NOTICE is hereby given that the Second Annual General Meeting of the Members of the Company will be held on Wednesday, December 30, 2020 at 10.00 A.M. at No 413, 4th Floor, My Home Tycoon Building, Kundan Bagh, Begumpet, Hyderabad – 500016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year 31/03/2020, together with the reports of the Board of Directors and the Auditors there on.

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.

Place: Hyderabad
Date: 15 December 2020

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

NATRAJ NUKALA
Director
DIN: 02119316

KSHEMA GENERAL INSURANCE LIMITED

NOTES

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

DIRECTORS' REPORT

Your Directors are present their second Annual Report on the business and operations of your company together with the audited Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement for the financial year 31/03/2020.

1. **FINANCIAL SUMMERY:**

   The operations of your Company are predominantly in to General insurance business. Your Directors inform that the Company have not generated any revenue during the year and have incurred a net loss of Rs. 15,700,675/-. Your Director's are taking all efforts to begin the business operations.

2. **DIVIDEND:**

   The Board is not proposing any dividend.

3. **TRANSFER TO RESERVE:**

   No transfers were made.

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

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

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

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

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

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

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

   All related party transactions during 2019-20 were in the ordinary course of business and satisfied the test of arm's length. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014 are given in prescribed Form AOC-2 in Annexure-1 to this report.

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

   No changes in the nature of business has occurred affecting the business of the Company during the period under review. Capital Clause of Memorandum and Articles were altered reflecting the increase in authorized share capital.

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

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

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

9. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-20, the Company held 8 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No	Date of Meeting	Board Strength	No. of Directors Present
1	07/05/2019	3	3
2	10/06/2019	3	3
3	16/08/2019	3	3
4	14/09/2019	3	3
5	04/11/2019	3	3
6	15/11/2019	3	3
7	18/12/2019	3	3
8	20/01/2020	3	3
9	15/03/2020	3	3

10. NAME OF COMPANIES SUBSIDIARIES, JVS, ASSOCIATED COMPANIES

There is no subsidiary or joint venture or associate company.

11. DIRECTORS RESPONSIBILITY STATEMENT.

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

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

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

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

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

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

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

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

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

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

14. SECRETARIAL AUDIT REPORT

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

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

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

16. ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure - 2** and is attached to this Report.

17. DEPOSITS:

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

18. DECLARATION OF INDEPENDENT DIRECTORS:

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

19. STATUTORY AUDITORS:

M/s. Jawahar and Associates, Chartered Accountants, (ICAI FRN 001281S), were appointed as Statutory auditors of the Company at the First AGM for a period of 5 financial years.

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

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

20. DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

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

21. PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS

Pursuant to the clarification dated February 13, 2015 issued by the Ministry of Corporate Affairs and Section 186(11) of the Companies Act, 2013, the provision of Section 134 (3)(g) of the Companies Act, 2013 requiring disclosure of particulars of the loans given, investments made or guarantees given or securities provided is not applicable to the Company.

22. DISCOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

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

23. SHARES:

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

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

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

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

e. **Others:** Authorised Share capital was increased from Rs. 10 lakhs to Rs. 250 Lakhs. Further issue of shares was made as under:

S. No	Date of allotment	No. of shares allotted	Basis of allotment
1	16/08/2019	961400@ Rs. 10/-	Rights Issue
2	18/12/2019	1060850@ Rs. 10/-	Rights Issue
3	15/03/2020	404500 @ Rs. 10/-	Rights Issue

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

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

25. SIGNIFICANT AND MATERIAL ORDERS

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

26. ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

27. SECRETARIAL STANDARDS OF ICSI

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

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

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

29. ACKNOWLEDGEMENTS:

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

Place: Hyderabad
Date: 15 December 2020

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

KSHEMA GENERAL INSURANCE LIMITED

Natraj Nukala	Sri Ramachandra Prasad Nalam
Director	Director
DIN: 02119316	DIN: 01386757

