

Mewat Zinc Limited

Regd Office: 1/24, Banshi House, Asaf Ali Road, New Delhi-110002

Corporate Identification Number: L27204DL1991PLC046120

E-Mail: mewatzinc@gmail.com / **Phone:** 011 - 23234316 / **Website:** www.mewatzinc.com

POLICY FOR RISK MANAGEMENT

Introduction

Mewat Zinc Ltd. (the "Company"), considers on-going risk management to be a core component of the management of the Company and understands that the Company's ability to identify and control risk is central to achieving its corporate objectives.

The Company's Risk Management Policy outlines the programme implemented by the Company to ensure appropriate risk management within its system and culture. This Policy is in compliance with Clause 49 of the listing agreement and provisions of Companies Act, 2013 which require the Company to lay down procedures about the risk assessment and risk minimization. Further, the Board has constituted a Risk Management Committee comprising of Shri Vijay Khanna as Chairman and Shri Virender Goel, and Ms. Neena Gupta as members, which has specific responsibility in the area of risk management. The Committee shall periodically review the Risk Management Policy of the Company, advise the Board on the appropriateness of the Policy and oversight structure so that the management controls the risk through properly defined framework.

Objective of Policy

1) Risk Management Policy Programme

The Company's risk management programme comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile.



To achieve this, the Company has clearly defined the responsibility and authority of the Company's Board of Directors and of the Risk Management Committee, to oversee and manage the risk management programme while conferring responsibility and authority on the Company's senior management to develop and maintain the risk management programme in light of the day to day needs of the Company. Regular communication and review of risk management practice provides the Company with important checks and balances to ensure the efficacy of its risk management programme.

The key elements of the Company's risk management programme are set out below:

(a) Risk Identification

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

The Company presently focuses on the following types of material risks:

- *Technological risks;*
- *Strategic business risks;*
- *Operations risks;*
- *Quality risks*
- *Competition risks*
- *Realization risks;*
- *Cost risks;*
- *Financial risks;*
- *Human resources risks;*
- *Property market transparency risks;*
- *Ownership & land title issues;*
- *Fiscal and monetary policies risks; and*
- *Legal/regulatory risks.*



(b) Oversight and management

(i) Board

The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by Risk Management Committee and senior management. The Risk Management Committee or senior management may also refer particular issues to the Board for final consideration and direction.

(ii) Risk Management Committee

The day-to-day oversight and management of the Company's risk management programme has been conferred upon the Risk Management Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board on the effectiveness of the risk management programme in identifying and addressing material business risks. To achieve this, the Risk Management Committee is responsible for:

- Managing and monitoring the implementation of actions plans developed to address material business risks within the Company and its business units and regularly reviewing the progress of action plans;*
- Setting up internal processes and systems to control the implementation of actions plans;*
- Regularly monitoring and evaluating the performance of management in managing risks;*
- Providing management and employees with the necessary tools and resources to identify and manage risks;*
- Regularly reviewing and updating the current list of material business risks;*
- Regularly reporting to the Board on the status of material business risks; and*
- Ensuring compliance with regulatory requirements and best practices with respect to risk management*



(iii) Role of Senior Management

The Company's senior management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior management must implement the action plans developed to address material business risks across the Company and individual business units.

Senior management shall regularly monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans. In addition, senior management shall promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems and processes by employees. Senior management shall report regularly to the Board regarding the status and effectiveness of the risk management programme.

(iv) Employees

All employees are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate.

(c) Review of risk management programme

The Company regularly evaluates the effectiveness of its risk management programme to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The division of responsibility between the Board, Risk Management Committee and senior management aims to ensure that the specific responsibilities for risk management are clearly communicated and understood. The reporting obligations of senior management and Risk Management Committee ensure that the Board is regularly informed of material risk management and actions. This is supplemented by the evaluation of the performance of risk management programme and Risk Management Committee, senior management and employees responsible for its implementation.

(2) Risk Management System



The Company has always had a system-based approach to business risk management. Backed by strong internal control systems, the current risk management framework consist of the following elements:

- The "Corporate Governance Policy" clearly lays down the roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from strategic to operational, is specified in the Governance Policy. These role definition, inter alia, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.*
- A combination of centrally issued policies and divisionally-evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.*
- Appropriate structures have been put in place to effectively address inherent risks in businesses with unique/relatively high risk profiles.*

A strong and independent internal audit function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Board reviews internal audit findings and provides strategic guidance on internal controls, monitors the internal control environment within the Company and ensures that internal audit recommendations are effectively implemented.

The combination of policies and processes as outlined above adequately addresses the various risks associated with our Company's businesses. The senior management of the Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

(3) Continuous Improvement

The Company's risk management system is evolving. It is an on-going process and it is recognized that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities.



(4) Disclosure in Board's Report

Board of Directors shall include 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.

(5) Review of Policy

The policy will be the guiding document for risk management at "Mewat Zinc Limited" and will be reviewed as and when required due to the changes in the risk management regulations/ standards/ best practices as appropriate. In any case, the policy will be regularly reviewed semi-annually in December and June every year.

