KSHEMA GENERAL INSURANCE LIMITED

6TH ANNUAL REPORT

2023-24

Regd Off: #413, 4th Floor, My Home Tycoon, Kundan Bagh, Begumpet, Hyderabad – 500 016, Telangana, India
Corp Off: 10th Floor, Orwell Block 1, Salarpuria Sattva Knowledge City, Raidurgam, Hyderabad – 500081, Telangana
T: +91 040 2340 9918 | E: info@kshema.co | www.kshema.co | IRDAI Regn. No: 162 | CIN:U66000TG2018PLC125484

kshema

NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Members of Kshema General Insurance Limited will be held on Friday, 27th September 2024 at 3.00 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 2024 and the statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. Natraj Nukala (DIN: 02119316), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint M/s. Umamaheswara Rao & Co, Chartered Accountants, (ICAI FRN 004453S), Hyderabad as Statutory Auditors of the Company.

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

SPECIAL BUSINESS:

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

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

   "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), relevant provisions of the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), consent of the Members of the Company be and is hereby accorded for approval of Kshema General Insurance Limited - Employees Stock Option Plan - 2024 ("Scheme") as initialled by the Chairman for the purpose of identification and to create, grant, offer, issue and allot under the Scheme, in one or more tranches, not exceeding 55,64,380 [Fifty Five Lakhs Sixty Four Thousand Three Hundred and Eighty only] Employee Stock Options ("Options") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of Employees and Directors of the Company (as permitted under the applicable laws), in India or outside India and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ("Eligible Employees"), exercisable into not more than 55,64,380 [Fifty Five Lakhs Sixty Four Thousand Three Hundred and Eighty only] Equity Shares of face value of Rs. 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the provisions of the applicable laws and the provisions of the Scheme.

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

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

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

RESOLVED FURTHER THAT the Scheme shall be administered by the Nomination and Remuneration Committee who shall have all the necessary powers as defined in the Scheme and under applicable laws.

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

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

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations 2024 and the Master Circular on Corporate Governance for Insurers, 2024 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, and subject to the approval of Insurance Regulatory and Development Authority of India (IRDAI), consent of the members be and is hereby accorded for revision in the remuneration payable to Dr. Vyasa Krishna Burugupalli, Managing Director & CEO, [DIN: 03072517] for the Financial Year 2024-25 as below:

Remuneration	Existing (Amount in INR.)	Proposed (Amount in INR.)
Fixed Pay	80,00,000/-	1,00,00,000/-
Variable Pay		
Performance Bonus	20,00,000/-	25,00,000/-
Stock Options	20,00,000/-	25,00,000/-
Total	1,20,00,000/-	1,50,00,000/-

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

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

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

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

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

Sd/-
Prabha Vadlamannati
Company Secretary & Chief Compliance Officer

Place: Hyderabad
Date: 06.09.2024

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

2. A proxy form for the Meeting is enclosed. Proxies are requested to bring their identity document to prove identity at the time of attending the Meeting.

3. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, Members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.

5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

6. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.

7. Brief profile and other details of Director(s) proposed to be appointed/re-appointed as per Secretarial Standards on General Meetings (SS-2) are given in the Annexure – I to this Notice.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170(1) of the Companies Act, 2013 is available for inspection by the Members at the registered office and the same will be open for inspection at the Meeting.

9. The Register of Contracts or Arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 is available for inspection by the Members at the registered office and the same will be open for inspection at the Meeting.

10. Documents referred to in the Notice will be kept open for inspection by the Members at the registered office of the Company up to the date of the Meeting and at the Meeting.

11. The Company has fixed Wednesday, 4th September 2024 as the Record Date for the purpose of determining the Members eligible to vote on the resolutions set out in the Notice of the Annual General Meeting.

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

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

Item no. 4:

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

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

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

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

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

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

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

Further, the maximum number of **Stock Options** that can be granted and the Shares that arise upon exercise of these **Stock Options** shall stand adjusted in case of corporate action.

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

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

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

but does not include:
a. an Employee who is a Promoter or a Person belonging to the Promoter Group; or
b. a Director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding equity Shares of the Company.