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	:	U66000TG2018PLC125484
ii.	Registration Date	:	**05/07/2018**
iii.	Name of the company	:	**KSHEMA GENERAL INSURANCE LIMITED**
iv.	Category/Sub-Category of the Company	:	Public Company/Limited by shares
v.	Address of the registered office and contact details	:	No 413, 4th Floor, My Home Tycoon Building, Kundan Bagh, Begumpet, Hyderabad - 500016 Email Id: natraj.nukala@gmail.com Ph: 040-23409918
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agents, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Insurance	660	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Kshema Holdings Private Limited No 413, 4th Floor, My Home Tycoon Building, Kundan Bagh, Begumpet Hyderabad - 500016	U74999TG2018PTC122552	Holding	99.82%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	0	4500	4500	45	0	4500	4500	0.18	-44.82
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	5500	5500	55	0	2432250	2432250	99.82	44.82
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)	**0**	**10000**	**10000**	**100**	**0**	**2436750**	**2436750**	**100**	**0**
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**0**	**10000**	**10000**	**100**	**0**	**2436750**	**2436750**	**100**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**0**	0	0	0	0	0	0	0	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	0	0	0	0	0	0	0	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**10000**	**10000**	**100**	**0**	**2436750**	**2436750**	**100**	**0**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Kshema Holdings Private Limited	5500	55	0	2432250	99.82	0	44.82
2	Nukala Lakshmi Kumari	2250	22.50	0	2250	0.09	0	-22.41
3	Ramachandra Prasad Nalam	450	4.50	0	450	0.02	0	-4.48
4	Krishna Burugopall Vyasa	450	4.50	0	450	0.02	0	-4.48
5	Gabbita Krishna Sai Hanuma	450	4.50	0	450	0.02	0	-4.48
6	Nukala Sujitha	450	4.50	0	450	0.02	0	-4.48
7	Shashank Nanduri	450	4.50	0	450	0.02	0	-4.48
	Total Amount:-	**10000**	**100**	**0**	**2436750**	**100**	**0**	**0.0**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		% Cumulative Shareholding during the year	
	For Each of the Promoter	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kshema Holdings Private Limited				
	At Beginning of Year	5500	55	2432250	99.82
	Changes – Allotment: - On 16/08/2019- 961400 - On 18/12/2019- 1060850 - On 15/03/2020 – 404500	2426750	--	2426750	--
	At the End of the year	2432250	99.82	2432250	99.82
2	Nukala Lakshmi Kumari				
	At Beginning of Year	2250	22.50	2250	22.50
	Changes	--	--	--	--
	At the End of the year	2250	0.09	2250	0.09
3	Ramachandra Prasad Nalam				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02
4	Krishna Burugopall Vyasa				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02
5	Gabbita Krishna Sai Hanuma				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02
6	Nukala Sujitha				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02
7	Shashank Nanduri				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		% Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri Ramachandra Prasad Nalam				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02
2	Natraj Nukala				
	At Beginning of Year	--	--	--	--
	Changes	--	--	--	--
	At the End of the year	--	--	--	--
3	Krishna Burugopall Vyasa				
	At Beginning of Year	450	4.50	450	4.50
	Changes	--	--	--	--
	At the End of the year	450	0.02	450	0.02

V. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	7625000	0	7625000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	**7625000**	**0**	**7625000**
Change in Indebtedness during the financial year				
Addition	–	--	0	--
Reduction	--	7580000	--	-7580000
Net Change	--	7580000	0	-7580000
Indebtedness at the end of the financial year				
i) Principal Amount	--	45000	0	45000
ii) Interest due but not paid	---	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	**45000**	**0**	**45000**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA

B. Remuneration to other directors: Nil

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD – NA

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
B. DIRECTORS					
Penalty					
C. OTHER OFFICERS IN DEFAULT					
Penalty					

Place: Hyderabad
Date: 15 December 2020

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

KSHEMA GENERAL INSURANCE LIMITED

Natraj Nukala
Director
DIN: 02119316

Sri Ramachandra Prasad Nalam
Director
DIN: 01386757

JAWAHAR AND ASSOCIATES
CHARTERED ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

To
The Members of
Kshema General Insurance Limited
Report on Financial Statements

Opinion
We have audited the Financial Statements of Kshema General Insurance Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the statement of Cash Flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements:
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

CHARTERED ACCOUNTANTS

completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.

JAWAHAR AND ASSOCIATES
CHARTERED ACCOUNTANTS

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements
The Company is exempted from getting an audit opinion, as required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, the order is not applicable Since the company's Paid up capital and reserves and surplus not more than 1 Crore, doesn't have borrowings exceeding 1 Crore from any bank or any financial institution at any point of time during the Financial year and doesn't have total revenue as defined in Schedule III to the 2013 Act (Including revenue from discontinuing operations) Exceeding 10 Crores during the Financial Year as per the financial statements.

