

## **RISK MANAGEMENT POLICY OF SSG FURNISHING SOLUTIONS LIMITED**

### **BACKGROUND**

This document lays down the framework of Risk Management at SSG Furnishing Solutions Limited (hereinafter referred to as the 'Company' or 'SSG Furnishing Solutions Limited') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

### **OBJECTIVES**

The objective of Risk Management at SSG Furnishing Solutions Limited is to minimize the adverse impact of these risks on our key business objectives and to enable the company leverage market opportunities effectively

### **REGULATORY FRAMEWORK**

*Risk Management Policy is framed as per the following regulatory requirements:*

#### **A. COMPANIES ACT, 2013**

##### *1. Provisions of the Section 134(3)*

*There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include—*

*(n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.*

##### *2. Section 177(4) stipulates:*

*Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—*

*(vii) evaluation of internal financial controls and risk management systems.*

##### *3. SCHEDULE IV [Section 149(8)]*

### **CODE FOR INDEPENDENT DIRECTORS**

#### **II. Role and functions:**

*The independent directors shall:*

*(1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, **risk management**, resources, key*

*appointments and standards of conduct;*

*(4) satisfy themselves on the integrity of financial information and that financial control and the systems of **risk management** are robust and defensible;*

## **B. CLAUSE 49**

- Key functions of the Board

The board should fulfil certain key functions, including:

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

The company shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

- D. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Evaluation of internal financial controls and risk management systems;

- VI. Risk Management

A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

B. The Board shall be responsible for framing, implementing and monitoring the risk Management plan for the company.

- Information to be placed before Board of Directors

14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

*SSG Furnishing Solutions Limited being an Unlisted company is required to adhere to the regulations made by the Companies Act, 2013 but in order to achieve highest level of Corporate governance SSG Furnishing Solutions Limited also follows the provisions of Clause 49 of the Listing Agreement governed by the Securities and*

*Exchange Board of India (SEBI) up to the possible extent.*

### **APPLICABILITY**

*This Policy shall come into force with effect from 22<sup>nd</sup> July, 2025.*

### **DEFINITIONS**

"**Risk Management Committee or Committee**" means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and Listing agreement.

"**Board of Directors**" or "**Board**" in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013)

"**Policy**" means Risk Management Policy.

### **ROLE OF BOARD AND COMMITTEES**

Before proceeding to the policy, attention is drawn to the roles that the Board, Audit Committee and the Risk Management Committee are required to play under the above regulations governing Risk Management:

The Risk Management Committee's role is to review annually and recommend to the Board the Corporate Risk Management Policy

The Board's role under both the regulations is to ensure framing, implementing and monitoring risk management plan, having in place systems for risk management as part of internal controls with duty being cast upon Independent Directors to bring unbiased angle to the Board's deliberations on making risk management systems more robust.

Audit Committee's role is evaluation of the risk management systems.

### **Broad Principles**

The Board has to review the business plan at regular intervals and develop the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, monitoring and mitigating all the material risks, in all the key Risk categories viz. Strategy, Industry, Operations, Competition & Market, Resources and Regulatory Environment at various levels of management for effective implementation of business plans.

### **SSG FURNISHING SOLUTIONS LIMITED RISK MANAGEMENT STRUCTURE**

Constitute the Risk Management Committee

(RMC) Present to the Board the Risk Management Policy

Quarterly reviews of & discussions about updated RMC at Quarterly Board Meetings

### **RISKS FACED BY JARO UNDER KEY RISK CATEGORIES**

#### **Strategic Risks**

- Significant operating revenues from particular business segment and consequently, any failure to sustain, expand and scale the revenues in that segment
- Limited operating history to new businesses/ products and lack of experience to address risks frequently encountered in these businesses
- Seasonality of different products/ businesses
- Brands are important in our business and dilution of the same

#### **Industry related Risks**

- Significant changes in test-patterns of competitive exams
- Significant changes in delivery mechanism due to technology changes or Innovations
- Significant change in Raw material cost in Publishing

#### **Market & Competition**

- Entry of new player with substantial financial muscles in Test Prep & competition from other existing players may lead to market share loss & lowered prices
- IPR plagiarizing / Conflicts could result in loss of business
- Creation of significant over capacity in K-12 segment in cities where IWS is present

#### **Resources**

- Loss of or competition from any key member of our management team
- Ability to attract / hire and retain new talent
- Failure to raise additional capital in the future
- Success of technology driven products , dependent on student acceptability as well as our ability to prevent any disruption of the equipment or systems required to deliver

#### **Operations**

- Inability to effectively advertise & market and attract & enroll students
- Difficulty in introducing new courses, expanding network, continuing partnerships
- Inability to obtain statutory & regulatory licenses and permits required to

- operate
- Cost overruns and payment delays in case of fixed price contracts
- Inability to explain new distribution channels in the Publishing Industry
- Operations primarily concentrated in North India and the inability to retain and grow subscribers in the region

### **Regulatory Environment**

- Changes in Central or State govt. policies or legislation
- Increases in interest rate & Raw material costs may adversely impact our results of operations
- Volatility in political, economic and social developments in India
- Instability in Indian financial markets
- Civil disturbances, regional conflicts and other violent acts in India and abroad may disrupt or otherwise adversely affect the Indian economy

### **RISK MANAGEMENT PRACTICES FOLLOWED BY JARO**

#### **Risk Identification & Impact Assessment**

- Includes risk surveys, business risk environment scanning & focused discussion in RMC
- Annual risk survey of executives across units, functions & subsidiaries to seek inputs on key risks
- Periodic scenario based risk assessment to identify risks to achieving business objectives & prioritizing risk of action
- Operational risks to be assessed on 3 levels:
- Strength of underlying control
- Compliance to policies & procedures
- Business process effectiveness

#### **Risk Monitoring & Mitigation**

- Dash boards to be created that track relevant internal & external risk indicators
- Trend line assessment of top risk, analysis of exposure & potential impact to be carried out
- Mitigation plans to be finalized, owners to be identified & progress to be monitored & reviewed regularly
- Periodic reviews to be conducted for risk adverse business objectives to deploy action

### **RISK REPORTING**

- Risks to achievement of objectives, trend line of risk level, impact & mitigation to be discussed in RMC on periodic basis.
- Key external and internal incidents with impact to be reported & reviewed at



- appropriate forums
- Risks related to client project execution to be reported & discussed at appropriate levels within company.
- Periodic updates to be given to Board highlighting risks, impact & mitigation actions

### **INTEGRATION**

Identified risks in short, medium & long term are to be used as one of the key inputs for development of strategy and annual business plan.

### **PENALTIES**

The penalties are prescribed under the Companies Act, 2013 (the Act) under various sections which stipulate having a Risk Management Framework in place and its disclosure.

Section 134 (8) (dealing with disclosure by way of attachment to the Board Report): If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

There are other provisions of the Act as well as SEBI Act which stipulate stiff penalties. Therefore, this Policy prescribes that violation of the provisions applicable to Risk Management Framework is something the Company cannot afford to risk.

### **REVIEW**

This policy shall be reviewed by the Risk Management Committee, Audit Committee and the Board from time to time as may be necessary.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.



**SSG Furnishing Solutions Limited**  
**Date: 12.08.2025**