KSHEMA GENERAL INSURANCE LIMITED

5TH ANNUAL REPORT

2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Natraj Nukala – Chairman
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

REGISTERED OFFICE

No 413, 4th Floor, My Home Tycoon Building, Kundan Bagh,
Begumpet Hyderabad – 500 016
Telangana, India

CORPORATE OFFICE

10th Floor, Orwell, Block-1, Salarpuria Sattva, Knowledge City,
Raidurgam, Hyderabad – 500 081,
Telangana, India

STATUTORY AUDITORS

M/s. Jawahar and Associates
Chartered Accountants
C-5, Skylark Apartments, 3-6-309, Basheer Bagh,
Hyderabad – 500 029
Telangana, India

CIN:U66000TG2018125484

IRDAI Registration No. 162

Website: www.kshema.co

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of Kshema General Insurance Limited will be held on Friday, 22nd September 2023 at 5.00 pm at the registered office of the Company situated at No 413, 4th 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 31st March 2023 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 and:

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.

SPECIAL BUSINESS:

3. To appoint Ms. Deepa Karthykeyan (DIN: 03114477) as Non-Executive Independent Woman Director of the Company.

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

"RESOLVED THAT pursuant to Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification(s) or re-enactment(s) thereof for the time being), Ms. Deepa Karthykeyan who was appointed as Additional Director in the Capacity of Independent Woman Director with effect from 6th March, 2023 by the Board of Directors and who holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director in the capacity of Independent Woman Director (Non-Executive) of the Company, for a period of one year, not liable to retire by rotation.

RESOLVED FURTHER THAT Ms. Deepa Karthykeyan 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), Ms. Deepa Karthykeyan 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.

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, Mr. Natraj Nukala, [DIN:02119316], Director 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."

4. To appoint Mr. Sivarama Prasad Tammana (DIN: 06405913) as Non-Executive Independent Director of the Company

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

"RESOLVED THAT pursuant to Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2017 (including any modification(s) or re-enactment(s) thereof for the time being), Mr. Sivarama Prasad Tammana who was appointed as Additional Director in the capacity of Independent Director with effect from 17th June, 2023 by the Board of Directors and who holds office upto the date of ensuing Annual General Meeting be and is hereby appointed as a Director in the capacity of Independent Director (Non-Executive) of the Company, for a period of one year, not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Sivarama Prasad Tammana 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. Sivarama Prasad Tammana 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.

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, Mr. Natraj Nukala, [DIN:02119316], Director 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."

5. To consider change in designation of Mr. Rajeshnani Venkata Dasari (DIN: 09632402) from Non-Executive Director to Non-Executive Independent Director of the Company

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

"RESOLVED THAT pursuant to Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2017 (including any modification(s) or re-enactment(s) thereof for the time being), Mr. Rajeshnani Venkata Dasari who was appointed as Director in a category of Non-Executive Director, consent of the members be and is hereby accorded to re-designate him as Non-Executive Independent Director of the Company, for a period of one year, not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Rajeshnani Venkata Dasari 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. Rajeshnani Venkata Dasari 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.

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, Mr. Natraj Nukala, [DIN:02119316], Director 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."

6. To appoint M/s SCV & CO. LLP, Chartered Accountants, Noida as Joint Statutory Auditors of the company

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

"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 Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) dated 18th May, 2016 and other applicable laws, subject to the consent of the members, M/s SCV & Co. LLP, Chartered Accountants, Noida, (Firm Registration Number 000235N/N500089) be and are hereby appointed as the Joint Statutory Auditors of the Company for term of 5 (five) consecutive years from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the financial year 2027-2028 on such terms and conditions and for such remuneration as may be fixed by the Board.

RESOLVED FURTHER THAT Mr. Natraj Nukala, [DIN:02119316], Director of the Company and / or Ms. Prabha Vadlamannati, Company Secretary of the Company, be and are hereby jointly/severally authorized on behalf of the Company to take such steps as may be necessary in relation to the above and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution and authorized to issue certified true copy of the resolution as may be required from time to time and to file the necessary forms with the Registrar of Companies, Hyderabad."

7. To approve Investment of funds in excess of limits as specified under Section 186 of Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section 179(3), 186(3) and any other applicable provisions of the Companies Act, 2013 read with the read with the Companies (Meetings of Board and its Powers) Rules, 2014 made thereunder, subject to the terms of Articles of Association of the Company and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to acquire by way of subscription, purchase or otherwise the securities of other bodies corporate as permitted by law exceeding the prescribed limits of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of the free reserves and securities premium account whichever is more, provided, however, the aggregate of such investment shall not at any time exceed Rs. 15,00,00,00,000/- (Rupees Fifteen Hundred Crore Only) as the Board of Directors may think fit, on such terms and conditions in the best interest of the company and the stakeholders.

RESOLVED FURTHER THAT, for the purpose of giving effect to the foregoing resolution, the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary or incidental thereto, including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or any other officer(s)/ employee(s) of the company, or to settle any questions, difficulties or doubts that may arise in this connection, without being required to seek any further clarification, consent or approval of the members of the company;

RESOLVED FURTHER THAT Mr. Natraj Nukala, [DIN:02119316], Director of the Company and / or Ms. Prabha Vadlamannati, Company Secretary of the Company, be and are hereby jointly/severally authorized on behalf of the Company to take such steps as may be necessary in relation to the above and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution and authorized to issue certified true copy of the resolution as may be required from time to time and to file the necessary forms with the Registrar of Companies, Hyderabad."

8. To increase the Authorized share capital of the Company from Rs. 120 crores by further Rs. 100 crores in total aggregating Rs. 220 crores

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

"RESOLVED THAT pursuant to provisions of Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, and in accordance with the applicable provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only) divided into 12,00,00,000 (Twelve Crores) Equity shares of (Rupees Ten only) each to 220,00,00,000/- (Rupees Two Hundred and Twenty Crores only) divided into 22,00,00,000 (Twenty Two Crores) Equity shares of (Rupees Ten only) each with a power of Company to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT the existing Clause 5 of the Memorandum of Association of the Company be altered and substituted by the following new Clause:

5. "The share capital of the Company is Rs. 220,00,00,000/- (Rupees Two Hundred and Twenty Crores only) divided into 22,00,00,000 (Twenty Two Crores) Equity shares of (Rupees Ten only) each, with power to increase, modify and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights, privileges or conditions as may be determined under the provisions of the Companies Act 2013 or any other applicable Act (s), Rule(s) and Regulation(s)."

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

Sd/-
Prabha Vadlamannati
Company Secretary

Place: Hyderabad
Date: 14th August 2023

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 – A 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. Route map including prominent landmark for easy location of the place of the Meeting is also enclosed to the Notice.

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

Item no. 3:

To appoint Ms. Deepa Karthykeyan (DIN: 03114477) as Non-Executive Independent Woman Director of the Company.

Ms. Deepa Karthykeyan (DIN: 03114477) was appointed by the Board as an Additional Director in a capacity of Independent Woman Director pursuant to Section 161 of the Companies Act 2013. She holds office up to the date of ensuing Annual General Meeting and being eligible and based on the recommendations of Nomination and Remuneration Committee, it is proposed to recommend her appointment as Director in a capacity of Independent Woman Director for a term of one year as per the provisions of the Companies Act, 2013 ("the Act") in the ensuing Annual General Meeting of the Company.

It is also proposed to invite or induct Ms. Deepa Karthykeyan as the Member of such Committee(s) as may be decided by Board from time to time.

Ms. Deepa Karthykeyan is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act 2013. She has further given declaration under Section 149(7) of the Companies Act 2013 that she meets the criteria of independence as per 149(6) of the Companies Act 2013. The 'Fit and Proper' criteria declaration under IRDAI Corporate Governance Guidelines has also been obtained from her.

As per the recommendations of Nomination and Remuneration Committee and after taking into consideration the relevant background, experience, qualification and proficiency of Ms. Deepa Karthykeyan the Board is of the opinion that Ms. Deepa Karthykeyan is a person of integrity and possess relevant expertise, proficiency and experience to be appointed as Independent Woman Director and hence recommended the Resolution No. 3 as an Ordinary Resolution for her appointment as Independent Woman Director for the approval of the Shareholders.

Ms. Deepa Karthykeyan is said to be concerned or interested in the proposed resolution as it relates to her own appointment. 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 Ordinary Resolution.

Item no. 4:

To appoint Mr. Sivarama Prasad Tammana (DIN: 06405913) as Non-Executive Independent Director

Mr. Sivarama Prasad Tammana (DIN: 06405913) was appointed by the Board as an Additional Non-Executive Independent Director pursuant to Section 161 of the Companies Act 2013. He holds office up to the date of ensuing Annual General Meeting and being eligible and based on the recommendations of Nomination and Remuneration Committee, it is proposed to recommend his appointment as Non-Executive Independent Director for a term of one year as per the provisions of the Companies Act, 2013 ("the Act") in the ensuing Annual General Meeting of the Company.

It is also proposed to invite or induct Mr. Sivarama Prasad Tammana as the Member of such Committee(s) as may be decided by Board from time to time.

Mr. Sivarama Prasad Tammana is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act 2013. He has further given declaration under Section 149(7) of the Companies Act 2013 that he meets the criteria of independence as per 149(6) of the Companies Act 2013. The 'Fit and Proper' criteria declaration under IRDAI Corporate Goverance Guidelines has also been obtained from him.

As per the recommendations of Nomination and Remuneration Committee and after taking into consideration the relevant background, experience, qualification and proficiency of Mr. Sivarama Prasad Tammana the Board is of the opinion that Mr. Sivarama Prasad Tammana is a person of integrity and possess relevant expertise, proficiency and experience to be appointed as Non-Executive Independent Director and hence recommended the resolution no. 4 as an Ordinary Resolution for his appointment as Non-Executive Independent Director for the approval of the Shareholders.

Mr. Sivarama Prasad Tammana is said to be concerned or interested in the proposed resolution as it relates to his own appointment. 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 Ordinary Resolution.

Item no. 5:

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

Mr. Rajeshnani Venkata Dasari (DIN: 09632402) was appointed as a Director of the Company with effect from 09th June 2022. Based on recommendation of Nomination and Remuneration Committee, it is proposed to change his category of appointment from Non-Executive Director to Non-Executive Independent Director for a term of one year as per the provisions of the Companies Act, 2013 ("the Act") in the ensuing Annual General Meeting of the Company.

It is also proposed to invite or induct Mr. Rajeshnani Venkata Dasari as the Member of such Committee(s) as may be decided by Board from time to time.

Mr. Rajeshnani Venkata Dasari is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act 2013. He has further given declaration under Section 149(7) of the Companies Act 2013 that he meets the criteria of independence as per 149(6) of the Companies Act 2013. The 'Fit and Proper' criteria declaration under IRDAI Corporate Governance Guidelines has also been obtained from him.

As per the recommendations of Nomination and Remuneration Committee and after taking into consideration the relevant background, experience, qualification and proficiency of Mr. Rajeshnani Venkata Dasari the Board is of the opinion that Mr. Rajeshnani Venkata Dasari is a person of integrity and possess relevant expertise, proficiency and experience to be appointed as Non-Executive Independent Director and hence recommended the resolution no. 5 as an Ordinary Resolution for his appointment as Non-Executive Independent Director for the approval of the Shareholders.

Mr. Rajeshnani Venkata Dasari is said to be concerned or interested in the proposed resolution as it relates to his own appointment. 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 Ordinary Resolution.

Item no. 6 of the Notice:

To appoint M/s SCV & Co. LLP, Chartered Accountants, Noida as Joint Statutory Auditors of the Company

The Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) dated 18th, May 2016 mandate the appointment of Joint Auditor by all the Insurance Companies.

Accordingly, based on the recommendations of the Audit Committee, the Board at their meeting held on August 14, 2023 recommends to the Members to consider appointment of M/s SCV & Co. LLP, Chartered Accountants, Noida (Firm Registration No.000235N/N500089), as Joint Statutory Auditors with effect from the conclusion of the ensuing Annual General Meeting to be held in the year 2023 till the conclusion of Annual General Meeting to be held in the year 2027-2028.

As per the recommendations of Audit Committee and Board of Directors and after taking into consideration the relevant background, experience, qualification your Board recommends the resolution set forth in the item no. 6 of the Notice for approval of the Shareholders.

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 Ordinary Resolution.

Item No. 7 of the notice:

To approve Investment of funds in excess of limits as specified under Section 186 of Companies Act, 2013.

