



# INDIA RISK SURVEY REPORT

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2021

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# FOREWORD



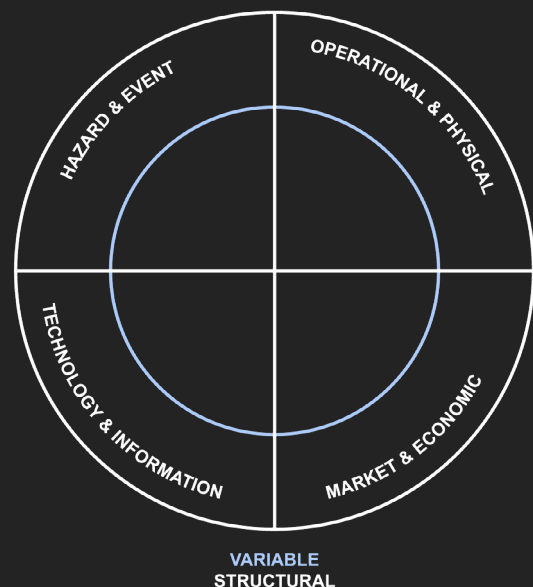
Businesses operate in a dynamic environment having a direct influence on how they operate and achieve their objectives. This environment is composed of various external factors, such as economic, technological, legal, political, social, and global. Each of these factors creates a unique set of challenges and opportunities for businesses that change constantly and are generally beyond the control of management. To compete successfully, business owners and managers must continuously study the environment and adapt their businesses accordingly.

In lieu of the climate concerns, work from home transition, digitalisation and growth of digital-based businesses, India Risk Survey respondents have voted Natural Hazards, Cyber Security concerns and Intellectual Property Theft as the biggest risks to Indian businesses. These have emerged as the top risks for nearly all the sectors that participated in the survey, with offices located in different regions across India. The survey also sheds light on what are the biggest emerging risks in the post-pandemic world. The India Risk Survey report 2021 further maps the threats and highlights the key areas of concern for India Inc.

This report aims to engage and collaborate with all stakeholders, including policymakers and corporate leaders, to anticipate risks and mitigate them promptly.

Pinkerton provides a comprehensive Risk Management approach to these corporate problems, utilizing data and new tools such as Artificial Intelligence to predict threats, assess their impact on businesses, and offer mitigation strategies. The Pinkerton Risk Wheel categorizes risks into four quadrants depending on their nature. The four quadrants are:

- Hazard & Event Risk
- Operational & Physical Risk
- Market & Economic Risk
- Technology & Information Risk



**Mr. Rohit Karnatak**

Managing Director – India

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# FOREWORD



Emergence of COVID 19 has changed our risk perceptions. Post-Pandemic World has a 'New Reality.' Historically, disasters, diseases, economic crises, national / international conflicts & wars used to be key variables in the Risk Mitigation framework. Rarely did we look at Pandemic like Black Swan events. The last pandemic was in the 1920s, much before Global Economy & the Digital World. Novel Coronavirus became a Global disrupter in 8-10 Weeks.

In June 2020, the World Bank predicted that the global economy would shrink by 5.2% in the year 2020, representing the deepest recession since the Second World War<sup>1</sup>. India also witnessed negative GDP growth and adverse effects of nationwide lockdown with loss of jobs, restricted access to conventional ways of education, food, recreational activities, etc. Some of us discovered resilience through digital technology and developed new ways to do most of our daily activities. The digital divide got amplified, and so did economic disparity: the results of which are still not that obvious. But we also witnessed the resilience of India through a mass vaccination drive.

As per the latest estimates, Indian GDP is expected to grow 9.2% in FY22, which would be the fastest expansion since 1988-89<sup>2</sup> amidst varied speculations on the impact of the Omicron variant. Yet India is not back to pre-Covid (March 2020) levels in the real economy. The big unknown is the widening gap amongst have & have-nots, which is a global problem for the 'New Reality' that is shaping new conflicts.

It is well established that Risk for businesses changes continuously. But COVID 19 Pandemic has forced us to change the Risk Evaluation Matrix. Industry must take up new parameters for vulnerability assessment as a regular feature of its business continuity plan with appropriate risk management strategies to mitigate these risks. Globally, Supply Chain diversity has become the new mantra, with resources being allocated to diversify & shorten Supply Chains. Black Swan events like this Pandemic cannot be ignored during Risk Assessment. They now shape Investment Decisions –Survivability over Profitability.