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of financial statements.
b) In our opinion, proper books of account and proper returns as required by law have been kept by the Company so far as it appears from our examination of those books.
c) The Balance Sheet, Statement of Profit and Loss, the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
e) On the basis of written representations received from such directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of section 164of the Companies Act, 2013.
f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Since the company's turnover as per the last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the company is exempted from getting an audit opinion.

JAWAHAR AND ASSOCIATES
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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

For Jawahar and Associates
Chartered Accountants

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M. Chandramouleswara Rao
Partner
M.No.024608
Place: Hyderabad
Date: 15.12.2020
UDIN: 20024608AAAABF6209

KSHEMA GENERAL INSURANCE LIMITED

4th Floor, My Home Tycoon Building
Begumpet, Hyderabad-500016

Financial Statements for the year FY 2019-20

KSHEMA GENERAL INSURANCE LIMITED
Balance Sheet as at 31st March, 2020

(Amt in Rs)

	Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
I)	**EQUITY AND LIABILITIES**			
1	**Share Holders' Funds:**			
	(a) Share Capital	1	2,43,67,500	1,00,000
	(b) Reserves and Surplus	2	(2,33,60,510)	(75,34,523)
	(c) Money received against share warrants		-	-
	Sub- Total		10,06,990	(74,34,523)
2	**Non-Current Liabilities:**			
	(a) Long Term Borrowings		45,000	76,25,000
	(b) Deferred Tax Liabilities		-	-
	(c) Other Long-Term Liabilities		-	-
	(d) Long Term-Provisions		-	-
	Sub- Total		45,000	76,25,000
3	**Current Liabilities:**			
	(a) Short-Term Borrowings		-	-
	(b) Trade Payables		-	-
	(c) Other Current liabilities	3	7,57,765	6,70,389
	(d) Short-term Provisions	4	-	-
	Sub- Total		7,57,765	6,70,389
	TOTAL		18,09,755	8,60,866
II)	**ASSETS**			
1	**Non-Current Assets:**			
	(a) Fixed Assets			
	(b) Tangible Assets	5	9,52,189	4,62,723
	(c) Capital Work-in-Progress		-	-
	(d) Non-Current Investments		-	
	(e) Long-Term Loans & Advances		-	
	(f) Deffered tax asset		-	-
	(g) Other Non current Assets			
	Sub- Total		9,52,189	4,62,723
2	**Current Assets**			
	(a) Current Investments		-	-
	(b) Inventories		-	-
	(c) Trade Receivables	8	-	-
	(d) Cash and Cash Equivalents	9	25,115	19,844
	(e) Other Current Assets	10	8,32,452	3,78,300
	Sub- Total		8,57,567	3,98,143
	TOTAL		18,09,756	8,60,866

Accompanying notes forming part of the financial statements

As per our report of even date

For Jawahar and Associates
Chartered Accountants

CHARTERED ACCOUNTANTS

CA M.Chandramouleswara Rao
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

For Kshema General Insurance Limited

Nukala Natraj
Director
DIN: 0211[illegible]

Sri Ramachandra Prasad Nalam
Director
[illegible] 01386757

KSHEMA GENERAL INSURANCE LIMITED

KSHEMA GENERAL INSURANCE LIMITED
Statement of Profit and Loss for the year ended 31 March, 2020

(Amt in Rs)

	Particulars	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
I)	**REVENUE**			
	(a) Revenue from Operations (Gross)	11	-	-
	Total Revenue		-	-
II)	**EXPENSES**			
	(a) Employee Benefits	13	62,72,363	8,78,867
	(b) Rent and Lease Expenses	15	4,56,000	3,42,000
	(c) Other expenses	16	88,38,791	62,81,905
	(d) Depreciation	17	2,58,833	31,751
	Total Expenses		**1,58,25,987**	**75,34,523**
III)	**Profit for the year before tax**		(1,58,25,987)	(75,34,523)
	Tax expenses:			
	(a) Current tax provision			-
	(b) Deferred tax Expense/ (Credit)		-	-
	(c) Earlier year Tax		-	-
	(d) MAT Credit Entitlement (credit)		-	-
IV)	**Total tax expenses**		-	-
V)	**Loss for the year**		**(1,58,25,987)**	**(75,34,523)**
	Basic EPS		**-6.49**	**-14.20**