In accordance with the provisions of Section 186 of the Companies Act, 2013 where the Company intends to invest its funds in excess of the limits specified in the Section 186 of Companies Act, 2013 i.e., 60% of the paid-up share capital, free reserves and securities premium account or 100% of the free reserves and securities premium account whichever is more, the Company is required to obtain Members approval through Special Resolution.

Your Board recommends resolution no. 7 as a Special Resolution for Investment of funds upto a limit not exceeding Rs. 1500 crores (Rupees Fifteen Hundred Crores only) as specified under Section 186 of Companies Act, 2013 for the approval of the Shareholders.

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.

Item No. 8 of the notice:

To increase the Authorized Share Capital of the Company from Rs. 120 crores by further Rs. 100 crores in total aggregating Rs. 220 crores

The present authorized equity share capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only) divided into 12,00,00,000 (Twelve Crores) Equity shares of (Rupees Ten only) each. Your Company wishes to increase the capital to 220,00,00,000/- (Rupees Two Hundred and Twenty Crores only) divided into 22,00,00,000 (Twenty-Two Crores) Equity shares of (Rupees Ten only) each.

Your Directors recommend the increase of authorized capital to Rs. 220 crores for working capital requirements.

For this purpose, the Memorandum of Association of the Company are proposed to be suitably altered as set out at Item No. 8 of the accompanying Notice.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the authorized share capital and for the alteration of capital cause of the Memorandum of Association of the Company. The copy of Memorandum and Articles of Association with the proposed changes is available for Inspection for the members during the business hours of the Company at its registered office.

The Board of Directors accordingly recommended the resolution set out in Item No.8 for the approval of the members.

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 Ordinary Resolution.

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

Sd/-
Prabha Vadlamannati
Company Secretary

Place: Hyderabad
Date: 14th August 2023

Kshema

Annexure A

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.

Sl No	Particulars	
1	Name of Director	Ms. Deepa Karthykeyan
	Age	38 Years
	Qualification	Masters in Economics from the University of Madras and the National University of Singapore.
	Experience	Ms Deepa Karthykeyan is Co-founder and Director at Athena Infonomics, a consulting firm that specializes in combining data, ICT and social science research to support policy design and programing. Deepa leads the Governance and Service delivery practice at Athena Infonomics. She has led and delivered assignments in South Asia and Sub-Saharan Africa on urban sanitation, water governance, affordable housing, decentralization reforms and green financing. Deepa has worked in over 15 countries and served as team leader and research director on various inter-disciplinary urban programs funded by the World Bank, UNICEF, UNDP, ADB and Bill and Melinda Gates Foundation among others. She currently serves as Technical Advisor to the United Nations Global Partnership for Sustainable Development Data and is a India country representative to the W-20, a G-20 working group focused on gender.
	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 Woman Director of the Company, not liable to retire by rotation for a period of one year She 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	06th March, 2023
	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	1
	Other Directorships Membership/	1) Athena Infonomics LLC, Maryland, USA 2) Athena Infonomics India Pvt Ltd 3) Shanti Narayan Foundation India
	Memberships	

	Chairmanship of Committees of other Boards	Chairperson – Nomination and Remuneration Committee

2	Name of Director	Mr. Sivarama Prasad Tammana
	Age	67 Years
	Qualification	B.Tech (Chemical Engineering) from Andhra University, JAIIB
	Experience	Mr Sivarama Prasad has over 4 decades of experience in a wide range of financial, investment and investor relation functions in Banking, Appraisal of Corporate & SME proposals, Credit Monitoring, etc. He served as the CFO and CIRO of Karur Vysya Bank and was the Division Head for over 9 years in different geographies. He served as Director on the Board of Industrial and Technical Consulting Organisation of Tamil Nadu Limited (TICOT) representing Karur Vysya Bank. Prior to that was the Technical Officer and Branch Banking with Andhra Bank. He was also the General Manager, Group Head for Commercial, Corporate, Agriculture Advances
	Terms and conditions of appointment (along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable)	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	17th June, 2023
	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 (as he was appointed as Additional Director after the Balance Sheet date)
	Other Directorships	1) Tera Software Limited 2) TIM Delhi Airport Advertising Private Limited 3) Itus Insurance Brokers Private Limited
	Memberships	Kshema Holdings Private Limited
	Chairmanship of Committees of other Boards	1) Audit Committee - Chairperson 2) Nomination and Remuneration Committee – Member 3) Investment Committee - Member

3	Name of Director	Mr. Rajeshnani Venkata Dasari
	Age	48 Years
	Qualification	BE (Hons) Civil Engineering – BITS Pilani MSc (Hons) Mathematics – BITS Pilani MS Construction Management, State University of New York, Buffalo MS Computer Science - Clemson University
	Experience	Mr Rajeshnani Dasari is a technologist with over two decades of experience across insurance, automotives, manufacturing, pharmaceuticals and high-tech industries. He is currently with Oracle Corporation as Senior Director serving customers in their adaption of cloud and emerging technologies.
	Terms and conditions of appointment (along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable)	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	9th June, 2022
	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	8
	Other Directorships	Nil
	Memberships	Kshema Holdings Private Limited
	Chairmanship of Committees of other Boards	1) Audit Committee - Member 2) Nomination and Remuneration Committee – Member

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

Sd/-
Prabha Vadlamannati
Company Secretary

Place: Hyderabad
Date: 14th August 2023

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 Fifth Annual General Meeting of the Company on Friday, 22nd September 2023 at 5.00 pm at the registered office of the Company situated at No 413, 4th 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, 4th 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 Fifth Annual General Meeting of the Company, to be held at the registered office of the Company, on Friday, 22nd September 2023 at 5.00 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Please indicate preference (√) *	
Ordinary Business		For	Against
1.	Adoption of the financial statements of the Company for the year ended March 31, 2023 including the audited Balance Sheet as at March 31, 2023, 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.		

Kshema

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.		
Special Business			
3.	To appoint Ms. Deepa Karthykeyan (DIN: 03114477) as Non-Executive Independent Woman Director of the Company.		
4.	To appoint Mr. Sivarama Prasad Tammana (DIN: 06405913) as Non-Executive Independent Director of the Company		
5.	To Consider change in designation of Mr. Rajeshnani Venkata Dasari (DIN: 09632402) from Non-Executive Director to Non-Executive Independent Director of the Company		
6.	To appoint M/s M/S SCV & Co. LLP, Chartered Accountants, Noida as Joint Statutory Auditors of the Company		
7.	To approve Investment of funds in excess of limits as specified under Section 186 of Companies Act, 2013.		
8.	To increase the Authorized share capital of the Company from Rs. 120 crores by further Rs. 100 crores in total aggregating Rs. 220 crores		

Signed this______ day _____________ of 2023

Signature of shareholder____________________

Signature of Proxy holder(s)_________________

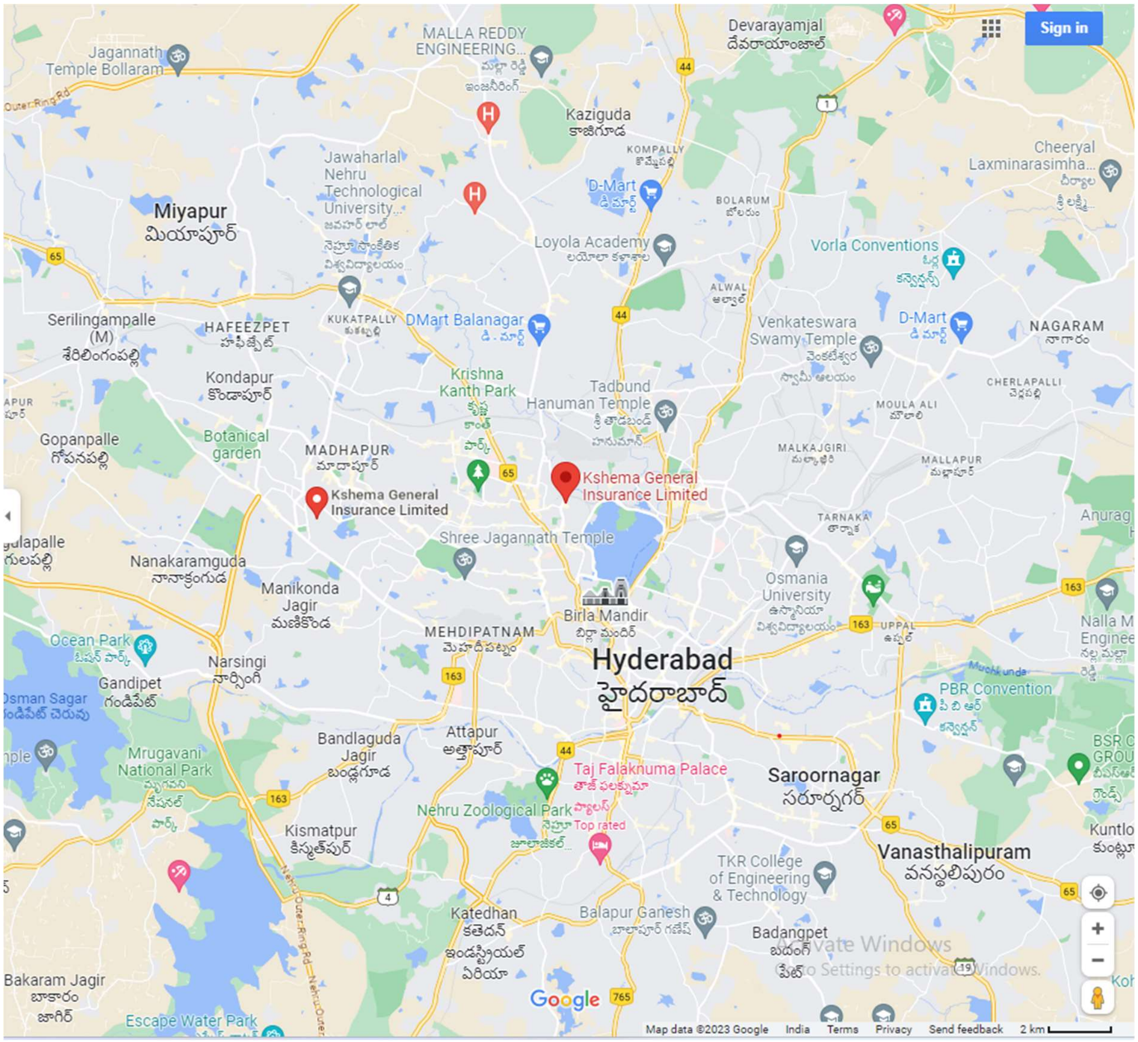
Affix Revenue Stamp

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


Sign in
Jagannath Temple Bollaram
MALLA REDDY ENGINEERING...
Devarayamjal
Kaziguda
KOMPALLY
Cheeryal Laxminarasimha...
Jawaharlal Nehru Technological University...
D-Mart
BOLARUM
Miyapur
Loyola Academy
Vorla Conventions
ALWAL
Serilingampalle (M)
HAFEEZPET
KUKATPALLY
DMart Balanagar
Venkateswara Swamy Temple
D-Mart
NAGARAM
Kondapur
Krishna Kanth Park
Tadbund Hanuman Temple
CHERLAPALLI
MOULA ALI
Gopanpalle
Botanical garden
MADHAPUR
MALKAJGIRI
MALLAPUR
Kshema General Insurance Limited
Kshema General Insurance Limited
TARNAKA
Anurag
Nanakaramguda
Shree Jagannath Temple
Manikonda Jagir
Osmania University
Ocean Park
Birla Mandir
MEHDIPATNAM
UPPAL
Narsingi
Gandipet
Osman Sagar
Hyderabad
హైదరాబాద్
PBR Convention
Mrugavani National Park
Bandlaguda Jagir
Attapur
Taj Falaknuma Palace
Saroornagar
Nehru Zoological Park
Top rated
Kismatpur
Vanasthalipuram
TKR College of Engineering & Technology
Katedhan
Balapur Ganesh
Badangpet
Bakaram Jagir
Escape Water Park
Google
Map data ©2023 Google India Terms Privacy Send feedback 2 km

DIRECTORS' REPORT

To,
The Members of
Kshema General Insurance Limited

Your directors have pleasure in presenting their **Fifth Annual Report** along with the audited financial statements for the financial year ended 31 March, 2023.