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

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

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

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

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

4) The requirements of vesting and period of vesting:

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

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

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

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

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

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

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

7) Exercise period and process of Exercise:

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

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

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

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

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

8) Lock in period:

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

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

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

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

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

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

Fair market Value Method

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 5

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

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

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

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

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

Sd/-
Prabha Vadlamannati
Company Secretary & Chief Compliance Officer

Place: Hyderabad
Date: 06.09.2024

ATTENDANCE SLIP

Folio No.:

DP ID:

Client ID:

Name of Member:

Address of Member:

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

Name of Proxy holder:

Number of shares held:

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

I / We hereby record my/our presence at the Sixth Annual General Meeting of the Company on Friday, 27th September 2024 at 3.00 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 Sixth Annual General Meeting of the Company, to be held at the registered office of the Company, on Friday, 27th September 2024 at 3.00 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

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

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

Signed this______ day ____________ of 2024

Affix Revenue Stamp

Signature of shareholder____________________

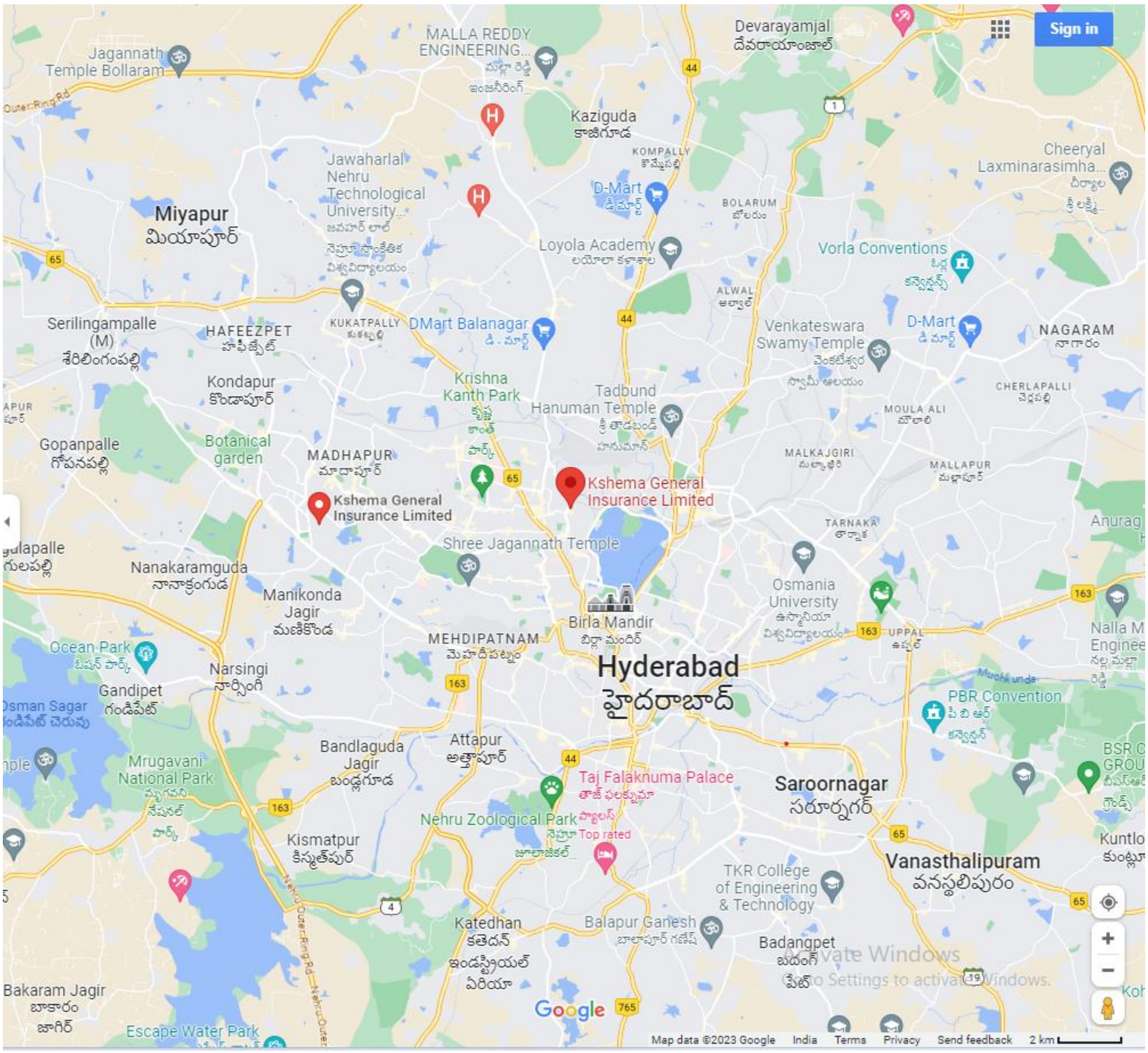
Signature of Proxy holder(s)_________________

Note:

