating expenses of the Company during the year pertain virtually, in its entirety, to Crop insurance, as premium from other lines of business was significantly immaterial.

**3.42** The Company has put in place a framework to comply with the requirements of the Companies Act, read with rules and notifications issued thereunder, with respect to compliance with the audit trail requirements, to the extent applicable.

### 3.43 Previous year comparatives

The Financial Year 2023-24 is the first full year of commercial operations of the Company. The operating expenses incurred for the period April 01, 2022 upto January 11, 2023 (the date of certificate of registration issued by the IRDAI) have been accounted for in the shareholders' account. Hence, previous year figures are not strictly comparable.

### As per our report of even date attached

#### For Jawahar and Associates

Chartered Accountants  
FRN.: 001281S

#### For SCV & Co. LLP

Chartered Accountants  
FRN.: 000235N/N500089

#### For and on behalf of Board

**Kshema General Insurance Limited**

#### CA M.Chandramouleswara Rao

Partner  
M.No: 024608  
UDIN: 24024608BKGTEA3308

#### CA Anuj Dhingra

Partner  
M.No: 512535  
UDIN: 24512535BKCXFE2106

#### Vyasa Krishna Burugupalli

Managing Director & CEO  
DIN: 03072517

#### Natraj Nukala

Director  
DIN: 02119316

Place : Hyderabad

Date : July 17, 2024

Place : New Delhi

Date : July 17, 2024

#### Rajeshnani Venkata Dasari

Director  
DIN: 09632402

#### Deepa Karthykeyan

Director  
DIN: 03114477

#### Sivarama Prasad Tammana

Director  
DIN: 06405913

#### Prabha Vadlamannati

Company Secretary &  
Chief Compliance Officer

#### Prashant Shenoy

Chief Financial Officer

Place : Hyderabad

Date : July 17, 2024

# Schedule

Forming part of the financial statements

## ANNEXURE 1 - SEGMENTAL BREAK UP OF THE BALANCE SHEET ITEM AS AT MARCH 31, 2024

Segment results have been incorporated in the Financial Statements. However segment asset and liabilities, given the nature of the business, have been allocated amongst various segments to the extent possible.

Rupees in ('000)

Particulars	Crop		Fire		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Premium Earned (Net)	39,22,464.79	-	0.02	-	39,22,464.81	-
Premium Received in Advance	11,22,201.55	-	-	-	11,22,201.55	-
Claims Outstanding ( Net )	27,98,263.57	-	-	-	27,98,263.57	-
Reserve for Unexpired Risk	5.65	-	3.99	-	9.64	-
Outstanding premium	22,45,856.65	-	-	-	22,45,856.65	-
Operating result	5,36,600.72	(46,490.04)	0.00	-	5,36,600.73	(46,490.04)
Capital Expenditure for the period	1,57,570.98	1,770.07	-	-	1,57,570.98	1,770.07
Depreciation for the period	7,085.35	443.19	-	-	7,085.35	443.19

## ANNEXURE 2 - RELATED PARTIES AND NATURE OF RELATIONSHIP WHERE TRANSACTIONS MADE DURING THE YEAR:

Nature of Relationship	Name of the Related party
Enterprise having substantial interest	Kshema Capital Private Limited
Holding Company	Kshema Holdings Private Limited
Promoter	Natraj Nukala
<b>Key Managerial personnel (KMP)</b>	
Managing Director and Chief Executive Officer	Vyasa Krishna Burugupalli
Director	Natraj Nukala
Company Secretary & Chief Compliance Officer	Prabha Vadlamannati
Chief Financial Officer	Prashant Shenoy (From April 24, 2023)
Appointed Actuary	Piyush Jain (From April 17, 2023)
Chief Risk Officer	Kumar Saurav (From July 18, 2023)
Chief Marketing Officer	Bhaskar Thakur (From July 03, 2023)
Chief Investment Officer	Arinjay Jaini (From July 03, 2023)
Company in which the Director has substantial interest	ITUS Insurance Brokers Private Limited
<b>Relatives of Key management personnel as per AS-18 disclosure</b>	
Vyasa Krishna Burugupalli - Managing Director and Chief Executive Officer	
<b>Nature of Relationship</b>	<b>Relative's Name</b>
<b>NA</b>	<b>NIL</b>