1. Financial Performance

(Amt. in Rs.'000)

Particulars	FY ended 31 March 2023	FY ended 31 March 2022
Total Revenue	NIL	NIL
Total Expenditure	28,171.37	16,038.82
Profit/ (Loss) before tax	(48,416.59)	(16,038.82)
Tax expense / (benefit)	0	0
Profit /(Loss) after Tax	(23,683.96)	(16,038.82)

2. Operational Performance and future outlook:

Your Company was incorporated to carry on the business of general insurance and had applied for licence with the Insurance Regulatory and Development Authority of India (IRDAI). The Company was issued the Certificate of Registration on 11th January 2023. The Company has initiated the process for commencement of operations during the year under review. The Company proposes to focus mainly on Agriculture Insurance incorporating Rural and Social obligations. It also proposes to launch products in other Lines of Business of Motor, Fire, Personal Accident in a phased manner.

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. Directors and Key Managerial Personnel:

4.1 Directors

4.1.1 Constitution of the Board

As on the date of this report, the Board of Directors consist of Five (5) Directors.

S.No.	Name of the Director	Category	Date of appointment
1.	Mr. Natraj Nukala	Non-Executive	05/07/2018
2.	Dr. Vyasa Krishna Burugupalli	Executive	03/11/2022

3.	Ms. Deepa Karthykeyan	Non-Executive Independent	06/03/2023
4.	Mr. Rajeshnani Venkata Dasari	Non-Executive Independent	09/06/2022
5.	Mr. Sivarama Prasad Tammana	Non-Executive Independent	17/06/2023

4.1.2 Directors retiring by rotation and eligible for re-appointment.

At the ensuing AGM, Mr. Natraj Nukala (DIN: 02119316), retires by rotation and being eligible has offered himself for re-appointment. The Board recommends his reappointment at the ensuing Annual General Meeting.

4.1.3 Directors appointed during the year.

Ms. Deepa Karthykeyan (DIN: 03114477) was appointed by the Board on 6th March 2023 as an Additional Director in a capacity of Independent Woman Director pursuant to Section 161 of the Companies Act 2013. She holds office upto the date of ensuing Annual General Meeting. It is proposed to appoint her as Director in a capacity of Independent Woman Director for a term of one year as per the provisions of the Companies Act, 2013 ("the Act") at the ensuing Annual General Meeting.

4.1.4 Declarations by Independent Directors

The disclosure requirement envisaged under Section 134(3)(d) of the Companies Act, 2013 is not applicable to your Company for the year under review.

4.1.5 Declaration or 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.

4.1.6 Resignation of Director:

Mr. Sriramachandra Prasad Nalam, Director (DIN: 01386757) resigned from directorship with effect from 22/08/2022 owing to other pre-occupations. The Board places on record the help and support received from him towards the establishment of the Company.

4.2 <u>Key Managerial Personnel</u>

4.2.1 Appointment of Managing Director and Chief Executive Officer

Dr. Vyasa Krishna Burugupalli (DIN: 03072517), was appointed as Managing Director and Chief Executive Officer of the Company with effect from 03rd November, 2022.

4.2.2 Appointment of Whole Time Company Secretary

Mrs. Prabha Vadlamannati was appointed as Whole-Time Company Secretary of the Company with effect from 02nd January, 2023.

There are no changes in the Key Managerial Personnel appointed by the Company, pursuant to Section 203 of the Companies Act 2013, during the financial year, other than that mentioned hereinabove.

5. Number of Meetings of the Board:

The Board of Directors met 13 (Thirteen) times during the year. The detailed information about dates of meetings and attendance of Directors at the meetings is given as under.

Sl. No	Name of Director	Board Meetings held during the tenure of the Director	Board meetings attended
1	Mr. Natraj Nukala	13	13
2	Mr. Sri Ramachandra Prasad Nalam	4	3
3	Dr. Vyasa Krishna Burugupalli	13	13
4	Mr. Rajeshnani Venkata Dasari	12	8
5	Ms. Deepa Karthykeyan	1	1

6. 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"), the Board of Directors wishes 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 March 2023 and of the *loss* 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.

7. Directors' Remuneration Policy

The disclosure requirement envisaged under Section 134(3)(e) of the Companies Act, 2013 is not applicable to your Company for the year under review.

8. Composition of Audit Committee

The disclosure requirement envisaged under Section 177(8) of the Companies Act, 2013 is not applicable to your Company for the year under review.

9. Performance Evaluation of the Board, its Committees and Directors

The disclosure requirement envisaged under Section 134(3)(p) of the Companies Act, 2013 is not applicable to your Company for the year under review.

10. Conservation of Energy & Technology absorption:

As your Company is yet to commence business, steps will be taken to conserve energy and absorb technology in the most efficient and economical way.

11. Foreign Exchange Earnings and Outgo:

Your company did not have any foreign exchange earnings or outgo during the year under review.

12. Risk Management Policy:

Your Company is in the process of implementing a Risk Management policy to identify and mitigate possible risks, which might endanger the existence of the Company. Given the nascent stage of its operations, the Company does not foresee any material risk that would threaten the existence of the Company.

13. 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.

14. 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.

15. Adequacy of Internal Financial Controls:

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.

16. 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.

17. Disclosure under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has ensured that all such complaints are resolved within defined timelines.

18. 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.

19. Capital:

19.1 Authorised Share Capital

During the financial year under review company has increased its authorized share capital as follows, to comply with IRDAI requirements:

S. No	Existing (Amount in Rs.)	Revised (Amount in Rs.)	Date of Increase
1.	6,00,00,000/-	6,50,00,000/-	24th June, 2022
2.	6,50,00,000/-	120,00,00,000/-	30th September, 2022

19.2 Issued, subscribed and paid-up share capital

During the financial year under review company has allotted Equity shares as follows:

S. No	Date of allotment	No. of shares allotted	Basis of allotment
1.	25th June, 2022	4,18,600	Right Issue
2.	3rd November, 2022	10,51,99,150	Right Issue

20. 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 (refer Annexure) as required under the Companies Act, 2013.

21. Dividend:

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

22. Details of Subsidiary or Joint Venture or Associate Company:

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

23. Amounts to be carried to reserves:

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

24. Auditors' Report:

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.

25. 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 and continue to hold office from the conclusion of First AGM till the conclusion of Sixth AGM of the Company to be held in the year 2024.

In accordance with the IRDAI Corporate Governance Guidelines 2016, the Company is required to appoint a Joint Statutory Auditor. The Board, on the recommendations of the Audit Committee, proposes to appoint M/S SCV & CO. LLP, Chartered Accountants, Noida (FRN:000235N/N500089) as Joint statutory auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting to be held in the year 2023 till the conclusion of Annual General Meeting to be held in the year 2028.

26. Internal Auditors

During the Financial Year under review M/s Umamaheshwar Rao & Co., Chartered Accountants, Hyderabad [Firm Registration No. 004453S] were appointed as internal Auditor of the Company in accordance with the provisions of Section 138 of the Companies Act 2013 ("the Act") read with Rule 13 of the Companies (Accounts) Rules, 2014.

27. Secretarial Auditor:

During the year under review the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, appointment of Secretarial Auditor is not applicable to your Company.

28. 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.

29. The details of application made or any proceeding pending under the Insolvency and Bankruptcy code, 2016 during the year alongwith 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.

30. Deposits:

Your Company has not accepted any public deposits during the year under review.

31. Particulars of Loans, Guarantees or Investments:

During the year under review, your Company has not given any loan or given guarantees or made any investments as specified in Section 186 of the Companies Act, 2013.

32. 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.

33. Events occurring after the balance sheet date upto the date of the report

(1) Appointment of Chief Financial Officer

Mr. Prashant Shenoy Uppoor was appointed as Chief Financial Officer of the Company with effect from 24th April, 2023.

(2) Appointment of Independent Directors

a) Mr. Sivarama Prasad Tammana (DIN: 06405913) was appointed by the Board as an Additional Non-Executive Independent Director pursuant to Section 161 of the Companies Act 2013. He holds office upto the date of ensuing Annual General Meeting. It is proposed to appoint him as Non-Executive Independent Director for a term of 1 year as per the provisions of the Companies Act, 2013 ("the Act") at the ensuing Annual General Meeting.

b) Mr. Rajeshnani Venkata Dasari (DIN: 09632402) was appointed as Non-Executive Director of the Company with effect from 09th June 2022. It is proposed to change his category of appointment from Non-Executive Director to Non-Executive Independent for a term of 1 year as per the provisions of the Companies Act, 2013 ("the Act") at the ensuing Annual General Meeting.

(3) Appointment of KMPs mandated under the Corporate Governance guidelines of IRDAI

In compliance of the requirements of the Guidelines on Corporate Governance for Insurers in India, 2016, the Company has appointed the Managing Director &

Chief Executive Officer, the Chief Financial Officer, Company Secretary & Chief Compliance Officer, Appointed Actuary, Chief Risk Officer, Chief Investment Officer and Chief Underwriting Officer.

(4) Constitution of Mandatory Committees

The Company has constituted the Audit Committee and Nomination and Remuneration Committee in compliance with the requirements of the Companies Act, 2013.

Further the Company has also constituted various Committees as mandated under the Corporate Governance Guidelines of IRDAI, viz, the Investment Committee, Risk Management Committee, Committee for the Protection of Policyholders Interests.

34. Weblink of the Annual Return:

The Company will place the Annual Return for FY 2022-23 on the website of the Company once the return is filed on MCA portal. The annual return can be accessed on the website of the Company at www.kshema.co

35. 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/-	*Sd/-*
Mr. Natraj Nukala	Dr. Vyasa Krishna Burugupalli
Director	Managing Director and CEO
DIN: 02119316	DIN: 03072517
14th, August 2023	14th, August 2023

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:

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 01/04/2023 to 31/03/2026
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	Rs. 20 lakhs – payable monthly
vi	Date(s) of approval by the Board, if any	7th 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
Director
DIN: 02119316
14th, August 2023

Sd/-
Dr. Vyasa Krishna Burugupalli
Managing Director and CEO
DIN: 03072517
14th, August 2023

Kshema General Insurance Limited

Management Report for the Financial Year ended 31 March 2023

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 2023.

With respect to the operations of Kshema General Insurance Limited ("the Company") for the year ended 31 March 2023 and results thereof, the Management of the Company confirms and declares as follows:

1. Certificate of Registration

   The Company has been issued a certificate of registration by the IRDAI on 11 January 2023. This certificate of registration is in force as on the date of this report.

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. One share was transferred from Mr. Sri Ramachandra Prasad Nalam to Mr. Natraj Nukala on 29 December 2022. The shareholding pattern as on 31 March 2023 is as follows:

Shareholder	Shareholding %
Kshema Holdings Pvt. Ltd.	99.996%
Others	0.004%
Total	100%

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 hereby confirm that the Company has maintained adequate assets to cover both its liabilities and required solvency margin as prescribed under section 64VA of the Insurance Act, 1938 (as amended from time to time) and the IRDAI (**Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016.**

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 in Management's 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".

7. Overall risk exposure and strategy adopted to mitigate the same

   Having been granted the Certificate of Registration by IRDAI on 11 January 2023, the Company is in its initial stage of commencing operations as on 31 March 2023 and therefore, has not commenced underwriting insurance policies upto the said date. Hence, the risk of underwriting does not exist as on 31 March 2023, though the Company has plans in place to cover for such risk on and from the date when underwriting commences.

   <u>Risk Identification:</u>

   The Company has identified few risks and the prospective strategy to mitigate the same, which are outlined below:

   a. Risk from investments: There is a risk that the Company's investments may be exposed to market risks (such as interest rate movements, portfolio value fluctuations etc.) and liquidity risks. The Company adopts a highly conservative approach for both shareholders' and policyholders' investments which mitigates investment risk to a large extent.

b. Operational risk: There is a risk of material losses arising from inadequate or failed internal control processes, 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. Plan for an offsite disaster recovery centre for data backup.
    iv. Plan for various Board approved policies, including but not limited to a policy on fraud identification, monitoring, assessment and mitigation.

Such other measures as may be necessary after commencement of underwriting of policies.

Risk Governance:

The Company is in the process of establishing a dedicated and independent risk management team, headed by the Chief Risk Officer. A Risk Management Committee shall also be established to advise the Board on various exposures and actions to be taken by the Company to mitigate the same. The Company has already appointed an independent Internal Auditor to monitor key operational risks and compliances, in accordance with the pre-approved audit plan. The valuation of policy-related liabilities is independently done by the Appointed Actuary and the methodologies adopted for the same are reviewed by IRDAI.