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

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

Route Map


Jagannath Temple Bollaram
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Kaziguda
KOMPALLY
Jawaharlal Nehru Technological University...
D-Mart
BOLARUM
Cheeryal Laxminarasimha...
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
Shree Jagannath Temple
Nanakaramguda
Manikonda Jagir
Osmania University
Ocean Park
MEHDIPATNAM
Birla Mandir
UPPAL
Nalla M Enginee
Hyderabad
Gandipet
Narsingi
PBR Convention
Bandlaguda Jagir
Attapur
Saroornagar
Mrugavani National Park
Taj Falaknuma Palace
BSR C GROU
Nehru Zoological Park
Kismatpur
Top rated
Kuntlo
Vanasthalipuram
TKR College of Engineering & Technology
Katedhan
Balapur Ganesh
Badangpet
Bakaram Jagir
Escape Water Park
Google
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DIRECTORS' REPORT

To,
The Members of
Kshema General Insurance Limited

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

1. Financial Performance

(Amt. in INR.'000)

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

2. Operational Performance and future outlook

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

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

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

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

3. Material changes and commitments affecting the financial position

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

4. Dividend

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

5. Transfer to Reserves

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

6. Deposits

(1) Details Relating to Deposits

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

i. at the beginning of the year: Nil
ii. Maximum during the year: Nil
iii. at the end of the year: Nil

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

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

7. Solvency

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

8. Investment Performance

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

9. Allocation & Apportionment of Expenses Of Management

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

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

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

10. Rural & Social Sector Obligations

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

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

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

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

<u>Rural Sector</u>

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

<u>Social Sector</u>

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

11. Directors

(1) Constitution of the Board

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

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

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

(3) Directors appointed during the year

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

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

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

(4) Declarations by Independent Directors

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

(5) Declaration 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.

(6) Resignation of Director

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

12. Key Managerial Personnel

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

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

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

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

13. Statement Regarding Opinion Of The Board With Regard To Integrity, Expertise And Experience (Including Proficiency) Of The Independent Directors Appointed During The Year

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

14. Details of Board and Committee Meetings

Please refer Annexure A annexed to the Report.

15. Directors' Responsibility Statement

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

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2024 and of the **Profit** of the Company for that period;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The annual accounts have been prepared on a **going concern basis**;

e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

16. Policy on Director's Appointment and Remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other matters under Section 178 of The Companies Act, 2013

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

17. Directors And Officers ('D&O') Liability Insurance

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

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

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

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

19. Conservation of Energy & Technology absorption

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

a) Conservation of Energy

Your Company is in the Financial Services Sector and does not operate industrial machinery, production facilities, or other such energy intensive operations. However, as a responsible corporate citizen, the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews the consumption of energy. The Company has also taken appropriate steps as under to reduce the consumption through efficiency in usage and timely maintenance/installation/upgradation of all the energy saving devices.

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

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

b) Technology Absorption

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

Enterprise Systems

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

Insights

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

Operations

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

GIS

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

Kshema App

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

Infrastructure

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

c) Foreign Exchange Earnings and Outgo

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

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

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

20. Risk Management Framework

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

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

21. Corporate Social Responsibility

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

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

22. Environmental Social and Governance reporting

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

23. Significant and Material Orders passed by the Regulators or Courts or Tribunals

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year under review impacting the going concern status of your Company and its operations in future.

24. Internal Controls

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

i. Internal Audit Framework

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

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

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

ii. Internal Financial Controls and their Adequacy

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

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

iii. Cyber Security

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

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

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

Confidentiality: information should be accessible only to authorized personnel

Integrity: information should be modifiable only by authorized personnel

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

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

25. Particulars of Employees

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

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at the workplace and lays down the guidelines and timelines for the prevention and redressal of complaints pertaining to sexual harassment. Accordingly, Company has adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees including permanent, temporary, on training and on contract basis at all the workplace within the Company which are based on fundamental principles of justice and fair play.

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

a) Number of sexual harassment complaints received in the year: Nil
b) Number of complaints disposed of in the year: Nil
c) Number of cases pending for more than 90 days: Nil

d) Number of awareness programs or workshops against sexual harassment conducted during the year: Nil

e) Nature of the Action taken by the employer or district officer with respect to the cases: NA

27. Establishment of Vigil Mechanism

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

28. Capital

Authorised Share Capital

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

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

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

29. Contracts or Arrangements with Related Parties

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

30. Details of Subsidiary or Joint Venture or Associate Company

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

31. Secretarial Auditor and Secretarial Audit Report

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

32. Auditors' observations

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

33. Auditors

(1) Statutory Auditors

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

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

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

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

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

(2) Joint Statutory Auditor

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

34. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

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

35. Cost records and Cost audit

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

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

37. Particulars of Loans, Guarantees or Investments

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

The provisions of Section 186 except 186(1) is not applicable to a loan made, guarantee given or security provided by a banking company or an insurance company or a housing finance company in the ordinary course of its business or a company engaged in the business of financing of companies or of providing infrastructural facilities. Hence, the disclosures under Section 186(4) of the Companies Act, 2013 is not applicable to the Company.

