

Mewat Zinc Limited

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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*