Risk Management:

The Company believes that the functional teams and the respective Heads of Departments are the eyes and ears of the Board on ground, to assess operational risks. The second line of defence includes the risk management committee, compliance team etc. whereas the Audit and Assurance teams comprise of the third line of defence.

8. Operations outside India

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

9. Ageing of Claims

The Company has not commenced underwriting operations as on 31 March 2023.

10. Valuation of Investments

The Company does not have any investments, both shareholders' and policyholders', as on 31 March 2023.

11. Review of asset quality and performance of investments

The Company does not have any investments, both shareholders' and policyholders', as on 31 March 2023.

12. Management responsibility statement

The Management of the Company hereby certifies that:

i. In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed with no material departures;

ii. 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 loss and of the loss of the Company for the year;

iii. 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;

iv. The financial statements have been prepared on a going concern basis.

v. 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 2023.

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.

S. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year ended (Rs. in '000)	
				FY 2023	FY 2022
1	Kshema Capital Pvt. Ltd.	Natraj Nukala	Director	27,500	-
2	ITUS Insurance Brokers Pvt. Ltd.	Natraj Nukala	Shareholder	4,786	-

For and on behalf of the Board of Directors

Kshema General Insurance Limited

CIN: U66000TG2018PLC125484

Sd/-	Sd/-	Sd/-	Sd/-
Vyasa Krishna Burugupalli	Natraj Nukala	Prabha Vadlamannati	Prashant Shenoy
Managing Director & Chief Executive Officer DIN: 09632402	Director DIN: 02119316	Company Secretary & Chief Compliance Officer	Chief Financial Officer

Place: Hyderabad
Date: 14th August 2023

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 The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kshema General Insurance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the related Revenue Accounts of the Crop and Miscellaneous Businesses, the Profit and Loss Account and Receipts and Payments Account for the year then 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 are prepared in accordance with the requirements of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (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 "Regulations"), Orders / Directions / Circulars issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Companies Act 2013 as amended ("the Act"), to the extent applicable and in the manner so required, and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, as applicable to insurance companies:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
b) in the case of Revenue Accounts, of the operating loss for Crop and Miscellaneous Business for the year ended on that date;
c) in the case of the Profit and Loss Account, of the loss 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

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 Insurance Act, the IRDA Act, the Regulations, the Act and the Rules 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, read with other matters para is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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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 other key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of Directors Report, Management Discussion & Analysis report, Management report and Corporate Governance Report, but does not include the financial statements and our Auditors' Report thereon. These reports other than the Management report are expected to be made available to us after the date of this Auditors' Report.

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 identified above when it becomes available 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 based on the work we have performed, we conclude that there is a material misstatement of these other information, we are required to report that fact. We have nothing to report in this regard.

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 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and receipts and payments of the Company in accordance with the requirements of the Insurance Act 1938, as amended by Insurance Laws (Amendment) Act, 2015 read with the IRDA Act, the Regulations, order/ directions issued by the IRDAI in this regard and in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing within the insurance industry in India. 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 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.

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

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Ph. : 0891 – 256 5094, 256 4423, E-mail : dsvgopikrishna@yahoo.co.in
*** ANAKAPALLI** : Door No. 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli – 531 001.
Ph. : 08924 – 224 082, E-mail : paritipcrao@yahoo.com

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Auditors' 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 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 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 the SAs, 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 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.
- 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

JAWAHAR AND ASSOCIATES
CHARTERED ACCOUNTANTS

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

1. As required by the Regulations, we have issued a separate certificate dated July 07, 2023, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Regulations.
2. As required under Para 2 of schedule C of the Regulations, read with Section 143 (3) of the Act, we report 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;
    b) In our opinion and to the best of our information and according to the explanations given to us, 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 at Head Office, 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) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, 1938 and Regulations and/or orders/directions issued by IRDAI in this behalf;
    f) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Regulations, orders/directions/circulars issued by IRDAI and also in compliance with Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions/circulars issued IRDAI, in this behalf;
    g) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements dealt with by this report are prepared in accordance with the requirements of the Insurance Act, the IRDA Act, the Regulations and orders/directions/circulars issued by the IRDAI. The aforesaid financial statements also comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDAI in this regard.
    h) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act;

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i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;

j) With respect to the matter to be included in the Auditors' Report under section 197(16), in our opinion and according to the explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act and Section 34A of the Insurance Act.

k) 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.

iv.

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 II (e) as provided under (A) and (B) above contain any material misstatement.

v. The company has neither declared nor paid any dividends during the year under audit.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to maintenance of audit trail in software systems involved in financial reporting is applicable with effect from April 1, 2023 to the Company, accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Jawahar and Associates.,
Chartered Accountants
Firm Registration No: 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

M. Chandramouleswara Rao
Partner
Membership No: 024608
Place: Hyderabad
Date: July 07, 2023
UDIN: 23024608BGZGMB3494

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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(i) of our report on Other Legal and Regulatory Requirements forming part of Independent Auditor's Report dated 07th July 2023)

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")

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, 2023 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

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.

Auditors' Responsibility

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.

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.

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

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

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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

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.

Opinion

In our opinion, the Company has, in all material respects, maintained an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

For Jawahar and Associates.,
Chartered Accountants
Firm Registration No: 001281S

JAWAHAR AND ASSOCIATES
CHARTERED ACCOUNTANTS
HYDERABAD

M. Chandramouleswara Rao
Partner
Membership No: 024608
Place: Hyderabad
Date: July 07, 2023
UDIN: 23024608BGZGMB3494

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INDEPENDENT AUDITORS' CERTIFICATE

(Referred to in paragraph 2 of our report on Other Legal and Regulatory Requirements forming part of Independent Auditor's Report dated 07th July 2023)

To Board of Directors
Kshema General Insurance Limited
Plot no. 413, 4th Floor,
My Home Tycoon Building, Kundan Bagh,
Begumpet, Hyderabad-500016.

This certificate is issued in accordance with the terms of our engagement letter dated 15th May, 2023 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

The Company's Board of Directors is 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 Regulations and orders/directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Auditor's Responsibility

Our responsibility for the purpose of this certificate is to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the Regulations read with regulation 3 of Regulations.

We have audited financial statements of the Company for the financial year ended March 31, 2023 on which we have issued an unmodified audit opinion vide our report dated July 07, 2023. 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. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by ICAI.

The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of ethics issued by the ICAI. 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.

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OPINION

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, 2023, we certify that:

- We have reviewed the Management Report attached to the financial statements for year ended March 31, 2023, and on the basis of our review, there is no apparent mistake or material inconsistency with the financial statements;
- Based on information and explanations received during the normal course of our audit, 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, 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 have verified the cash balances to the extent considered necessary and securities relating to the Company's loans and investments as at March 31, 2023, based on management certificates, Custodian certificates / Depository Participants confirmation & other Confirmation's as the case may be.
- The Company is not a trustee of any trust; and
- 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.
- The Company is yet to issue Policies and have not received any Policyholders' funds as at March 31, 2023. Hence reporting with respect to contravening direct and indirect application of Policyholders' Funds is not applicable

Restriction on use

This certificate is issued at the request of the company solely for use of the company for inclusion in the annual accounts in order to comply with the 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
Firm Registration No: 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

M. Chandramouleswara Rao
Partner
Membership No: 024608
Place: Hyderabad
Date: July 07, 2023
UDIN: 23024608BGZGMB3494

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Balance Sheet as at 31 March 2023

Particulars	Schedule No.	As at 31 March 2023	As at 31 March 2022
		Rupees in ('000)	
SOURCES OF FUNDS			
Share capital	5	11,12,876.43	56,698.93
Reserves and Surplus	6	(79,206.18)	(55,522.22)
Fair value change account (Refer note 2.10 of Schedule 16)			
- Shareholder's funds			
- Policyholder's funds			
Borrowings	7	-	327.00
TOTAL		**10,33,670.25**	**1,503.71**
APPLICATION OF FUNDS			
Investments - Shareholders	8	-	-
Investments - Policyholders	8A	-	-
Loans	9	-	-
Fixed assets	10	40,058.10	847.95
Deferred tax asset (Net) (Refer note 18 of Schedule 16)		24,732.63	-
Current Assets			
- Cash and bank balance	11	9,64,711.81	26.16
- Advances and other assets	12	27,473.15	1,254.35
Sub-Total (A)		**9,92,184.97**	**1,280.51**
Current liabilities	13	22,256.44	624.75
Provisions	14	1,049.01	-
Sub-Total (B)		**23,305.45**	**624.75**
Net Current Assets (C) = (A-B)		**9,68,879.52**	**655.76**
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit & Loss Account			
Total		**10,33,670.25**	**1,503.71**
For Contingent liabilities– (Refer note 2.20 and 3 of schedule 16)			
Significant accounting policies and notes to the Financial Statements	16		

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For Jawahar and Associates
Chartered Accountants
FRN 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
UDIN: 23024608BGZGMB3494

Place : Hyderabad
Date: July 07, 2023

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

Vyasa Krishna Burugupalli
Managing Director & CEO
DIN: 03072517

Natraj Nukala
Director
DIN: 02119316

Prabha V

Prabha Vadlamannati
Company Secretary & Chief Compliance Officer

KSHEMA GENERAL INSURANCE LIMITED

Prashant Shenoy
Chief Financial Officer

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Profit and Loss Account for the year ended 31 March 2023

Rupees in ('000)

S.No.	Particulars	Schedule No.	For the year ended 31 March 2023	For the year ended 31 March 2022
1	**Operating Profit/(Loss)**			
	(a) Agriculture crop insurance		(46,490.04)	-
	(b) Miscellaneous insurance		-	-
2	**Income from Investments (Refer note 2.2 (ii), (iii), (iv) of Schedule 16 and 2.7 of Schedule 16)**			
	(a) Interest, dividend & rent - Gross		26,244.83	-
	(b) Profit on sale of investments		-	-
	Less : (Loss on sale/redemption of Investments)		-	-
	(c) Amortization of Premium/Discount on Investments		-	-
3	**Other Income-Miscellaneous income**			
	Total (A)		**(20,245.22)**	**-**
4	**Provisions (other than taxation)**			
	(a) For diminution in the value of investments (Refer note 2.10 of Schedule 16)			
	(b) For doubtful debts			
	(c) Others		-	-
5	**Other expenses**			
	(a) Expenses other than those related to insurance business		28,171.37	16,038.82
	(b) Bad debts written off		-	-
	(c) Interest on subordinated debt		-	-
	(d) Corporate Social Responsibility (Refer note 28 of Schedule 16)		-	-
	(e) Fines and penalties (Refer note 23 of Schedule 16)		-	-
	(f) Contribution to Policyholder's A/c (Refer note 39 of Schedule 16)		-	-
	(i) Towards excess expense of management		-	-
	(ii) Others		-	-
	(g) Others		-	-
	Total (B)		**28,171.37**	**16,038.82**
6	**Profit/(Loss) Before Tax**		**(48,416.59)**	**(16,038.82)**
	Provision for taxation (Refer note 18 of Schedule 16)		-	-
	Current tax		-	-
	Deferred tax expense/(income)		(24,732.63)	-
			(24,732.63)	-
7	**Profit/(Loss) after tax**		**(23,683.96)**	**(16,038.82)**
8	**APPROPRIATIONS**			
	(a) Interim dividends paid during the year		-	-
	(b) Final dividend paid		-	-
	(c) Transfer to any reserves or other accounts (to be specified)		-	-
9	Balance of Profit/loss brought forward from last year		(55,522.22)	(39,483.40)
10	Balance carried forward to Balance Sheet		**(79,206.18)**	**(55,522.22)**
	Significant accounting policies and notes to the Financial Statements	16		
	Earning per share: Basic and Diluted (Refer note 17 of Schedule 16)		(0.48)	(4.24)

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For Jawahar and Associates
Chartered Accountants
FRN 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
UDIN: 23024608BGZGMB3494

Place : Hyderabad
Date: July 07, 2023

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

Vyasa Krishna Burugupalli
Managing Director & CEO
DIN: 03072517

Natraj Nukala
Director
DIN: 02119316

Prabha V

Prabha Vadlamannati
Company Secretary & Chief Compliance Officer

KSHEMA GENERAL INSURANCE LIMITED

Prashant Shenoy
Chief Financial Officer

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Revenue Account-Agriculture Crop Insurance for the year ended 31 March, 2023