38. Details of difference between amount of the valuation done at the time of One Time Settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

This section is not applicable to the Company.

39. Compliance with Secretarial Standards

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

40. Dematerialisation of shares and Details of Registrars and Share Transfer Agents

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

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

41. Weblink of the Annual Return

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

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

Re-appointment of Independent Directors

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

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

43. Acknowledgements

The Board of Directors place on record its appreciation to Insurance Regulatory and Development Authority of India for its continued cooperation and support. The Directors would also like to take this opportunity to express their sincere appreciation for the continued support and guidance of Company's Bankers, Consultants, Advisors and Shareholders. The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

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

Sd/-	*Sd/-*
Mr. Natraj Nukala	Dr. Vyasa Krishna Burugupalli
Chairman & Director	Managing Director and CEO
DIN: 02119316	DIN: 03072517
Date: 05.09.2024	Date: 05.09.2024

Annexure A

Corporate Governance Report

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

Philosophy on Corporate Governance

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

I. Details of Board and its Committees

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

Terms of reference

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

1. Strategic Oversight

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

2. Governance and Compliance

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

3. Financial Oversight

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

4. Risk Management

- Identifying and Managing Risks: Overseeing the organization's risk management processes to identify, assess, and mitigate potential risks. This includes financial, operational, and strategic risks.

- Crisis Management: Providing guidance and oversight during crises or significant challenges, ensuring the organization is prepared and can respond effectively.

5. Accountability and Transparency

- Ensuring Accountability: Holding the executive management team accountable for their performance and the organization's results.

- Transparency: Ensuring transparency in operations and decision-making processes, fostering trust among stakeholders.

6. Legal and Ethical Oversight

- Ensuring Ethical Conduct: Promoting ethical behavior and ensuring that the organization adheres to high standards of integrity and corporate responsibility.

- Handling Conflicts of Interest: Addressing and managing any potential conflicts of interest among board members and executives.

8. Continuous Improvement

- Board Evaluation: Regularly evaluating the Board's performance and effectiveness, and implementing improvements as needed.

- Professional Development: Ensuring that board members stay informed about industry trends, governance practices, and emerging issues.

9. Stakeholder Relations

- Ensuring fair treatment of policyholders and employees;

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

10. Talent Management

- Overseeing talent management practices to ensure the organization has the necessary skills and capabilities for future success.

- Developing a corporate culture that recognizes and rewards adherence to ethical standards.

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

Sl. No.	Name of the Director	Category	Date of appointment	Academic qualifications	Area of Specialization	Directorships as on 31st March 2024	Details of the remuneration paid (excluding sitting fees) ('000)
1	Mr. Natraj Nukala	Non-Executive	05th July 2018	Masters in Risk Management from New York University, USA.	Business Development and Risk Management	• Sri Nukala Rama Koteswara Rao Textiles Private Limited • Kshema Capital Private Limited • Kshema Holdings Private Limited	NIL
2	Mr. Rajeshnani Venkata Dasari	Non-Executive Independent	09th June 2022	• MSc (Hons) Mathematics – BITS Pilani • MS Computer Science - Clemson University	Information Technology	NIL	NIL
3	Ms. Deepa Karthykeyan	Non-Executive Independent	06th March 2023	Master's in Economics from the University of Madras and the National University of Singapore.	Governance and Institutional effectiveness, Sustainable Development	• Athena Infonomics India Private Limited • Shanti Narayan Foundation	NIL
4	Mr. Sivarama Prasad Tammana	Non-Executive Independent	17th June 2023	B.Tech (Chemical Engineering) from Andhra University, JAIIB	Finance, Investor Relations	• Delhi Airport Parking Services Private Limited • Vaasavi IVF Micro Finance Private Limited • Tim Delhi Airport Advertising Private Limited	NIL
5	Dr. Vyasa Krishna Burugupalli	Executive	03rd November 2022	• Doctor of Philosophy (PhD - Management) • Master of Insurance Business (M.I.B) • Fellow (ANZIIF) and CIP	Insurance, Micro Insurance, Reinsurance, Human Resource Management		8,000/-

Meetings of the Board

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

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

II. Board Committees

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

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

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

(1) Audit Committee

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

Terms of reference

- Review Financial Statements and examine the organization's financial statements and disclosures to ensure they are accurate, complete, and in accordance with accounting standards and regulations.
- Assess Internal Controls and Evaluate the effectiveness of internal controls over financial reporting to ensure they provide reasonable assurance of the accuracy and reliability of financial statements.