India Risk Survey is an attempt to keep track of the changing risk landscape of India and identify new risks to help us identify better mitigation plans. FICCI has been continuously engaged with businesses during the COVID times, gauging the issues on the ground and facilitating dialogue amongst stakeholders, including Governments. This exercise helped us in building Government-Industry linkages in risk management at the national level.

I am confident that this special edition of the India Risk Survey Report will help all to understand changing risk perception & possible reasons. I sincerely hope that it would encourage not only business leaders but also policy makers to invest more time & effort in understanding emerging risks preparing preventive strategies to mitigate, which can lead to the discovery of new frontiers.

Risks are also Opportunities. As they say, "What does not kill you makes you stronger."

A stylized, handwritten signature in black ink, appearing to read 'Rahul'.

**Mr. Rahul Chaudhry**

Chair – FICCI Committee on Homeland Security

<sup>1</sup> <https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>

<sup>2</sup> <https://timesofindia.indiatimes.com/business/india-business/gdp-expected-to-grow-9-2-in-fy22-better-pre-covid-level/articleshow/88765499.cms>

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# EXECUTIVE SUMMARY

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The India Risk Survey (IRS) compiles 12 risks each year, which, according to businesses and subject matter experts, indicate top threats that can be disruptive to business operations in India. The survey uses the Pinkerton Risk Wheel framework to understand and assess each risk individually and looks at risk from a holistic perspective for analyses. There are four risk categories in the Pinkerton Risk Wheel. Risks are categorized based on the nature of the threat. Some of these risks listed under each category are interconnected to each quadrant. The four quadrants in the risk wheels are Hazard & Event Risk (natural hazards, crime, terrorism & insurgency, and fire), Operational and Physical Risk (strikes, closures & unrest, threats to women safety, and accidents), Market and Economic Risk (corruption, bribery & corporate fraud, and political and governance instability), and Technology and Information Risk (business espionage, information & cyber insecurity, and intellectual property theft).

“ideaForge faced a myriad of challenges during COVID. Drones played an important role under the Hazard and Event quadrant of the Pinkerton Risk Wheel, where ideaForge drones were used to contain the spread of the virus and maintain the security of big plants through constant surveillance. While the demand for drones increased, the global electronics supply chain was constrained, cash flow challenges, and limited shopfloor presence added to the burden of delivering for this surge in demand. This has made us realise the importance of swift action plans under any risk we may potentially face in an unprecedented situation. It is going to be imperative for organizations to treat every challenge as an opportunity to rapidly advance in dimensions that enhance their efficiency, situational awareness, and technology adoption.”

– Mr. Ankit Mehta

Co-Chair, FICCI Committee on Drones  
Co-Founder & CEO, ideaForge Technology

India Risk Survey 2021 identifies the most significant threat types within each risk for 360-degree mitigation and management. The threats highlighted in this study are interconnected and overlap across domains, sectors, and geographies.



Natural disasters are catastrophic events that occur without human intervention, such as cyclones, hurricanes, floods, and pandemics. This also includes the increased risk of climate change which has a long-term impact on the economy & development. Facilities of businesses may be damaged or even destroyed, depending on the severity of the disaster. There can be supply-chain disruption, loss of equipment, as well as workers and clientele as people evacuate the impacted area.

Information and cyber security breaches can lead to financial losses, investment losses, and damage to a company's reputation. Businesses are becoming more vulnerable to cyber attackers as they store more of their data online. Dealing with cybercriminals raises cybersecurity expenses, which could eventually be passed on to consumers as increased pricing. Due to ongoing COVID-19-related restrictions, workplace transformation has increased cyberattacks across all industries. Hackers are stealing data and personal information from remote employees in a variety of ways.

Intellectual Property Theft occurs when crucial assets that are a critical source of competitive advantage for a business are stolen. Intellectual property (IP) is usually the most valuable asset and is treated as highly confidential data. Intellectual property theft is a critical concern for companies because of potential consequences such as economic loss, loss of competitive advantage, and a delay in business growth.

Fire incidents can be disastrous to a company in a variety of ways. It can endanger lives and cause serious injury, as well as have a physical and mental impact on individuals, staff, customers, and the overall operation of the organization. In recent years, the risk of fire has increased, particularly in urban areas.