S.No.	Particulars	Schedule No	For the year ended 31 March 2023	For the year ended 31 March 2022
			Rupees in ('000)	
1	Premium earned (Net)	1	-	-
2	Profit/Loss on sale/redemption of Investments (Refer note 2.2 (iv)of Schedule 16)		-	-
3	Interest, dividend and rent - Gross (Refer 2.2 (ii) of Schedule 16)		-	-
4	Others		-	-
	(a) Other Income - Miscellaneous income		-	-
	(b) Contribution from the shareholder's account		-	-
	(i) Towards excess EoM & Rewards (Refer note 39 of Schedule 16)		-	-
	(ii) Others		-	-
	Total (A)		-	-
5	Claims Incurred (Net) (Refer note 2.9 of Schedule 16)	2	-	-
6	Commission (Refer note 2.2(v) of Schedule 16)	3	-	-
7	Operating expenses related to Insurance Business (Refer note 2.8 of Schedule 16)	4	46,490.04	-
8	Premium Deficiency (Refer note 2.6 of Schedule 16)		-	-
	Total (B)		**46,490.04**	-
9	**Operating Profit/(Loss) C= (A-B)**		**(46,490.04)**	-
10	**Appropriations**			
	Transfer to shareholder's Account		(46,490.04)	-
	Transfer to Catastrophe Reserve		-	-
	Transfer to other Reserves		-	-
	Total (C)		**(46,490.04)**	-
	Significant accounting policies and notes to the Financial Statements	16		

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For Jawahar and Associates
Chartered Accountants
FRN 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
UDIN: 23024608BGZGMB3494

Place : Hyderabad
Date: July 07, 2023

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

Vyasa Krishna Burugupalli
Managing Director & CEO
DIN: 03072517

Natraj Nukala
Director
DIN: 02119316

Prabha V

Prabha Vadlamannati
Company Secretary &
Chief Compliance Officer

KSHEMA GENERAL INSURANCE LIMITED

Prashant Shenoy
Chief Financial Officer

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Revenue Account-Miscellaneous for the year ended 31 March 2023

S.No.	Particulars	Schedule No	Rupees in ('000) For the year ended 31 March 2023	For the year ended 31 March 2022
1	Premium earned (Net)	1	-	-
2	Profit/Loss on sale/redemption of Investments (Refer note 2.2 (iv) of Schedule 16		-	-
3	Interest, dividend and rent - Gross (Refer 2.2 (ii) of Schedule 16)		-	-
4	Others			
	(a) Other Income - Miscellaneous income		-	-
	(b) Contribution from the shareholder's account		-	-
	(i) Towards excess EoM & Rewards (Refer note 39 of Schedule 16)		-	-
	(ii) Others		-	-
	Total (A)		**-**	**-**
5	Claims Incurred (Net) (Refer note 2.9 of Schedule 16)	2	-	-
6	Commission (Refer note 2.2(v) of Schedule 16)	3	-	-
7	Operating expenses related to Insurance Business (Refer note 2.8 of Schedule 16)	4	-	-
8	Premium Deficiency (Refer note 2.6 of Schedule 16)		-	-
	Total (B)		**-**	**-**
9	**Operating Profit/(Loss) C= (A-B)**		**-**	**-**
10	**Appropriations**			
	Transfer to shareholder's Account		-	-
	Transfer to Catastrophe Reserve		-	-
	Transfer to other Reserves		-	-
	Total (C)		**-**	**-**
	Significant accounting policies and notes to the Financial Statements	16		

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For Jawahar and Associates
Chartered Accountants
FRN 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
UDIN: 23024608BGZGMB3494

Place : Hyderabad
Date: July 07, 2023

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

Vyasa Krishna Burugupalli
Managing Director & CEO
DIN: 03072517

Natraj Nukala
Director
DIN: 02119316

Prabha Vadlamannati
Company Secretary &
Chief Compliance Officer

KSHEMA GENERAL INSURANCE LIMITED

Prashant Shenoy
Chief Financial Officer

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Receipts and payments statement for the year ended 31 March 2023

Particulars	Rupees in ('000) FY 2022-23	FY 2021-22
A. Cash Flows from the operating activities:		
1. Premium received from policyholders, including advance receipts	-	-
2. Other receipts	690.08	-
3. Payment to the re-insurers, net of commission and claims	-	-
4. Payment to co-insurers, net of claims recovery	-	-
5. Payment of claims	-	-
6. Payment of commission and brokerage	-	-
7. Payment of other operating expenses	(1,08,787.86)	(16,331.86)
8. Preliminary and pre-operative expenses	-	-
9. Deposits, advances and staff loans	(1,320.00)	(65.00)
10. Income taxes paid (Net)	-	-
11. Good & Service tax paid	(2,749.73)	(32.40)
12. Other payments	(1,054.56)	(80.61)
13. Cash flows before extraordinary items	**(1,13,222.06)**	**(16,509.87)**
14. Cash flows from extraordinary operations	-	-
15. Net cash flows from operating activities(A)	**(1,13,222.06)**	**(16,509.87)**
B. Cash flows from Investing activities:		
1. Purchase of fixed assets	(1,457.35)	(808.91)
2. Proceeds from sale of fixed assets	-	-
3. Purchase of investments	-	-
4. Loans disbursed	-	-
5. Sale of Investments	-	-
6. Repayments received	-	-
7. Rents/interest/dividend received	23,620.57	-
8. Investments in money market instruments and in liquid mutual funds (Net)	-	-
9. Expenses related to investments	-	-
10. Investments in Fixed Deposits (Net)	(9,57,500.00)	-
11. Net cash flows from Investing activities(B)	**(9,35,336.78)**	**(808.91)**
C. Cash flows from financing activities:		
1. Proceeds from Issuance of Share Capital Application Money (including Share Premium and net of Share Issue Expenses)	10,56,230.50	17,327.18
2. Proceeds from Borrowings	3,814.00	-
3. Repayment of Borrowings	(4,300.00)	-
4. Interest and dividend paid	-	-
5. Dividend Distribution Tax	-	-
6. Net cash flows from financing activities (C)	**10,55,744.50**	**17,327.18**
D. Effect of foreign exchange rates on cash and cash equivalents, net	-	
E. Net increase in cash and cash equivalents: (E)=(A)+(B)+(C)+(D)	**7,185.65**	**8.39**
Add :Cash and cash equivalents at the beginning of the year	26.16	17.77
Cash and cash equivalents at the end of the year	**7,211.81**	**26.16**

KSHEMA GENERAL INSURANCE LIMITED

F.	**Components of cash and cash equivalents at the end of the year**	**7,211.81**	**26.16**
(a)	Cash (including Stamps on hand) - (Refer Schedule 11 forming part of financial statements)	1,825.44	3.41
(b)	Cheques on hand - (Refer Schedule 11 forming part of financial statements)	-	-
(c)	Bank balances - (Refer Schedule 11 forming part of financial statements)	5,386.38	22.75
(d)	Short term Fixed Deposits - (Refer Schedule 11 forming part of financial statements)	9,57,500.00	-
(e)	Money at call and short notice (only due within 3 months) - (Refer Schedule	-	-
(f)	Temporary overdraft as per books of accounts - (Refer Schedule 13 forming part of financial statements)	-	-
	Cash and cash equivalents at the end of the year (a)+(b)+(c)+(d)+(e)	9,64,711.81	26.16
	Add: Fixed Deposits maturing after 3 Months	-	-
	Add:Temporary overdraft as per books of accounts - (Refer Schedule 13 forming part of financial statements)	-	-
	Cash and Bank balance as per Balance Sheet (Refer Schedule 11 forming part of financial statements)	9,64,711.81	26.16

For Cash and cash equivalents – Refer note 2.21 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 report of even date attached

For Jawahar and Associates
Chartered Accountants
FRN 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
UDIN: 23024608BGZGMB3494

Place : Hyderabad
Date: July 07, 2023

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

Vyasa Krishna Burugupalli
Managing Director & CEO
DIN: 03072517

Natraj Nukala
Director
DIN: 02119316

KSHEMA GENERAL INSURANCE LIMITED

Prabha V

Prabha Vadlamannati
Company Secretary &
Chief Compliance Officer

Prashant Shenoy
Chief Financial Officer

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Schedules to and forming part of the Financial Statements

Schedule No.1 Premium earned(Net)

Rupees in ('000)

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Agriculture Crop Insurance	Miscellaneous	Total	Agriculture Crop Insurance	Miscellaneous	Total
Premium from direct business written (net of service tax and GST)	-	-	-			
Add: Premium on reinsurance accepted	-	-	-			
Less: Premium on reinsurance ceded	-	-	-			
Net Premium	-	-	-	-	-	-
Adjustment for change in reserve for unexpired risk	-	-	-			
Reserve created during the year	-	-	-			
Less: Reserve created during the previous year written back	-	-	-			
Change in the unexpired risk reserve (Refer note 2.5 of Schedule 16)	-	-	-			
Total premium earned (Net)	-	-	-	-	-	-
Note :						
Premium income earned from business concluded						
- In India	-	-	-	-	-	-
- Outside India	-	-	-	-	-	-
Total premium earned (Net)	-	-	-	-	-	-

Refer note 2.2 (i) of schedule 16 for accounting policy related to Premium income

Schedule No.2 Claims Incurred (Net)

Rs. ('000)

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Agriculture Crop Insurance	Miscellaneous	Total	Agriculture Crop Insurance	Miscellaneous	Total
Claims Paid						
Direct	-	-	-	-	-	-
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Re-insurance ceded	-	-	-	-	-	-
Net Claim Paid	-	-	-	-	-	-
Claims Outstanding (including IBNR and IBNER)						
insurance)	-	-	-	-	-	-
insurance)	-	-	-	-	-	-
Change in Claims Outstanding						
Total Claims incurred (Net)	-	-	-	-	-	-
Claims incurred						
- In India	-	-	-	-	-	-
- Outside India	-	-	-	-	-	-
Total Claims incurred (Net)	-	-	-	-	-	-

Refer note 2.9 of Schedule 16 for Claims incurred and Claims incurred but not reported and claims incurred but not enough reported

Schedule No.3 Commission

Rupees in ('000)

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Agriculture Crop Insurance	Miscellaneous	Total	Agriculture Crop Insurance	Miscellaneous	Total
Commission paid direct	-	-	-	-	-	-
Add : Commission on Re-insuance accepted	-	-	-	-	-	-
Less: Commission on Re-insuance ceded	-	-	-	-	-	-
Net Commission	-	-	-	-	-	-

Break-up of commission paid direct :

Rupees in ('000)

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Agriculture Crop Insurance	Miscellaneous	Total	Agriculture Crop Insurance	Miscellaneous	Total
Agents	-	-	-	-	-	-
Brokers	-	-	-	-	-	-
Corporate agency	-	-	-	-	-	-
Referral	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
Net Commission						
- In India	-	-	-	-	-	-
- Outside India	-	-	-	-	-	-
Net commission	-	-	-	-	-	-

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.4 Operating expenses related to Insurance Business

Rupees in ('000)

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Agriculture Crop Insurance	Miscellaneous	Total	Agriculture Crop Insurance	Miscellaneous	Total
Employees' remuneration, benefits and other manpower costs (Net)	2,176.49	-	2,176.49	-	-	-
(Refer note 2.16 and 19 of Schedule 16)						
Travel, conveyance and vehicle running expenses	1,239.41	-	1,239.41	-	-	-
Training expenses	-	-	-	-	-	-
Rents, rates and taxes	558.13	-	558.13	-	-	-
Repairs and maintenance	717.30	-	717.30	-	-	-
Printing and stationery	29.18	-	29.18	-	-	-
Communication	55.38	-	55.38	-	-	-
Legal and professional charges	26,244.15	-	26,244.15	-	-	-
Auditors' fees, expenses, etc.	-	-	-	-	-	-
(Refer note 37 of Schedule 16)	-	-	-	-	-	-
(a) as auditors	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	-	-	-	-	-	-
(c) In any other capacity	-	-	-	-	-	-
(d) Out of pocket expenses	-	-	-	-	-	-
Advertisement and publicity	65.00	-	65.00	-	-	-
Interest and bank charges	0.08	-	0.08	-	-	-
Business development and promotion	2,500.00	-	2,500.00	-	-	-
Marketing and support services	-	-	-	-	-	-
Other acquisition costs	-	-	-	-	-	-
Others	-	-	-	-	-	-
Exchange (gain) / loss (net)	-	-	-	-	-	-
Other office running expenses	290.52	-	290.52	-	-	-
Membership Fee of IRDAI	-	-	-	-	-	-
Information technology	420.98	-	420.98	-	-	-
Insurance Charges	1.83	-	1.83	-	-	-
Director Sitting Fee	875.00	-	875.00	-	-	-
Remunaration to Directors	-	-	-	-	-	-
Trademark Fee	10,833.33	-	10,833.33	-	-	-
Fees and Taxes	-	-	-	-	-	-
Donations	22.11	-	22.11	-	-	-
Miscellaneous expenses	0.01	-	0.01	-	-	-
Depreciation	97.14	-	97.14	-	-	-
(refer note 2.11 of Schedule 16)						
Total	**46,490.04**	-	**46,490.04**	-	-	-