Accompanying notes forming part of the financial statements
As per our report of even date
For Jawahar and Associates
Chartered Accountants

JAWAHAR & ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

For Kshema General Insurance Limited

Nukala Natraj
Director
DIN: 02119316

Sri Ramachandra Prasad Nalam
Director
DIN: 01386757

KSHEMA GENERAL INSURANCE LIMITED

KSHEMA GENERAL INSURANCE LIMITED
Cash flow statement for the year ended 31 March 2020

(Amt in Rs)

Particulars	31 March 2020 Rs.	31 March 2019 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(1,58,25,987)	(75,36,270)
Adjustments for:		
Depreciation and amortisation expenses	2,58,833	33,498
Finance cost	-	-
Bad debts/advances written off	-	-
Loss on sale of Fixed assets	-	
Liabilities no longer required written back	-	-
Operating profit before working capital changes	**(1,55,67,154)**	**(75,02,772)**
Adjustments for working capital		
Inventories	-	-
Trade receivables	-	-
Other current assets	-4,54,152	-
Trade payables	-	-
Other current Liabilities	87,376	-
Short-term borrowings	-	-
Cash generated from operations	**(1,59,33,930)**	**(75,02,772)**
Income tax (paid)/refund	-	-
Net cash from operating activities	**(1,59,33,930)**	**(75,02,772)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(12,11,021)	(4,97,474)
Capital Work in Progress Write off	-	
Sale of fixed assets	-	-
Net cash from/(used in) investing activities	**(12,11,021)**	**(4,97,474)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	2,43,67,500	1,00,000
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	-	-
Deposits from customers	-	
Payment of finance cost	-	-
Net cash used in financing activities	**2,43,67,500**	**1,00,000**
Net increase/(decrease) in cash and cash equivalents	72,22,550	(78,97,245)
Cash and cash equivalent - opening balance	-	-
Cash and cash equivalent - closing balance	**25,115**	**19,844**

For Jawahar and Associates
Chartered Accountants

CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

For Kshema General Insurance Limited

Nukala Natraj
Director
DIN: 02119316

Sri Ramachandra Prasad Nalam
Director
DIN: 01386757

KSHEMA GENERAL INSURANCE LIMITED

KSHEMA GENERAL INSURANCE LIMITED

Notes to Balance Sheet as at 31 March, 2020

(Amt in Rs)

1. Share Capital:

Particulars	31 March 2020	31 March 2019
Capital Account **Authorized Share Capital** **1,00,000 equity shares of Rs.10/- each**	2,50,00,000	10,00,000
Issued, Subscribed and Paid up Share Capital 10,000 equity shares of Rs.10/-each 24,36,750equity shares of Rs.10/-each	2,43,67,500	1,00,000
Total	**2,43,67,500**	**1,00,000**

Detail of share holders holding more than 5%	Mar-20		Mar-19	
	No. of Shares	% of holding	No. of Shares	% of holding
Kshema Holding Private Limited	24,32,250	99.82%	5,500	55.00
Nukala Lakshmi Kumari	2,250	0.09%	2,250	22.50
Sri Ramachandra Prasad Nalam	450	0.02%	450	4.50
Krishna Burugopalli Vyasa	450	0.02%	450	4.50
Gabbita Krishna Sai Hanuma	450	0.02%	450	4.50
Nukala Sujitha	450	0.02%	450	4.50
Shashank Nanduri	450	0.02%	450	4.50
Total	**24,36,750**	100.00%	**10,000**	**100.00**

2. Reserves & Surplus

Particulars	31 March 2020	31 March 2019
(a) General Reserve		
Opening Balance	(75,34,523)	-
Share Premium	-	-
Add: Net Loss for the year	(1,58,25,987)	(75,34,523)
Total	**(2,33,60,510)**	**(75,34,523)**

3. Long term borrowings

Particulars	31 March 2020	31 March 2019
Unsecured loan-Kshema Holdings Pvt Ltd	45,000	76,25,000
Total	**45,000**	**76,25,000**

