

Kay Kay Hire Purchase Private Limited

Enterprise Risk Management Policy – Public Summary

The Company manages risk through a Board-approved framework linking strategy, risk appetite, capital, liquidity, product design, customer outcomes and internal controls. Lending is the deliberate assumption of risk for a commensurate reward; the objective is not to eliminate risk but to take it knowingly, within limits the Board has set, and to be paid appropriately for it.

Business functions own the risks they originate; risk and compliance oversee and challenge; internal audit provides independent assurance to the Audit Committee.

Risk	Core controls
Credit and concentration	Underwriting on assessed repayment capacity, dealer and asset verification, portfolio limits by product, segment, geography, dealer and vintage, early-warning indicators, provisioning, collections and stress testing
Liquidity and funding	Cash-flow monitoring, funding concentration, maturity mismatch across time buckets, liquid resources, contingency funding plan and stress scenarios
Interest-rate and market	Sensitivity of funding and assets, benchmark changes, repricing profile and permitted exposures
Operational	Process design, maker-checker controls, reconciliations, custody of documents of title, people, premises, records, vendors and business continuity
Technology and cyber	Secure architecture, identity and access management, encryption, vulnerability management, monitoring, incident response, backup and resilience
Fraud and financial crime	Prevention, detection, investigation, KYC/AML, dealer and invoice verification, employee and vendor risk, whistle-blower channel and regulatory reporting
Outsourcing, dealer and channel	Due diligence, contract control, service levels, customer conduct, privacy, audit, concentration, exit and continuity
Compliance and legal	Regulatory inventory, change management, obligations testing, litigation and documentation enforceability
Conduct and customer outcomes	Product suitability, disclosure quality, pricing fairness, complaints, collections and repossession conduct, vulnerable customers and mis-selling risk
Model and data	Data quality, validation, bias, change control and human oversight of material models
Strategic and reputational	Business-plan assumptions, partnerships, brand use, public communication and adverse-event response
Environmental and climate	Assessment of material physical, transition or concentration risks proportionate to the portfolio

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Specific attention: unsecured and bullet-repayment exposure

Unsecured lending, including the Company's bullet personal loan product, carries a materially higher credit risk than secured vehicle finance. There is no asset to realise on default and, in a bullet structure, **no instalment record through which deterioration becomes visible early**. Maturity concentration also creates a distinct liquidity profile. The Company therefore applies to that product a distinct underwriting standard, tighter eligibility, a separate portfolio limit within the Board-approved risk appetite, and more frequent portfolio review, and monitors it separately from the secured book.

Specific attention: geographic and product concentration

The Company's book is concentrated in a single state and, historically, a single asset class. Geographic and product concentration therefore receive specific Board attention.

Governance and monitoring

- The Board approves risk appetite and receives regular reporting on material exposures, breaches, incidents and remediation.
- New products and material changes undergo risk, compliance, legal, technology, privacy and operational review before launch.
- Limits and exceptions are documented, time-bound, approved at the proper level and independently monitored.
- Material incidents are contained, investigated, reported and used to strengthen controls.
- **This public summary deliberately does not disclose confidential limits, thresholds or security architecture.**