(Refer note 2.8, 37 and 41 of Schedule 16)

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.4A Operating expenses-Other than those related to Insurance business		
Particulars	**For the period from 01 April 2022 to 10 January 2023**	**For the year ended 31 March 2022**
Employees' remuneration, benefits and other manpower costs (Net)	5,626.72	8,706.85
(Refer note 2.16 and 19 of Schedule 16)		
Travel, conveyance and vehicle running expenses	1,662.04	2,222.61
Training expenses	-	-
Rents, rates and taxes	400.87	461.00
Repairs and maintenance	191.58	131.99
Printing and stationery	73.19	82.16
Communication	87.55	75.36
Legal and professional charges	1,438.35	2,106.80
Auditors' fees, expenses, etc.	-	10.00
(Refer note 37 of Schedule 16)	-	-
(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	29.75
Interest and bank charges	1.38	0.37
Business development and promotion	-	60.60
Marketing and support services	-	-
Other acquisition costs	-	-
Others	-	-
Exchange (gain) /loss (net)	-	-
Other office running expenses	363.48	236.14
Membership Fee of IRDAI	500.00	-
Information technology	277.85	1,022.04
Insurance Charges	10.20	16.72
Director Sitting Fee	1,470.00	-
Remunaration to Directors	5,400.00	-
Trademark Fee	666.67	-
Fees and Taxes	9,524.41	417.96
Donations	-	-
Miscellaneous expenses	0.03	0.06
Depreciation	346.05	458.41
(refer note 2.11 of Schedule 16)		-
Total	**28,171.37**	**16,038.82**

(Refer note 2.8, 37 and 41 of Schedule 16)

KSHEMA GENERAL INSURANCE LIMITED

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Schedule No.5 Share Capital

			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
1	Authorized capital		
	12,00,00,000 (previous year : 60,00,000) equity shares of Rs.10/- each	12,00,000	60,000
2	Issued capital		
	11,12,87,643 (previous year : 56,69,893) equity shares of Rs.10/- each	11,12,876	56,699
3	Subscribed Capital		
	11,12,87,643 (previous year 56,69,893) equity shares of Rs.10/- each	11,12,876	56,699
4	Called-up Capital		
	11,12,87,643 (previous year 56,69,893) equity shares of Rs.10/- each	11,12,876	56,699
	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	-	-
	Total	**11,12,876**	**56,699**

SCHEDULE - 5A Share Capital / Pattern of Shareholding (As certified by the Management)

Shareholder	**As at 31 March 2023**		**As at 31 March 2022**	
Promoters	**No of Shares**	**% of Holding**	**No of Shares**	**% of Holding**
Indian				
Kshema Holdings Private Limited	11,12,83,143	99.9960%	56,65,393	99.9206%
Natraj Nukala	450	0.0004%	-	-
Foreign				
Nil	-	0.0000%	-	-
Others				
Vyasa Krishna Burugupalli	450	0.0004%	450	0.0079%
Krishna Sai G H	450	0.0004%	450	0.0079%
Nukala Lakshmi Kumari	2,250	0.0020%	2,250	0.0397%
Nukala Sujitha	450	0.0004%	450	0.0079%
Shashank Nanduri	450	0.0004%	450	0.0079%
Ramachandra Prasad Nalam	-	-	450	0.0079%
Total	11,12,87,643	100.0000%	56,69,893	100.0000%

Schedule No.6 Reserves and Surplus

			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
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	(79,206.18)	(55,522.22)
	Total	**(79,206.18)**	**(55,522.22)**

Schedule No.7 Borrowings

			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others (to be specified)	-	327.00
	Total	**-**	**327.00**

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.8 Investments-Shareholders			
		Rupees in ('000)	
S. No.	Particulars	Shareholders	
		As at 31 March 2023	As at 31 March 2022
	Long-term investments		
1	Government securities and government guaranteed bonds including Treasury bills	-	-
2	Other approved securities	-	-
3	Approved Investments		
	(a) Shares		
	(aa) Equity shares	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference		
	(b) Mutual Funds	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	-	-
	(e) Other Securities (to be specified)		
	(i) ATI Bonds	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(f) Subsidiaries	-	-
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	-	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	Sub-Total (A)	-	-
	Short Term Investments		
1	Government securities and government guaranteed bonds including Treasury bills	-	-
2	Other approved securities	-	-
3	Approved Investments		
	(a) Shares		
	(aa) Equity shares	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference		
	(b) Mutual Funds	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	-	-
	(e) Other Securities (to be specified)		
	(i) ATI Bonds	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(f) Subsidiaries	-	-
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	-	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	Sub-Total (B)	-	-
	Total (A+B)	-	-
	Investments		
	In India	-	-
	Outside India	-	-
	Total	-	-

* Investments are segregated into Policyholders' and Shareholders' fund as per the directions from IRDAI - Refer note no. 2.10 of Schedule 16

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.8A Investments-Policyholders			
		Rupees in ('000)	
		Shareholders	
S. No.	Particulars	As at 31 March 2023	As at 31 March 2022
	Long-term Investments		
1	Government securities and government guaranteed bonds including Treasury bills	-	-
2	Other approved securities	-	-
3	Approved Investments		
	(a) Shares		
	(aa) Equity shares	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference	-	-
	(b) Mutual Funds		
	- Fair Value Change Accretion/(Diminution)	-	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	-	-
	(e) Other Securities (to be specified)		
	(i) ATI Bonds		
	- Fair Value Change Accretion/(Diminution)	-	-
	(f) Subsidiaries		
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	-	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares		
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	Sub-Total (A)	-	-
1	Government securities and government guaranteed bonds including Treasury bills	-	-
2	Other approved securities	-	-
3	Approved Investments		
	(a) Shares		
	(aa) Equity shares	-	-
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference	-	-
	(b) Mutual Funds		
	- Fair Value Change Accretion/(Diminution)	-	-
	(c) Derivative Investments	-	-
	(d) Debentures/Bonds	-	-
	(e) Other Securities (to be specified)		
	(i) ATI Bonds		
	- Fair Value Change Accretion/(Diminution)	-	-
	(f) Subsidiaries		
	Less : Accumulated depreciation	-	-
4	Investments in Infrastructure and Housing Sector	-	-
5	Other investments		
	(a) Shares		
	(aa) Equity shares		
	- Fair Value Change Accretion/(Diminution)	-	-
	(bb) Preference	-	-
	(b) Debentures/Bonds	-	-
	(c) Other securities - Loan	-	-
	Sub-Total (B)	-	-
	Total (A+B)	-	-
	Investments		
	In India	-	-
	Outside India	-	-
	Total	-	-

* Investments are segregated into Policyholders' and Shareholders' fund as per the directions from IRDAI - Refer note no. 2.10 of Schedule 16

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.9 Loans

S.No.	Particulars	As at 31 March 2023	As at 31 March 2022
		Rupees in ('000)	
1	**SECURITY-WISE CLASSIFICATION**		
	Secured	-	-
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) outside India	-	-
	(b) On shares, bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	-	-
2	**BORROWER-WISE CLASSIFICATION**		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	Total	-	-
3	**PERFORMANCE-WISE CLASSIFICATION**		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	Total	-	-
4	**MATURITY-WISE CLASSIFICATION**		
	(a) Short-Term	-	-
	(b) Long-Term	-	-
	Total	-	-
	Grand Total	-	-

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

Schedule No.11 Cash and Bank Balance

S.No.	Particulars	As at 31 March 2023	As at 31 March 2022
		Rupees in ('000)	
1	**Cash and stamps on hand (Refer note 2.21 of Schedule 16)**	1,825	3.41
2	**Cheques on hand**	-	-
3	**Bank Balance**		
	(a) Deposit Accounts	-	-
	(aa) Short term (due within 12 months)	9,57,500	-
	(bb) Others	-	-
	(b) Current Accounts	5,386	22.75
	(c) Others (to be specified)	-	-
4	**Money at call and short notice**		
	(a) with Banks	-	-
	(b) with other Institutions	-	-
5	**Others (to be specified)**		
	Total	**9,64,712**	**26.16**
	Balance with non scheduled banks included in 3 above	-	-

KSHEMA GENERAL INSURANCE LIMITED

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023
Schedule 10 | Fixed Assets

Rupees in ('000)

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 31 March 2023	As at 31 March 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	-	1,473.98	**1,168.35**	**734.63**
Vehicles	92.40	881.52	-	**973.92**	28.98	39.26	-	68.25	**905.68**	**63.42**
Plant and Machinery			-	**-**	-		-	-	**-**	**-**
Office Equipment	71.66	67.43	-	**139.09**	21.76	16.52	-	38.28	**100.81**	**49.91**
Others			-	**-**	-		-	-	**-**	**-**
Total	**1,985.27**	**1,770.07**	**-**	**3,755.34**	**1,137.31**	**443.19**	**-**	**1,580.51**	**2,174.84**	**847.95**
Capital Work-in-Progress (including advances)	-	**37,883.27**	**-**	**37,883.27**	-		-	-	**37,883.27**	**-**
Grand total	**1,985.27**	**39,653.34**	**-**	**41,638.61**	**1,137.31**	**443.19**	**-**	**1,580.51**	**40,058.10**	**847.95**

(Refer note 2.11 of Schedule 16)

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.12 Advances and Other Assets			
			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
	Advances		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	346.52	-
4	Advances to directors/officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	2,626.15	-
6	Others (To be specified)		
	(a) Advance to Employees	1,325.00	65.00
	(b) Advance Recoverable	-	-
	Less: Provision for doubtful advances	-	-
	(c) Unutilized Tax credit caried forward		
	- Goods and Service Tax (GST)	9,795.48	1,089.35
	(d) Unsettled investment contract Receivable	-	-
	Total (A)	**14,093.15**	**1,154.35**
	Other Assets		
1	Income accrued on investments	-	-
2	Outstanding premiums	-	-
	Less: Provision for doubtful if any	-	-
3	Agents Balances	-	-
	Less: Provision for doubtful amounts	-	-
4	Foreign Agencies Balances	-	-
5	Due form other entities carrying on insurance business (including reinsurers)	-	-
	Less: Provision for doubtful amounts	-	-
6	Due from Subsidiaries/holdings	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	**4,780.00**	**100.00**
	(b) Investment of Unclaimed amount of Policyholders		
	Total (B)	**13,380.00**	**100.00**
	Grand Total (A+B)	**27,473.15**	**1,254.35**

Schedule No.13 Current Liabilities			
			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
1	Agents' Balances	-	-
2	Balances due to other insurance companies	-	-
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	-	-
5	Unallocated Premium	-	-
6	Sundry creditors	3,397.70	14.37
7	Due to subsidiaries/holding Company	14,715.00	-
8	Claims outstanding	-	-
9	Due to Officers/Directors	-	-
10	Income Accrued on Unclaimed amounts	-	-
11	Interest payable on debentures/bonds	-	-
12	Others		
	(a) GST Liabilities	422.10	
	(b) Statutory dues	1,789.83	600.38
	(c) Unsettled investment contract payable	-	-
	(d) Solatium fund	-	-
	(e) Due to Policyholders/Insured	-	-
	(f) Temporary overdraft	-	-
	(g) Other Payables	1,931.80	10.00
	Total	**22,256.44**	**624.75**

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.14 Provisions

			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
1	Reserve for unexpired Risk	-	-
2	For taxation (less payments and taxes deducted at source) (Refer note 2.18)	-	-
3	Reserve for proposed dividend	-	-
4	For dividend distribution tax	-	-
5	Others		
	For Employee Benefits		
	(a) Gratuity	701.31	-
	(b) Long term incentive plan	-	-
	(c) Accrued leaves	347.70	-
	Total	**1,049.01**	**-**

Schedule No.15 Miscellaneous expenditure (to the extent not written off or adjusted)

			Rupees in ('000)
S.No.	**Particulars**	**As at 31 March 2023**	**As at 31 March 2022**
1	Discount Allowed in issue of shares/debentures	-	-
2	Others (to be specified)	-	-
	Total	-	-

KSHEMA GENERAL INSURANCE LIMITED

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Schedule No.16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2023

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 policies, including but not limited to policies relating to Crop, Motor, Government products etc.