KSHEMA GENERAL INSURANCE LIMITED

4. Other Current Liabilities

Particulars	31 March 2020	31 March 2019
Payable to the auditor as	-	-
(a) auditor	20,000	10,000
Statutory Payable	58,496	75,537
Salary Payable	6,36,545	2,57,138
Other Payables	42,724	3,27,714
Total	7,57,765	6,70,389

5. Trade Receivables

Particulars	31 March 2020	31 March 2019
a) Due for a period exceeding six months	-	-
b) Others	-	-
Total	-	-

6. Cash & Bank Balances

Particulars	31 March 2020	31 March 2019
Cash at bank	24,885	19,492
Cash in hand	230	352
Total	25,115	19,844

7. Other Current Assets

Particulars	31 March 2020	31 March 2019
Prepaid expenses	-	1,35,875
Security deposits (Rent)	1,00,000	1,00,000
GST Input Receivables	7,02,452	1,42,425
Advance Salary	30,000	-
Total	8,32,452	3,78,300

For Jawahar and Associates
Chartered Accountants

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

For Kshema General Insurance Limited

Nukala Natraj
Director
DIN: 02119316

KSHEMA GENERAL INSURANCE LIMITED

Sri Ramachandra Prasad Nalam
Director
DIN: 01386757

KSHEMA GENERAL INSURANCE LIMITED

Notes to Profit & Loss Accounts for the Year ended 31 March 2020

(Amt in Rs)

8. Revenue from Operations

Particulars	31 March 2020	31 March 2019
Service Income	-	-
Total	-	-

9. Employee Benefits

Particulars	31 March 2020	31 March 2019
Salaries & Wages	62,72,363	8,78,867
Total	**62,72,363**	8,78,867

10. Rent and Lease Expenses

Particulars	31 March 2020	31 March 2019
Rent & Lease expenses	4,56,000	3,42,000
Total	**4,56,000**	3,42,000

KSHEMA GENERAL INSURANCE LIMITED

11. Other Expenses

Particulars	31 March 2020	31 March 2019
Audit Fee	10,000	10,000
Bank Charges	764	591
Books and Periodicals	2,005	1,529
Business Promotion	5,16,637	11,67,000
Canteen Charges	25,692	6,766
Cloud Zimbra E Mail Hosting and Service Charges	10,875	3,625
Computer Maintenance	1,24,553	7,998
Conveyance	96,032	98,550
Donations	-	1,116
Education Fee Sponsorship	-	1,53,400
Electricity Charges	20,855	19,243
Fees and Taxes	4,97,896	22,310
Foreign Travelling Expenses	8,78,192	7,11,000
Fuel Expenses	2,62,301	200
Grant to OMIDC	43,828	7,90,000
Insurance Charges	-	11,138
Office Maintenance	66,830	1,09,113
PF Admin Charges	13,149	427
Postage & Courier Charges	200	36,000
Printing and Stationery	99,683	2,49,065
Professional Charges	38,30,913	13,94,000
Repairs & Maintenance	3,300	1,060
Security Charges	1,65,000	1,07,700
Staff Welfare	3,89,188	59,592
Subscription to Cloud Space Charges	1,25,000	25,000
Telephone and Internet Charges	92,044	6,735
Training Expenses	6,623	25,000
Travelling Expenses	15,41,633	12,35,061
Vehicle Maintenance	2,934	27,246
Water Charges	3,480	1,440
Interest on TDS	814	-
Polygons Exp	7,975	-
Pooja Expenses	395	-
Total	88,38,791	62,81,905

For Jawahar and Associates
Chartered Accountants

For Kshema General Insurance Limited

CA M.Chandramouleswara Rao
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

Nukala Natraj
Director
DIN: 02119316

Sri Ramachandra Prasad Nalam
Director
DIN: [illegible]386757

KSHEMA GENERAL INSURANCE LIMITED

8. Depreciation as per Companies Act 2013

Name of Asset	Useful Life - No of days	Original Asset Cost	Accumulated Depreciation upto 31.03.2019	WDV as on 01.04.2019	Additions during the year	Balance Depreciable value	Residual Value @5%	Net Depreciable value	Remaining Useful Life(Days)	Depreciation on Op.WDV Rs.	Depreciation on Additions Rs.	Total Depreciation Rs.	WDV as on 31.03.2020
Office Equipment	3,650	37,765	321	8,875	28,570	37,445	1,872	35,572	3,583	1,755	357	2,112	35,332
Computer & Softwares	9,855	11,12,605	29,001	3,63,875	7,19,729	10,83,604	54,180	10,29,424	9,194	1,25,311	1,22,357	2,47,668	8,35,936
Vehicles	3,650	92,402	2,429	89,973	-	92,402	4,620	87,782	3,549	9,053	-	9,053	80,920
Total	27,010	12,42,772	31,751	4,62,723	7,48,298	12,13,450	60,673	11,52,778	16,326	1,36,119	1,22,714	2,58,833	9,52,189

