

## Risk Management Policy

### 1. Introduction

#### a. Purpose

This document sets the framework for Management of the risks that Kartik Investments Trust Limited (“KITL”) is exposed to. The Company operates as an investment company

#### b. Scope

The Policy sets out its objectives in respect of risk identification, measurement, monitoring and control.

This policy also enables the Company and its Board of Directors (including their committees) comply with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Regulations), 2015 to the extent applicable.

#### c. Objectives

KITL is an investment company and the business strategy entails risk. The Company is committed towards managing risks through a framework which identifies, evaluates, mitigates and monitors risks that could potentially have a material impact on the value of the organization or potentially hinder the organization in achieving its stated business objectives and goals.

The risk management practices are aimed to address one or more of these risk management goals as given below:

- Determine the relevant processes and strategies for risk management which include identification of risks, ongoing measurement and monitoring of risk exposures and ensuring relevant control or risk transfer;
- Develop and monitor mitigation plans for high risk items identified through the Self-Assessment mechanism by internal identification; Internal /Statutory audit findings;
- To ensure adherence to applicable regulatory mandates as laid down by different regulatory authorities and all critical internal policies/limits;

### 2. Risk Governance

The main responsibility of the Board is to oversee the operation of an appropriate risk management strategy including the overall risk management framework of the Company and implementation of the risk management strategy to the extent applicable and periodically monitor the risk status and review the risk management policy from time to time.

The Board through the internal audit process identifies / monitors the key risks across the company and has in place adequate internal control system to address the same.

Further, the Company has in place the Board approved policies which assist in risk identification, measurement and monitoring.

### 3. Key Risks identified:

Investments in companies are strategic in nature and hence critical risks of their performance is reviewed from a capital call perspective.

Since KITL has investment in Fixed Income Securities, other equities listed and unlisted etc., following inherent risks arise from its operations:

**a. Market risk** - Equity / Equity like Investment

Other Equity / Equity Like Investments are exposed to market fluctuations, however since they are long term in nature, the risks are minimised.

**b. Interest rate risk** – Fixed Deposits

The fluctuations in interest rates can affect the interest on fixed deposit investments.

**6. Approval and Review**

This policy is approved by Board. Further, this policy shall be reviewed periodically to make necessary changes.

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