The Company is registered with IRDAI with Certificate of Registration No. 162 dated 11 January 2023.

2 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 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.

2.1 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 fiancial statements are based upon management's evaluation of the relavent 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.

2.2 Revenue recognition

i) **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. Crop Insurance premium is recognised as income over the contract period or period of risk, whichever is appropriate. Crop insurance premium under government schemes are recognized in accordance with contractual obligations.

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

ii) **Interest / dividend income:**

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

iii) **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.

iv) **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.

v) **Commission income from reinsurance ceded:**

Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2023

2.3 Reinsurance Premium ceded

Insurance premium on ceding of the risk is recognised simultaneously along with the insurance premium in accordance with reinsurance arrangements and the underlying treaties. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled. Adjustments to reinsurance premium for corrections to area covered under Crop insurance are recognised simultaneously along with related premium income.

2.4 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.

2.5 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 1/365th method on the unexpired period of respective policies.

2.6 Premium deficiency

If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognised as premium deficiency.

Premium deficiency is calculated on annual basis and at the company level.

2.7 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.

2.8 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 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.

2.9 a. Claims Incurred

Claims are recognized as and when reported. 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'). It also includes survey fees, legal expenses and other costs directly attributable to claims.

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.

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2023

b. 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 guidance note 21 issued by the Institute of Actuaries of India.

2.10 Investments

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

a. 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.

b. Valuation:

Debt securities:

Each Security under 'held to maturity' Catogory is carried at its amortised cost. Any premium/ discount on acquisition is amortised/ accreted over the remaining maturity period of the security on constant yield basis. Such amortisation/ accretion of premium/ discount is deducted from/ added to interest income.

Equity shares and Convertible preference shares:

Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange. Unlisted equity shares are stated at historical cost. Unrealized gains or losses are credited / debited to the fair value change account.

Mutual Fund units:

Mutual fund units are stated at their Net Asset Value ('NAV') at the Balance Sheet date. Unrealized gains or losses are credited / debited to the fair value change account.

c. Fair Value Change Account:

In accordance with the Regulations, unrealised gain/loss arising due to changes in fair value of listed equity shares, convertible preference shares, mutual fund investments, units of REITs and units of InvIT are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realisation.

d. Impairment of Investments:

The Company assesses at each Balance Sheet date whether there is any evidence of impairment of any investments. In case of impairment, the carrying value of such investment is reduced to its fair value and the impairment loss is recognized in the Profit and Loss Account after adjusting it with previously recognized revaluation reserve/fair value change account. However, at the Balance Sheet date if there is any indication that a previously recognized impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

KSHEMA GENERAL INSURANCE LIMITED

Schedule No.16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2023

2.11 Fixed Assets, Depreciation and Amortization

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 assets comprising computer software are stated at cost less accumulated amortisation. Computer software including improvements are amortised over a period of 3 years, being the management's estimate of the useful life of such intangibles.

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 Rs.10,000 are fully depreciated / amortized in the year in which they are acquired.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern.

2.12 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.

2.13 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.

2.14 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.

2.15 Operating lease

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.

KSHEMA GENERAL INSURANCE LIMITED

2.16 Employee benefits

Employee benefits include employee state insurance scheme and gratuity expense.

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.

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

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.

Short-term employee benefits

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 undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees renders the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related service.

2.17 Earnings per share

Basic earnings per share is computed 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. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

2.18 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.

Schedule No.16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2023

2.19 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).

2.20 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 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.

2.21 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.

KSHEMA GENERAL INSURANCE LIMITED ★

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Notes to Accounts

3 Contingent Liabilities

Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts other than insurance matters -

S.No.	Particulars	Rupees in ('000)	
		As at 31 March 2023	As at 31 March 2022
1	Partly paid up investments	Nil	Nil
2	Underwriting commitments outstanding (in respect of shares and securities)	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	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

4 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 hereinbelow:

Particulars of the year ended	Rupees in ('000)	
	As at 31 March 2023	As at 31 March 2022
Outsourcing Expenses	-	-
Business Development	2,500.00	60.60
Marketing support	-	-

5 Capital Commitments

Commitments made and outstanding for acquisition of fixed assets amount to Rupees Nil thousand (Previous year Nil).
Commitments made and outstanding for loans and investments is Nil (Previous year Nil).

6 Actuarial methodology

Since the Company has not started underwriting insurance policies during the financial year, there are no Incurred But Not Reported (INBR) or Incurred But Not Enough Reported (IBNER) reserves and thus, actuarial methodologies are not applicable.

7 Claims

a. Claims settled and outstanding for more than six months - Rupees Nil (Previous Year - Rupees Nil)
b. Claims made in respect of contracts exceeding four years - Rupees Nil (Previous Year - Rupees Nil)

8 Premium with varying risk pattern

Extent of premium income recognized based on varying risk pattern - Rupees Nil (Previous year Nil)

9 Computation of Managerial remuneration

Particulars	Rupees in ('000)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Mr. Nataraj Nukala		
Salary, allowances and bonus paid (including contributions to funds)	5,400.00	-
Perquisites	-	-

Expenses towards gratuity, compensated absence and long term incentives are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information, except to the extent paid.

In addition, details of Stock options granted and exercised are as follows.

Particulars	No. of options	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Granted during the year	-	-
Exercised during the year	-	-

10 Premium deficiency

The Company has provided Premium Deficiency Rupees Nil (Previous year Nil) as per IRDAI regulatory guideline - refer Schedule 16 note 2.6

KSHEMA GENERAL INSURANCE LIMITED

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Notes to Accounts

11 Rural and Social obligation

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

(Rupees '000, Count in numbers)

Business Sector	For the Year ended 31 March, 2023				For the Year ended 31 March, 2022			
	GDPI	No. of Policies	No. of Lives	% of GDPI	GDPI	No. of Policies	No. of Lives	% of GDPI
Rural	-	-	-	0%	-	-	-	0%
Social	-	-	-	0%	-	-	-	0%
Urban	-	-	-	0%	-	-	-	0%
Total	**-**				**-**			

As against the rural contribution of 0% of GDPI mandated by IRDAI, the Company's rural contribution is 0%. As against the requirements of 0% of the total lives written in previous year., the company has written 0% of total lives written in the previous year under the social sector.

12

Extent of risk written and reinsured based on Gross written premium (excluding excess of loss and catastrophe reinsurance)

Particulars	for the year ended 31 March 2023	for the year ended 31 March 2022
	% age of business written	% age of business written
Risk Retained	-	-
Risk Insured	-	-
Total	-	-

13 Contribution to Environmental Relief Fund

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

14 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.

15 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.

16 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)	
	As at 31 March 2023	As at 31 March 2022
Payable not later than one year	2,792.31	516.00
payable later than one year but not later than five years	5,663.28	-
Payable later than five years	-	-

Amount charged to Revenue accounts in respect of all lease arrangements aggregates Rupees 959 thousand (Previous year Rupees 461 thousand).
There are no transactions in the nature of sub leases.
The period of agreement is generally of there years and renewable thereafter at the option of the lessee.

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Notes to Accounts

17 Earnings per Share ('EPS')

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
		Rupees in ('000)
Profit after tax	(23,683.96)	(16,038.82)
Basic earnings before extra-ordinary items (A) Rupees	(23,683.96)	(16,038.82)
Basic earnings after extra-ordinary items (B) Rupees	(23,683.96)	(16,038.82)
Weighted average number of equity shares (par value of Rupees 10 each)	4,89,35,321	37,85,195
Basic and diluted earnings per share (A/C) Rupees	(0.48)	(4.24)
Basic and diluted earnings per share after extraordinary items (B/C) Rupees	(0.48)	(4.24)

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.

18 Taxation

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

Deferred tax asset	As at 31 March 2023	As at 31 March 2022
		Rupees in ('000)
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	
Total	**24,767.61**	**-**
Deferred tax liability		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	34.98	-
Net deffered tax asset	**24,732.63**	-
Deferred tax (income)/expense recognized in the Profit and loss account	(24,732.63)	-

During the financial year ended 31 March 2023, the current tax includes provision of income tax Rupees Nil (Previous year - Rupees 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 31 March 2023, the current tax includes reversal of income tax provision of Rupees Nil (Previous year - Rupees Nil) for earlier years.

19 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	As at 31 March 2023	As at 31 March 2022
		Rupees in ('000)
Provident fund	184.04	210.60
Superannuation scheme	-	-
Employee state insurance corporation	25.58	40.95
Labour welfare fund	-	-
Contribution to National Pension Scheme	-	-
Contribution to Employee Deposit Linked Insurance	-	-
Total	**209.63**	**251.55**

KSHEMA GENERAL INSURANCE LIMITED

Notes to Accounts

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)
	As at 31 March 2023	**As at 31 March 2022**
Current service cost	181.76	-
Interest cost on defined benefit obligation	-	-
Prior Service Cost – Vested benefit	519.55	
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	-	-
Net benefit expenses	**701.31**	**-**

II. Balance Sheet

(i) Details of provision for gratuity

Particulars		Rupees in ('000)
	As at 31 March 2023	**As at 31 March 2022**
Defined benefit obligation	701.31	-
Fair value of plan assets	-	-
Net liability/(asset) recognized in the Balance Sheet	701.31	-

(ii) Changes in the present value of the defined benefit obligation are as follows:

Particulars		Rupees in ('000)
	As at 31 March 2023	**As at 31 March 2022**
Opening defined benefit obligation	-	-
Interest cost	-	-
Current service cost	181.76	-
Prior Service Cost – Vested benefit	519.55	
Benefits paid	-	-
Actuarial losses/(gains) on obligation	-	-
Closing fair value of plan assets	701.31	-

(iii) Changes in the fair value of plan assets are as follows:

Particulars		Rupees in ('000)
	As at 31 March 2023	**As at 31 March 2022**
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	**As at 31 March 2023**	**As at 31 March 2022**
	%	%
Investments with insurer	-	-
Asset allocation:		
Government securities	-	-
Debentures and bonds	-	-
Fixed Deposits	-	-
Money market instruments	-	-
Others	-	-

KSHEMA GENERAL INSURANCE LIMITED

Notes to Accounts

v) The principles assumptions used in determining the benefit obligations fot the Company's gratuity plans are shown below:

Particulars	As at 31 March 2023	As at 31 March 2022
	%	%
Discount rate	7.51%	-
Expected rate of return on assets	0%	-
Increase in compensation cost	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.

vi) Experience Adjustments for the current and previous four years are as follows:

Particulars					Rupees in ('000)
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
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:

Particulars		Rupees in ('000)
	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	-	-
Expenses recognized in the Profit and Loss account and Revenue account during the year	347.70	-

Actuarial assumptions used		
Discount rate	7.51%	-
Salary escalation rate*	10%	-
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	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:

Particulars		Rupees in ('000)
	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	-	-
Expense recognized in income statement during the year	347.70	-
Actuarial assumptions used		
Discount rate	7.51%	-
Attrition rate	5%	-

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 31st March, 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.

KSHEMA GENERAL INSURANCE LIMITED

Notes to Accounts

20 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)

21 Expenses related to Policyholder's and Shareholder's investments

Expenses directly identifiable with investment activity amounting to Rupees NIL (Previous year Rupees NIL) are included under "expenses other than those relating to insurance business" in the Profit & Loss Account. There are no Policyholders' funds during the financial year as the Company has not issued any insurance policies.

22 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:

S.No.	Particulars	Rupees in ('000)	
		As at 31 March 2023	As at 31 March 2022
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	-	-

23 Fines and Penalties

Details of Penal actions taken by various Government Authorities as below:

Sr No	Authority	Period	Non-Compliance/ Violation	Penalty awarded	Penalty paid	Penalty Waived/ Reduced/Stay received
1	NIL	FY 2023	-	-	-	-
		FY 2022	-	-	-	-
2	NIL	FY 2023	-	-	-	-
		FY 2022	-	-	-	-
3	NIL	FY 2023	-	-	-	-
		FY 2022	-	-	-	-
4	NIL	FY 2023	-	-	-	-
		FY 2022	-	-	-	-
5	NIL	FY 2023	-	-	-	-
		FY 2022	-	-	-	-

24 Unclaimed funds

IRDAI has vide circular no. IRDA/F&A/CIR/Mis/282/11/2020 dated 17 Nov 2020 advised all insurers to disclose under schedule 13 – Current Liabilities amount due to policyholders/ Insured on accounts of claims settled but not paid (except under litigation), excess collection of the premium / tax which is refundable and cheques issued but not encashed by policy holders / Insured.