# Schedule

Forming part of the financial statements

## Related Party Disclosures under AS 18 for the year 2023-24

### Transactions during the year

			Rupees in ('000)	
S. No	Name of the related party	Description	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Kshema Holdings Private Limited	Share Application money received	-	10,56,231
		Share Capital allotted	-	10,56,178
		Refund of Share application money	-	380
2	Kshema Capital Private Limited	<u>Expenditure</u>		
		Arrangers Fee	1,26,000.00	18,000
		Trademark Fee	24,000.00	9,500
3	Natraj Nukala	<u>Expenditure</u>		
		Remuneration	-	10,800
		Reimbursements	13,862.41	4,258
4	Dr. Vyasa Krishna Burugupalli	<u>Expenditure</u>		
		Remuneration	6,000.00	-
		Director Sitting fee	-	1,470
5	ITUS Insurance Brokers Private Limited	<u>Expenditure</u>		
		Reimbursement	-	486
		Advance paid	-	4,300
		Advance received	-	3,814

### Outstanding Balances Assets/(Liabilities)

			Rupees in ('000)	
S. No	Name of the related party	Description	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Kshema Holdings Private Limited	Share Capital	11,12,831.43	11,12,831
		Reimbursements Receivable	8,600.00	8,600
2	Kshema Capital Private Limited	Advance for purchase of technical know-how / sale of service	75,000.00	14,715
3	Natraj Nukala	Reimbursements payable	(1,193.06)	(4.50)
4	Vyasa Krishna Burugupalli	Director Sitting fee Payable	-	(735)

# Schedule

Forming part of the financial statements

## ANNEXURE 3 - SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Rupees in ('000)				
	2024	2023	2022	2021	2020
<b>OPERATING RESULTS</b>					
Gross Written Premium	56,84,954.45	-	-	-	-
Net Premium Income (net of Reinsurance)	39,22,464.81	-	-	-	-
Income from Investments (net of losses)	54,969.63	-	-	-	-
Miscellaneous Income	-	-	-	-	-
<b>Total Income</b>	<b>39,77,434.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Commissions (net including brokerage)	(39,603.52)	-	-	-	-
Operating Expenses	6,74,606.83	46,490.04	-	-	-
Net Incurred Claims	28,13,274.41	-	-	-	-
Change in Unexpired Risk Reserve	-	-	-	-	-
<b>Operating Profit/Loss</b>	<b>5,29,156.73</b>	<b>(46,490.04)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON OPERATING RESULTS</b>					
Total income under Shareholder's Account	60,948.60	26,244.83	-	-	-
Profit before Tax	5,97,837.88	(48,416.59)	-	-	-
Provision for Tax	1,51,268.41	(24,732.63)	-	-	-
Profit after Tax	4,46,569.47	(23,683.96)	-	-	-
<b>MISCELLANEOUS</b>					
Policyholder's Account	-	-	-	-	-
Total Funds	27,87,116.77	-	-	-	-
Total Investments	31,81,302.55	-	-	-	-
Yield on Investments	0.07	-	-	-	-
Shareholder's Account	-	-	-	-	-
Total Funds	14,80,315.64	-	-	-	-
Total Investments	8,42,257.40	-	-	-	-
Yield on Investments	0.08	-	-	-	-
Paid up Equity Capital	11,12,876.43	11,12,876.43	-	-	-
Net Worth	14,80,239.72	10,33,670.25	-	-	-
Total Income	1,15,902.74	-	-	-	-
Total Assets (Gross of current liabilities and provisions)	66,83,910.95	-	-	-	-
Yield on Total Investments	0.07	-	-	-	-
Earning Per Share	4.01	-	-	-	-
Book value per Share	13.30	-	-	-	-
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-