Political instability hurts everything from business profits and operations to employee working conditions. Political deadlock, militancy, and political dysfunction create macro-environmental instability, which repels investors. India's position in the global ranking for Ease of Doing Business is 63<sup>3</sup>, which has improved a lot in the past 4 years. Key contributors include a number of industry-friendly initiatives and policy-level decisions which have been taken by the Governments at the center and states.

Numerous types of industrial accidents can result in multiple injuries ranging from minor to serious, as well as death. These include road traffic accidents, industrial accidents, and other workplace-related catastrophes. A proactive approach is the key to avoiding such mishaps.

Business Espionage is the use of covert techniques on behalf of organizations for financial or commercial benefit. This involves stealing intellectual property. Patent information, industrial manufacturing methods, and research could all be targets. Since confidential information is important to other organizations, business espionage is a big risk and can have an impact on both large and small businesses.

Strikes, closures, and unrest have a direct impact on organizations of all sizes, big or small. Labour unrest, strikes, and protests opposing reforms are all common occurrences that can disrupt business operations. It also involves the risk that comes with expressing physical or verbal aggression against co-workers.

Terrorism and insurgency can cause tragic loss of human life as well as huge economic costs due to increased security and anti-terror spending, consumer and investor uncertainty, supply chain and business continuity interruptions, and industry retrenchment.

Corruption, bribery, and corporate frauds in a corporation can have far-reaching implications, including the company's total closure. An individual or a group of

<sup>3</sup> [https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020\\_rankings.pdf](https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020_rankings.pdf)



employees inside a commercial organization might indulge in such activity. It can tarnish the company's reputation and imperil its profitability. Reports of corporate corruption can cause shareholders and investors to lose faith in the company.

Crime risks include illegal drug trafficking, arms trafficking, human trafficking, crimes against women, petty crimes such as pickpocketing, stealing, and confidence tricks. Such incidents occur throughout the country, making business operations and employees vulnerable.

India's corporate landscape continues to become more diverse and gender-inclusive, resulting in the concern for women's safety for businesses across the country. Despite strict legislation such as the PoSH Act, 2013 working women still face sexual harassment, gender discrimination, and job insecurity at work. Workplaces where women's safety is threatened not only create an uncomfortable and unsafe work environment for women but also adversely affect the brand value and reputation of the organization.

# INTRODUCTION

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India Risk Survey 2021 report is released by FICCI and Pinkerton to highlight potential risks and challenges to businesses. The survey identifies 12 major risks that may disrupt India's business ecosystem. The outcomes are based on a survey that included industry leaders and stakeholders from all sectors.

The coronavirus pandemic has caused a tectonic shift to businesses around the world, resulting in a changed corporate risk perception. In the last 18 months, stock markets around the world plunged to their historic lows, frightened by the global disruption, and rose to historic peaks as companies came up with measures to navigate the storm. Apart from the pandemic, rapid global warming and climate change are other causes of concern for industries across the world.

“COVID-19 has taught us many things which our generation had not experienced. While the pandemic has caused great havoc on the livelihoods of all humankind, it has also pushed think tanks at all levels, Nation, Corporations, and Institutions to reinvent the thinking process itself. It has tutored to unlearn and learn. Single-handedly it has hurt all the sectors, with a great blow, sending all economic activity into a downward spiral. The risk of this magnitude has been unimaginable, and one could have not planned until it had gone through the entire cycle. We need to use this reservoir of knowledge derived by experience diligently and carve future strategies to deal with such Force Majeures effectively. Also, we need to do more towards sustainability and going green initiatives so that we are not ignorant but in harmony with the greatest provider - Mother Nature.

Would like to congratulate FICCI & Pinkerton for publishing the India Risk Survey 2021 Report, which will usher new thoughts and actionable for every entity's Risk Management in years to come.”

– Mr. Vaibhav Gupta

Co-Chair, FICCI Committee on Homeland Security  
Director, MKU Limited

The risk focus has drastically shifted from corporate frauds and crime to natural disasters due to the COVID pandemic and fear of lockdowns. Remote and hybrid working models have replaced offices, and rapid digitalization has brought forth the risk of information and cyber insecurity, and intellectual property theft.

This survey attempts to identify potential risks in this changing global landscape, which will enable business leaders to assess their capabilities in dealing with disruptive events like the pandemic, natural hazards, and rapid digitalization in the future, as well as strengthen risk mitigation strategies. However, the risks identified and their impact may vary from industry to industry, depending on each industry's risk appetite and mitigation strategy in place.

