Kshema General Insurance Limited

Corporate Social Responsibility Policy

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1. PREAMBLE

As a responsible corporate, Kshema General Insurance Limited ("Kshema" or "Company") believes it critical to invest in vulnerable communities to enable them and the economy to prosper. It is the Company's conviction that such investment must be meaningful, entrenched and premised on long term commitment as that is the only way real and on-ground transformation can be mobilised. Such an approach serves both enlightened business interests and common social good.

To this end, the Company seeks to undertake Corporate Social Responsibility ("CSR") activities, which extend beyond the scope of the business and focuses on human, environmental and social assets, with a special focus on addressing hunger, malnutrition, education and health.

2. OBJECTIVE

In conformity with requirements laid down under Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") and circulars issued by the Ministry of Corporate Affairs ("MCA"), a "CSR Policy" of the Company is adopted by the Board of Directors at their meeting held on 28th March 2025.

This Policy defines the broad governance framework for all CSR-related activities carried out by the Company with a view to:

i. contribute to the betterment of society by investing in and empowering vulnerable communities;

ii. ensure that all CSR activities are conducted in a transparent and efficient manner compliant with Indian laws and regulations;

iii. generate, through its CSR initiatives, community goodwill for the Company thereby helping reinforce a positive and socially responsible image of Kshema as a corporate entity;

iv. create a social orientation amongst the employees of the Company as a conscious organizational policy; and

v. make CSR an integral part of Kshema's narrative.

3. DEFINITIONS

a. **"Act"** means the Companies Act 2013 and the rules made thereunder, including anymodifications, amendments or re-enactment thereof.

b. **"Administrative Overheads"** means the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme. Provided that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year

c. **"Approved Budget"** shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

d. **"Board"** means the Board of Directors of the Company.

e. **"Company"** shall mean Kshema General Insurance Limited and wherever the context requires, shall signify the Company acting through its Board.

f. **"CSR Annual Plan"** shall mean the annual plan detailing the CSR expenditure for the year.

g. **"CSR Committee"** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.

h. **"CSR Expenditure"** means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:

(i) Contribution to CSR Projects which shall be implemented and/or executed by the Company;

(ii) Contribution to CSR Projects (including for corpus as required) which may be implementedand/or executed by a Trust registered by Kshema;

(iii) Any other contributions covered under Schedule VII of the Act.

i. **"CSR Activities"** means projects/programs/initiatives, instituted in India, either new or on-going, to be undertaken by Company in India, pursuant to Section 135 of the Companies Act 2013 along with CSR Rules or such other provisions as may be applicable from time to time as may be amended.

j. **"CSR Policy"** means the policy of the Company which relates to the activities to be undertakenby the Company as specified in Schedule VII of the Act and the expenditure thereon.

k. **"Financial Year"** shall mean the period beginning from 1st April of every year to 31st March ofthe succeeding year.

l. **"Net Profit"** means Net profit as per its financial statement with the applicable provisions of the Act, but doesn't include :

- Any profit arising from any overseas branch or branches of the Company, whetheroperated as a separate Company or otherwise; and

- Any dividend received from other companies in India, which are covered under andcomplying with the provisions of Section 135 of the Act.

m. **"Rules"** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

n. **"Trust"** means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

4. CSR COMMITTEE CHARTER AND ADMINISTRATION

The Corporate Social Responsibility (CSR) Committee of the Company shall be constituted in accordance with the applicable laws. The CSR Committee shall be responsible for initiating, monitoring, recommending and reviewing CSR activities of the Company undertaken by it from time to time. The charter of the CSR Committee is at Annexure II.

a. Constitution of the Corporate Social Responsibility (CSR) Committee

The Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company.

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Constitution:

(i) The CSR Committee shall comprise of atleast 3 directors out of which one shall be an independent director.

(ii) The Chairman of the Committee shall be present at the Annual General Meeting (AGM) to answer shareholders queries. In the absence of the Chairman, any member of the Committee shall be present at the AGM to answer the shareholder queries with regard to CSR activities.

(iii) The first CSR Committee of the Company shall be comprised of the following Directors:

Sr. No	Name of Members	Nature of Directorship	Designation of Members in CSR Committee
(i)	Dr Vyasa Krishna B	Managing Director	Chairman
(ii)	Ms Deepa Karthykeyan	Independent Director	Member
(iii)	Natraj Nukala	Director	Member

b. Powers and Functions of the CSR Committee

The CSR Committee of the Company is vested with the following functions and powers:

(i) formulating and recommending to the Board a CSR Policy indicating the activities to be undertaken by the Company in alignment with Schedule VII of the Act;

(ii) monitoring the progress as per the CSR Policy including efficient oversight of the CSR activities/programs;