# Schedule

Forming part of the financial statements

## ANNEXURE 4 - RATIOS FOR THE YEAR ENDED MARCH 31, 2024

S. No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Basis of calculations
1	<b>Gross Direct Premium Growth Rate</b>			
	Agriculture Crop	100%	NA	(GDPI current year-GDPI previous year)/GDPI previous year
	Fire	100%	NA	
	Marine	NA	NA	
	Miscellaneous	NA	NA	
2	Gross Direct Premium to Net Worth Ratio	384%	-	GDPI/Net worth
3	Growth Rate of Net Worth	43%	87744%	(Net worth current year -Net worth previous year)/ Net worth previous year
4	<b>Net Retention Ratio</b>			
	Agriculture Crop	69%	NA	NWP / (GDPI+RI accepted)
	Fire	1%	NA	
	Marine	NA	NA	
	Miscellaneous	NA	NA	
5	<b>Net Commission Ratio</b>			
	Agriculture Crop	-1%	NA	Net commission/NWP
	Fire	0%	NA	
	Marine	NA	NA	
	Miscellaneous	NA	NA	
6	Expenses of Management to Gross Direct Premium Ratio	13%	NA	Expenses of management /GDPI
7	Expenses of Management to Net Written Premium Ratio	18%	NA	Expenses of management / NWP
8	Net Incurred Claims to Net Earned Premium	72%	NA	Net Incurred Claims/ Net Earned Premium
9	Combined Ratio	88%	NA	((Net Incurred Claims/ Net Earned Premium) + (Net Commission +Operating expenses) / NWP))
10	Technical Reserves to Net Premium Ratio	0%	NA	(Reserve for Unexpired Risk + Reserve for premium deficiency +Reserve for outstanding claims including IBNR and IBNER)/ NEP
11	<b>Underwriting Balance Ratio</b>			
	Agriculture Crop	12%	NA	(Underwriting profit/loss)/ Net Earned Premium
	Fire	18%	NA	
	Marine	NA	NA	
	Miscellaneous	NA	NA	
12	Operating Profit Ratio	14%	NA	(Underwriting profit/loss + Investment income + Contribution from Shareholders Funds towards excess EOM)/ Net Earned Premium
13	Liquid Assets to liabilities ratio (Times)	116%	42.57	Liquid Assets /Policyholders liabilities
14	Net Earning Ratio	11%	NA	Profit after tax/ Net Earned Premium
15	Return on Net worth	30%	-2.3%	Profit after tax/ Net Worth
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	172%	NA	
17	<b>NPA Ratio</b>			
	Gross NPA	NA	NA	
	Net NPA	NA	NA	

# Schedule

Forming part of the financial statements

**Notes :**

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1.  $GDPI = \text{Premium from direct business written, NWP} = \text{Net written premium}$
2.  $\text{Shareholders funds/ Net worth} = (\text{Share capital} + \text{Reserve \& Surplus}) - (\text{Miscellaneous expenditure-Debit balance in profit \& loss account})$
3.  $\text{Expenses of management} = \text{Commission paid-direct} + \text{Operation expenses related to insurance business}$
4.  $\text{Liquid asset} = \text{Short term Investments} + \text{Cash and bank balances}$
5.  $\text{Policyholders liabilities} = \text{Claim outstanding (to be discharged in 12 months)} + \text{Reserve for unexpired risk} + \text{Reserve for premium deficiency}$
6.  $\text{Underwriting profit / (loss)} = \text{Net premium earned} - \text{Net claims incurred} - \text{Net commission} - \text{Operating expense}$

**kshema**

**KSHEMA GENERAL INSURANCE LIMITED**

4<sup>th</sup> Floor, My Home, Tycoon Building  
Begumpet, Hyderabad, Telangana - 500 016  
Contact: 1800 572 3013 (Toll-free)  
Email: info@kshema.co