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as at the end of 31 March 2022

Particulars	Period	Rupees in ('000)				
		Total Amount	0-6 months	7-12 months	13-18 months	19-24 months
	FY 2022-23	-	-	-	-	-
	FY 2021-22	-	-	-	-	-
	FY 2022-23	-	-	-	-	-
	FY 2021-22	-	-	-	-	-
Total	FY 2022-23	-	-	-	-	-
	FY 2021-22	-	-	-	-	-

As per IRDAI circular no. IRDA/F&A/CIR/Mis/282/11/2020 dated 17 Nov 2020 which required disclosure of the following information on unclaimed amount of policy holders.

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Notes to Accounts

Details of Unclaimed Amount & Investment Income

Particulars	FY 2022-23			FY 2021-22		
						Rupees in ('000)
	Policy Dues	Income Accrued	Total	Policy Dues	Income Accrued	Total
Opening Balance	-	-	-	-	-	-
Add: Amount transferred to unclaimed	-	-	-	-	-	-
Add: Cheques issued but not encashed	-	-	-	-	-	-
Add: Investment income on unclaimed	-	-	-	-	-	-
Less : Amount of claims paid during the	-	-	-	-	-	-
Less : Amount transferred to SCWF (net	-	-	-	-	-	-
Closing balance of unclaimed Amount	-	-	-	-	-	-

25 Pending litigations : Nil (Previous year Nil)

26 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 31 March 2023 the Company did not have any outstanding derivative contracts.

27 Contribution to Investor Education and Protection Fund

For the year ended 31 March 2023, there is no amount that needs to be transferred to the Investor Education and Protection Fund.

28 Corporate Social Responsibility

During the year, as per provisions of section 135 of Companies Act 2013, the Company was required to spend Rupees NIL (previous year: Rupees NIL) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy and debited to Profit and loss Account. The details of the amount spent on ongoing and other than ongoing projects during the year and amount transferred to unspent CSR account pursuant to section 135 of the Act are given below.

a. Gross amount required to be spent by the Company during the year is Rupees Nil thousand (previous year Rupees Nil).
b. Amount spent during the year on:

S. No	Particulars	As at 31 March 2023	As at 31 March 2022
			Rupees in ('000)
i)	Construction / acquisition of any asset	-	-
ii)	On purposes other than (i) above*	-	-
	Total		

c. Movement in provision for CSR activities:

Particulars	As at 31 March 2023	As at 31 March 2022
		Rupees in ('000)
Balance as at beginning of the year	-	-
Additional provision made during the year	-	-
Amount utilised during the year	-	-
Balance as at end of the year	-	-

d. As per the requirements of Section 135(5), unspent amount:

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
				Rupees in ('000)
-	-	-	-	-

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Notes to Accounts

e. Details of ongoing projects:

Rupees in ('000)

Opening Balance		Amount Required to be spend during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's Bank A/C	From Separate CSR	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

f. Amounts of related party transactions pertaining to CSR related activities for the year ended March 31, 2022 is Nil (Previous year ended March 31, 2021 Nil).

29 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	Daily average outstanding during the year
Securities Sold under repo (At cost)					
1. Government Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-
2. Corporate Debt Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-

Securities purchased under reverse repo (At cost)

1. Government Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-
2. Corporate Debt Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-

30 Solvency Margin

Rupees in ('000)

Solvency Margin	As at 31 March 2023	As at 31 March 2022
Required solvency margin under IRDAI Regulations (A)	-	-
Available solvency margin (B)	-	-
Solvency ratio actual (times) (B/A)	-	-
Solvency ratio prescribed by Regulation	-	-

31 Dividend- Nil (Previous year Nil)

32 Encumbrance of Assets

The assets of the Company are free from all encumbrances.

33 Non-performing investments- Nil

34 Value of investment contracts where settlement or delivery is pending as at year end is as follows:

Rupees in ('000)

Particulars	As at 31 March 2023	As at 31 March 2022
Purchases where deliveries are pending	-	-
Sales where receipts are due	-	-

There are no investment contracts where securities have been sold but payments are overdue at the Balance Sheet date.

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.

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Notes to Accounts

36 Foreign exchange gain/loss

The foreign exchange loss (net) debited to Revenue Account for the year ended 31 March 2023 is **Nil** (Previous Year Nil)

37 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	Services Rendered	Rupees in ('000)	
		For the year ended 31 March 2023	For the year ended 31 March 2022
Jawahar and Associates	Certification charges	-	-
	Other works	-	-

38 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 01 April 2022 to 31 March 2023

39 Contribution from Shareholders' account to Policyholders' account

During the previous year, in line with IRDAI order dated 10 September 2020, the Company had not funded any amount from Shareholders' Account to Policyholders' Account.

40 Previous year comparatives

Previous year figures have been re-grouped and reclassified wherever necessary to conform to current year's presentations.

41 Operating Expenses

The Company was issued license from Insurance Regulatory and Development Authority of India ('IRDAI') on 11 January 2023, to carry on general insurance business. Accordingly, expenses incurred from 01 April 2022 upto 10 January 2023 have been accounted for under Shareholders' Funds.

As per our report of even date attached

For Jawahar and Associates
Chartered Accountants
FRN 001281S

JAWAHAR AND ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

CA M.Chandramouleswara Rao
Partner
M.No.024608
UDIN: 23024608BGZGMB3494

Place : Hyderabad
Date: July 07, 2023

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

Vyasa Krishna Burugupalli
Managing Director & CEO
DIN: 03072517

Natraj Nukala
Director
DIN: 02119316

Prabhav

Prabha Vadlamannati
Company Secretary &
Chief Compliance Officer

KSHEMA GENERAL INSURANCE LIMITED

Prashant Shenoy
Chief Financial Officer

Kshema General Insurance Limited
IRDAI Registration No. 162 dated 11 January 2023

Annexure 1 - Segmental Break up of the Balance Sheet item as at 31 March 2023

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)

Segment	Year	Premium Earned (Net)	Premium Received in Advance	Claims Outstanding (Net)	Reserve for Unexpired Risk	Outstanding premium	Solatium Fund
Agriculture Crop	FY 2023	-	-	-	-	-	-
	FY 2022	-	-	-	-	-	-
Miscellaneous	FY 2023	-	-	-	-	-	-
	FY 2022	-	-	-	-	-	-
Total	**FY 2023**	-	-	-	-	-	-
	FY 2022	-	-	-	-	-	-

Annexure 2 - Related parties and nature of relationship where transactions made during the year:

Nature of Relationship	Name of the Related party
Ultimate Holding Company	Kshema Capital Private Limited (Upto Nov 2022)
Holding Company	Kshema Holdings Private Limited
Promoter	Natraj Nukala
Key Managererial personnel (KMP)	
Managing Director and Chief Executive Officer	Vyasa Krishna Burugupalli (From 03 November 2022)
Wholetime Director and Chief Executive Officer	Natraj Nukala (Upto 30 September 2022)
Director	Natraj Nukala (From 01 October 2022)
Director	Rama Chandra Prasad Nalam (Upto 22 Auguest 2022)
Director	Deepa Karthykeyan (From 06 March 2023)
Director	Rajeshnani Venkata Dasari (From 09 June 2022)
Company Secretary & Chief Compliance Officer	Prabha Vadlamannati (From 02 January 2023)
Company in which the Director has substantial interest	ITUS Insurance Brokers Private Limited

Related Party Disclosures under AS 18 for the year 2022-23

Transactions during the year **Rupees in ('000)**

S. No	Name of the related party	Description	For the year ended 31 March 2023	For the year ended 31 March 2022
1	Kshema Holdings Private Limited	Share Application money received	10,56,231	17,327
		Share Capital allotted	10,56,178	32,331
		Refund of Share application money	380	-
		Reimbursements	8,600	-
2	Kshema Capital Private Limited	Expenditure		
		Arrangers Fee	18,000	-
		Trademark Fee	9,500	-
		Reimbursements	2,925	-
4	Natraj Nukala	Expenditure		
		Remuneration	10,800	-
		Reimbursements	4,258	2,245
5	Rama Chandra Prasad Nalam	Expenditure		-
		Director Sitting fee	735	-
6	Vyasa Krishna Burugupalli	Expenditure		
		Director Sitting fee	1,470	-
7	ITUS Insurance Brokers Private Limited	Expenditure		
		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	As at 31 March 2023	As at 31 March 2022
1	Kshema Holdings Private Limited	Share Capital	(11,12,831)	(56,654)
		Reimbursements Receivable	8,600	-
2	Kshema Capital Private Limited	Payable for Services	(14,715)	-
3	Natraj Nukala	Reimbursements payable	(4.50)	-
4	Vyasa Krishna Burugupalli	Director Sitting fee Payable	(735)	-

KSHEMA GENERAL INSURANCE LIMITED

Rupees in ('000)

Annexure 3 - Summary of Financial Statements for the year ended 31 March					
Particulars	**2023**	**2022**	**2021**	**2020**	**2019**
OPERATING RESULTS					
Gross Written Premium	-	-	-	-	-
Net Premium Income (net of Reinsurance)	-	-	-	-	-
Income from Investments (net of losses)	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total Income	-	-	-	-	-
Commissions (net including brokerage)	-	-	-	-	-
Operating Expenses	(46,490.04)	-	-	-	-
Net Incurred Claims	-	-	-	-	-
Change in Unexpired Risk Reserve	-	-	-	-	-
Operating Profit/Loss	**46,490.04**	-	-	-	-
NON OPERATING RESULTS					
Total income under Shareholder's Account	26,244.83	-	-	-	-
Profit before Tax	(48,416.59)	(16,038.82)	-	-	-
Provision for Tax	(24,732.63)	-	-	-	-
Profit after Tax	(23,683.96)	(16,038.82)	-	-	-
MISCELLANEOUS					
Policyholder's Account	-	-	-	-	-
Total Funds	-	-	-	-	-
Total Investments	-	-	-	-	-
Yield on Investments	-	-	-	-	-
Shareholder's Account	-	-	-	-	-
Total Funds	-	-	-	-	-
Total Investments	-	-	-	-	-
Yield on Investments	-	-	-	-	-
Paid up Equity Capital	-	-	-	-	-
Net Worth	-	-	-	-	-
Total Income	-	-	-	-	-
Total Assets (Gross of current liabilities and provisions	-	-	-	-	-
Yield on Total Investments	-	-	-	-	-
Earning Per Share	-	-	-	-	-
Book value per Share	-	-	-	-	-
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

KSHEMA GENERAL INSURANCE LIMITED

Annexure 4 - Ratios for the year ended 31 March 2023

S. No	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	**Gross Direct Premium Growth Rate**		
	Agriculture Crop	NA	NA
	Miscellaneous	NA	NA
		-	-
2	Gross Direct Premium to Net Worth Ratio	-	-
3	Growth Rate of Net Worth	87744%	-
4	**Net Retention Ratio**		
	Agriculture Crop	NA	NA
	Miscellaneous	NA	NA
5	**Net Commission Ratio**		
	Agriculture Crop	NA	NA
	Miscellaneous	NA	NA
6	Expenses of Management to Gross Direct Premium Ratio	NA	NA
7	Expenses of Management to Net Written Premium Ratio	NA	NA
8	Net Incurred Claims to Net Earned Premium	NA	NA
9	Combined Ratio	NA	NA
10	Technical Reserves to Net Premium Ratio	NA	NA
11	**Underwriting Balance Ratio**		
	Agriculture Crop	NA	NA
	Miscellaneous	NA	NA
12	Operating Profit Ratio	NA	NA
13	Liquid Assets to liabilities ratio (Times)	42.57	2.05
14	Net Earning Ratio	NA	NA
15	Return on Net worth	-2.3%	-1363%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	NA	NA
17	NPA Ratio	-	-
	Gross NPA	NA	NA
	Net NPA	NA	NA

KSHEMA GENERAL INSURANCE LIMITED