(iii) reviewing and recommending the amount of expenditure to be undertaken for the approved CSR activities/programs;

(iv) preparing the CSR Report to account for the progress made during the course of the year; and

(v) any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

While the CSR Committee, subject to the approval / endorsement of the Board, will be the apex body responsible for all financial decisions and programme approvals, it shall work with the relevant officers of the Company for effective and efficient management of the various programmes and amended processes. Such officers will be responsible to and report to the CSR Committee for all activities undertaken to implement/manage the approved CSR programme.

c. Meetings of the CSR Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary:

- The CSR Committee shall hold atleast three meetings in a financial year;
- The quorum for the CSR Committee Meeting shall be one-third of its total strength of directors or two members, whichever is higher;
- The membership of the CSR Committee shall be disclosed in the Board Report;
- If CSR activities are outsourced to any external organization, a representative from such organization may be invited to attend a meeting of the CSR Committee;
- The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient;
- The Members of the Committee shall not be paid any sitting fees for attending meetings of the Committee.
- The minutes of the meetings of the CSR Committee shall be recorded and maintained in

accordance with the relevant provisions of the Companies Act, 2013, as amended and Secretarial Standards - 1 on Meetings of the Board of Directors issued by the ICSI.

- The Company Secretary shall act as the Secretary for the CSR Committee.

Invitees:

- The CSR Committee may invite such officers of the Company and/or any other NGO or expert consultants, as deemed appropriate to attend and participate at its meetings.

- The CSR Committee may also meet without any of the said officers/ representatives.

5. IDENTIFICATION OF CSR ACTIVITIES

Given the thorough listing of the activities by the Ministry of Corporate Affairs, Government of India, the Company hereby adopts the same list as its broad charter of CSR activities as listed under Schedule VII of the Act and appended to this Policy as **Annexure I.**
At present, the Company shall focus to undertake all the activities which are reproduced below:

The Company will primarily focus in the areas of Education, Healthcare and Socio-economic and Environmental Sustainability in order to create impact and achieve results. However, this will not preclude the Company from supporting any CSR activity falling within the scope of Schedule VII of the Act, if the activity is approved in line with the process stipulated in this policy.

The Company shall undertake CSR activities and programs across the following focus areas, which include but are not limited:

a. Eradicating hunger, poverty and malnutrition through:

- promotion of sanitation and making available drinking water;

- provision of food, nutrition supplements, clothes etc. for the poor, children and other deprived sections of the society;

- provision of safe shelter for homeless, abandoned or differently abled children and adults; and

- mobilization of awareness about and access to financial inclusion opportunities for vulnerable communities.

b. Promoting healthcare including preventive healthcare through:

- organisation of awareness generation programmes including for prevention of female foeticide, safe driving / prevention of road accidents, medicine distribution at health check-up camps for preventing diseases, early detection of diseases and building immunity;

- provision of end-to-end access to affordable and quality healthcare to children, youth and adults from socially and economically backward background. This includes curative and operative healthcare for fatal diseases as well as capacity building for hospitals and institutions; and

- provision of pre-natal and post-natal healthcare facilities.

c. Ensuring environment sustainability and ecological balance through:

- promotion of community conservancy for reducing man-animal conflict, increasing India's forest cover and conserving natural resources;

- adoption of wastelands to cultivate plants and preserve the flora and fauna;

- plantation drives in schools, colleges, villages, public spaces, business premises and other areas;

- utilization of renewable energy and renewable or recycled materials; and

- generation of 'Worth from Waste'.

d. Supporting skill development and generation of employment through:

- organisation of locally driven upskilling initiatives including for plumbers, electricians, mechanics, tailors, beauticians, bee-keepers, farmers etc.; and

- provision of life skills to children, youth and adults thereby boosting their confidence and improving their employability.

e. Promoting education across the continuum – primary, secondary and tertiary – especially among children, women, elderly and the differently-abled through:

- adoption of non-formal school programmes and other educational institutions;

- institution of infrastructure in schools like benches, toilets, potable water, fans, security cameras etc. and improvisation of educational facilities; and

- recognition of bright and talented students including extending support for higher education.

- Insurance education and awareness activities

f. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women.

6. IMPLEMENTATION OF CSR ACTIVITIES

- CSR activities will be undertaken in areas identifies by the CSR committee based on the Board approved annual action plan.
- Such activities undertaken may be implemented directly or indirectly through the permitted entities under Rule 4(1) of the company's CSR rules, 2014.
- It can also collaborate with other companies for undertaking projects or programs or CSR activities.