- Recommend the appointment, reappointment, or dismissal of the external auditor, and ensure their independence and objectivity.

- Assess and approve the external auditor's audit plan, including the scope and approach of the audit.

- Evaluate the performance of the external auditor and address any issues or concerns related to the audit process.

- Review and assess the organization's risk management processes to identify, manage, and mitigate financial and operational risks.

- Ensure that appropriate risk management policies and procedures are in place and are being followed effectively.

- Ensure that there are procedures in place for employees and stakeholders to report concerns about financial misconduct or unethical behavior.

- Review and address whistleblower reports and ensure that appropriate actions are taken to investigate and resolve any issues.

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

(a) Mr. Sivarama Prasad Tammana, Non-Executive Independent Director – Chairperson
(b) Mr. Rajeshnani Venkata Dasari, Non-Executive Independent Director
(c) Mr. Natraj Nukala, Non- Executive Director

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

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

(2) Nomination and Remuneration Committee

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

Terms of reference

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- To consider and approve employee stock option schemes and to administer and supervise the same.

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and formulate a criteria for evaluation of every director's performance.

- To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- To approve the compensation programme and to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- To ensure that the proposed appointments re-appointments of key managerial personnel or directors are in conformity with the Board approved policy.

- To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013, as amended, or by any other regulatory authority.

The Nomination and Remuneration Committee comprises of the following members as on 31st March 2024:

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

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

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

(3) <u>Investment Committee</u>

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

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

Terms of reference

- Overseeing the implementation of the investment policy approved by the Board from time to time.
- Reviewing the investment policy.
- Periodically updation to the Board with regard to investment activities of the Company.
- Reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company.
- Reviewing the broker policy and making suitable amendments from time to time.
- Supervising the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy.
- Overseeing the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company.

The Investment Committee was constituted on 18th July 2023.

The Investment Committee comprises of the following members as on 31st March 2024:

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

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

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

(4) Risk Management Committee

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

Terms of reference

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

The Risk Management Committee was constituted on 19th July 2023.

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

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

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

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

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

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

Terms of reference

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.

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

The Committee was constituted on 19th July 2023

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

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

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

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

Key Managerial Personnel

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

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

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

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

III. Code Of Conduct

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

IV. Whistle Blower Policy

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

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

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

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

Sd/-	*Sd/-*
Mr. Natraj Nukala	Dr. Vyasa Krishna Burugupalli
Chairman & Director	Managing Director and CEO
DIN: 02119316	DIN: 03072517
Date: 05.09.2024	Date: 05.09.2024

ANNEXURE B

Form No. AOC-2

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

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

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

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

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

2.1 Service Agreements

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

2.2 Licence Agreement

S. No	Description	Details of the Contracts
i	Name(s) of the related party and nature of relationships	Kshema Capital Private Limited
ii	Nature of contracts/arrangements/transactions	License Agreement
iii	Duration of the contracts / arrangements/transactions	3 years – commencing from 01st April 2023 to 31st March 2026
iv	Salient terms of the contracts or arrangements or transactions including the value, if any	Kshema Capital owns the licensed mark "Kshema – Extremes Se Suraksha" and has agreed to grant of licence to Kshema General for use of the Licensed mark in its business operations.
v	Material terms of the contract including the value, if any	INR. 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
Chairman & Director
DIN: 02119316

Date: 05.09.2024

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

Date: 05.09.2024

ANNEXURE C

SECRETARIAL AUDIT REPORT

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Anil Kumar Tekalkote
Company Secretary in Practice
FCS : 7743
CP No. : 17865

Place : Hyderabad
Date : 30th August 2024
UDIN : F007743F001078881
PR : 5583/2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

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

To

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

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

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

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable

(iv) The industry Specific Acts, Labour Law and other applicable laws as provided by the management of the company:

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

I further report that

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

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

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

I further report that

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

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

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

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

Anil Kumar Tekalkote
Company Secretary in Practice
FCS : 7743
CP No. : 17865

Place : Hyderabad
Date : 30th August 2024
UDIN : F007743F001078881
PR : 5583/2024