For Jawahar and Associates
Chartered Accountants

CA M.Chandramouleswara Ra
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

For Kshema General Insurance Limited

Nukala Natraj
Director
DIN: 02119316

Sri Ramachandra Prasad Nalam
Director
DIN:[illegible]86757

KSHEMA GENERAL INSURANCE LIMITED
4th Floor, My Home Tycoon Building
Begumpet, Hyderabad-500016

Statement of Fixed Assets and Depreciation as on 31.03.2020 -as per Income Tax Act

Description	Opening Balance		Additions/Deletions for			Depreciation for the year			Closing Balance	
	Dep Rate	WDV on 01.04.2019	Additions During the Year >6M	Additions During the Year <6M	Gross Block as on 31st March 2020	Depreciation on Opening WDV	Depreciation on Purchases >6M	Depreciation on Purchases <6M	Total Depn for the Year	WDV on 31.03.2020
Computer	40%	2,94,631	4,33,912	2,85,817	10,14,360	1,17,852	1,73,565	57,163	3,48,581	6,65,779
Office Equipment	10%	8,506	-	28,570	37,076	851	-	1,428	2,279	34,797
Vehicles	15%	85,472	-	-	85,472	12,821	-	-	12,821	72,651
Total		**3,88,609**	**4,33,912**	**3,14,386**	**11,36,907**	**1,31,524**	**1,73,565**	**58,592**	**3,63,680**	**7,73,227**

For Jawahar and Associates
Chartered Accountants

JAWAHAR & ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
FRN:001281S
Place : Hyderabad
Date :15-12-2020
UDIN :20024608AAAABF6209

For Kshema General Insurance Limited

Nukala Natraj
Director
DIN: 02119316

Sri Ramachandra Prasad Nalam
Director
DIN: 01386757

KSHEMA GENERAL INSURANCE LIMITED

Name :	**Kshema General Insurance Ltd**
Status :	Company
PAN :	**AAHCK1849H**
Date of Incorporation :	5-Jul-2018
Address:	4th Floor, My Home Tycoon Building Begumpet, Hyderabad-500016
Assessment Year:	**2020-21**
Financial Year:	**2019-20**

Computation of Total Income for the period ended 31st March 2020

Particulars		Amount(Rs)
I. Income from Business		
Net profit before tax	(1,58,25,987)	
Add:Inadmissable expenses		
Add: Interest on TDS	-	
Add: Depreciation as per Companies act	2,58,833	
Add: Prior Period Expenses (Interest on Exp)	-	
Add: Education Fee Sponsorship	-	
	(1,55,67,154)	
Less: Depreciation as per Income Tax act	3,63,680	
		(1,52,03,473)
Gross Total Income		**(1,52,03,473)**
Less: Deductions U/C-VI A		-
Total Deductions U/C- VI A		-
Net Total Income		**(1,52,03,473)**
II. Computation of Tax	**Regular**	**115JB**
Tax on Total Income	-	-
(Which ever is Higher)		-
Add: Cess @3%		-
Gross Tax Payable		-
Add: Surcharge		-
Total Tax Payable		-
Less: TDS as per 26AS		-
Net Tax Payable		-
Less: Advance Tax		-
Bal Tax Payable/Refund)		-
Add: Interest		
U/s 234A	-	
U/s 234B	-	
U/s 234C	-	
Total Interest Payable		-
Total Tax & Interest Payable		-
Less: Self Assessment tax paid u/s 140A		-
Balance Tax Payable/(Refund)		-

For Jawahar and Associates
Chartered Accountants

CHARTERED ACCOUNTANTS HYDERABAD

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Partner
M.No.024608
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KSHEMA GENERAL INSURANCE LIMITED