7. MONITORING AND REPORTING OF CSR ACTIVITIES

- The CSR Committee to ensure a transparent monitoring mechanism for CSR Activities.
- The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR committee.
- CSR committee and Board shall monitor the CSR expenses on quarterly basis
- The Board of Directors shall review the progress of the CSR activities at least annually.
- In case of ongoing projects, the Board of the company shall monitor the implementation of the project with reference to the approved timeline and year wise allocation.
- The CSR Committee will submit a report to the Board at the end of the year as per the format prescribed under Companies Act, 2013 and applicable law. The Board will report CSR performance in its report of Board of Directors.

8. CSR EXPENDITURE

The annual CSR budget would be approved by the Board on the recommendations of the CSR Committee, subject to the provisions of the Act and Rules made thereunder as amended from timeto time.

Based on the total approved budget, funds would be allocated for different projects on the basis of identified CSR plan on yearly basis.

The average net profit for the purpose of determining the spending on CSR activities is to be computed in accordance with the provisions of section 198 of the Act and will also be exclusive of the items given under rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014.

Section 198 of the Act specifies certain additions / deletions (adjustments) to be made while calculating the net profit of a Company (mainly it excludes capital payments / receipts, income tax, set-off of past losses).

9. QUANTUM OF CSR INVESTMENT

In pursuance of the provisions of Section 135(5) of the Act, the CSR Committee of the Company shall ensure that the Company spends in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years on the CSR activities of the Company specified under Schedule VII of the Act.

If the Company has not completed the period of three financial years since its incorporation, but it satisfies any of the criteria mentioned in section 135(1), the CSR provisions including spending of atleast two per cent of the average net profits made during immediately preceding financial year(s) are applicable.

Kshema General Insurance Limited was incorporated during FY 2018-19, and as per eligibility criteria the Company is covered under Section 135(1) for FY 2024-25.

If the Company fails to spend such amount which is not related to any ongoing projects, the Board shall in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer such unspent amount to a Fund specified under Schedule VII within a period of six months of the expiry of the financial year.

In case the unspent amount relates to any ongoing projects, subject to fulfilling of prescribed conditions, unspent amounts to be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate SocialResponsibility Account". Such amount shall be spent by the Company in pursuance of its obligation towards the Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Administrative overheads upto five percent of total CSR expenditure of the Company for the financial year is permitted.

Any surplus arising out of CSR activities shall be prohibited to form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR policy or transfer such surplus amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.

If the Company spends an amount in excess of requirement, such excess amount may be set off against the CSR spending requirement up to immediate succeeding three financial years subjectto the conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities.

10. IMPACT ASSESSMENT

a. Impact Assessment: A: Projects having outlay of Rupees Five Crores or more and which have been completed in financial year proceeding the immediate financial year shall be subject to an Impact Assessment by an independent agency.

b. The report of the Impact Assessment shall be placed before the Board and also annexed to the CSR project.

c. Impact Assessment as per rule 8(3) of Company's (CSR) Rules 2014, as under as and when applicable, would be complied by the company:

- Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of Section 135 of the Act, in the three immediately preceding Financial years, shall undertake impact assessment through an Independent Agency, of their CSR Projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study.

- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

- A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

11. EXCLUSION FROM CSR ACTIVITIES

The following activities are specifically excluded from being considered as eligible CSR activity and shall not form part of the CSR activities of the Company:

- Any CSR activities undertaken in pursuance of normal course of business of a Company except research and development activity of new vaccine, drugs and medical devices related to COVID- 19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions;

- Any CSR projects/programs undertaken outside India except for training of Indian sports

- personnel representing any State or Union Territory at national level or India at international level

- A contribution of any amount directly or indirectly to any political party under section

182 ofthe Act or any funds directed towards political parties or political causes;

- Any sponsorship activities for deriving marketing benefits for products / services;
- Any activities for fulfilling statutory obligations under any law in force in India.

12. REPORTING

Quarterly updates and an annual review of CSR projects shall be sent to members of the CSR Committee and also furnished to the Board.

The Company shall file with the Registrar of Companies an Annual Report of CSR activities undertaken along with the audited Financial Statements for the period under review.

13. DISCLOSURE

The Board of Directors report of the Company shall include an annual report on CSR, containing particulars specified in Annexure II of the Company's (CSR) Rules,2014 as amended from time to time.

14. DISPLAY ON THE WEBSITE

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access. The Policy can be downloaded from the website of Company at www.kshema.co/CSR.

15. REVIEW AND AMENDMENTS

The Board of Directors of the Company shall have the powers to revise / modify / amend this Policyfrom time to time, as the Board may think fit, based on the recommendations made by the CSR Committee. Any subsequent amendment / modification in the CSR Rules made by the MCA, under the Act and / or any other laws in this regard shall automatically apply to this Policy.

ANNEXURE
Schedule VII, Companies Act, 2013
(See section 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;

(v) protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;

(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects.

(xi) slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

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