



**A.V. THOMAS & CO. LTD**

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## **RISK MANAGEMENT POLICY**

Regarding the general risk, the company follows a minimal risk business strategy as given below.

<b>Particulars</b>	<b>Risk Minimizing steps</b>
Fixed Assets and Current Assets	The company has taken adequate insurance coverage of its fixed assets and current assets which will minimize the impact of another event or development.
Financial Risk	The company has a conservative debt policy. The debt component is very marginal.
Commodity Risk	Whenever the company deals in commodity trading or exports, the selling and buying is concluded on back-to-back basis so that risk on commodity is minimized.
Foreign Exchange Risk	Whenever there is an export, the Foreign Exchange is covered at the time of confirmation of order so as to negate any fluctuation in the exchange ratio.
Credit Risk on Exports	All the exports are done either by advance payment or through irrevocable LC from the prime bank. In other case, where goods are sent on DP basis, the credit is insured through ECGC.