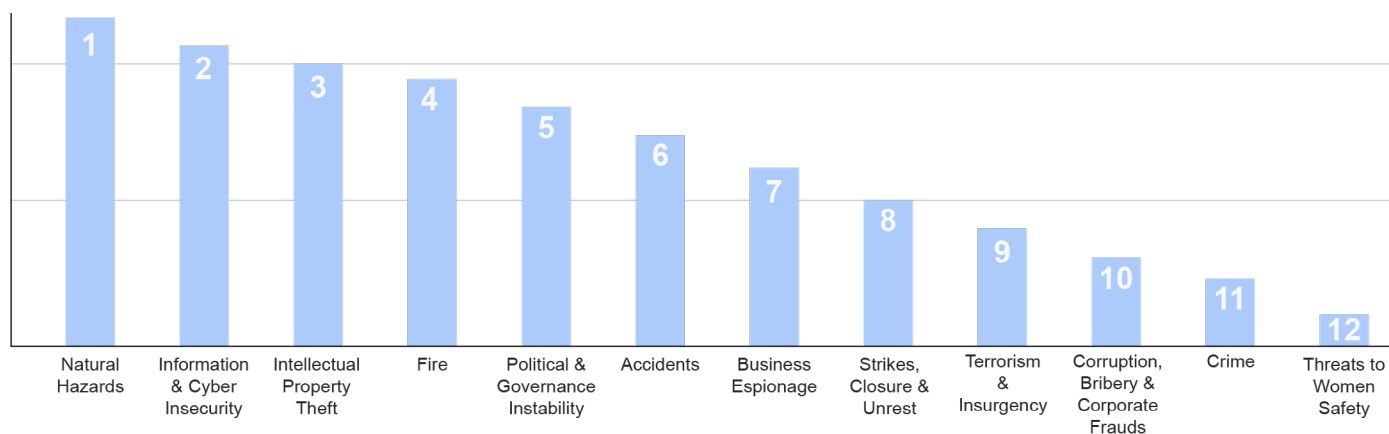
This year's survey is distinctive from prior editions as it presents a comparative analysis of between the risk landscape in a pre-COVID and post-COVID era. The survey also incorporates some of the emerging risks which have emerged during recent times and will continue to be in discussions for years to come, and how firms might remain resilient in facing them.

The findings of this survey will assist organisations in establishing a 360-degree risk management approach, which will enable them to predict and prepare for any situation and allow them to minimize disruption and hedge against any risks ahead of time.

# RISK TREND

## 2021

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Respondents to the India Risk Survey 2021 have voted “Natural Hazards,” “Information & Cyber Insecurity,” and “Intellectual Property Theft” as the top three risks for businesses in India. “Threats to Women’s Safety” remains the lowest risk according to respondents of the India Risk Survey.

**1. NATURAL HAZARDS** climbs to the top spot in the 2021 survey following the global pandemic and rise in climate-related natural disasters in 2020-21 and remains the top disruptive concern for business in the post-pandemic era. This risk encourages corporates to invest in infrastructure, processes, and technology-based solutions, which could ensure businesses are able to operate critical functions even amidst disasters. It also gives rise to the need for immediate climate action and implementing stricter measures related to global warming.

**2. INFORMATION & CYBER INSECURITY** climbs to the second spot as India Inc has rapidly adopted digitalization and remote working models after

the global pandemic and subsequent lockdowns. India witnessed a surge in cyberattacks amid the rapid adoption of digital services and remote working models, and this risk calls for stronger cyber security and technological infrastructure.

**3. INTELLECTUAL PROPERTY THEFT** is voted as the third most serious concern by respondents given the increased threat of hackers, copyright pirates, brand impersonators, patent flouters, and trade secret thieves to businesses. As digitalization has paved the way for tech-based start-ups, software and data piracy as a form of IP theft is also a major concern for Indian companies.

**4. FIRE** is voted as the fourth disruptive risk by respondents of the 2021 survey. There were 9,329 reported cases of fire accidents with over 9,000 casualties in India in the year 2020<sup>4</sup>, making this a serious cause of concern for companies. Fire not only affects human life but also leads to loss of property & resources and deterioration of the air quality.

**5. POLITICAL & GOVERNANCE INSTABILITY** appears in the fifth spot due to concerns over policy changes affecting certain areas of the business ecosystem. The indecisions around reopening post lockdowns and uncertainties around travel rules across the country are some of the reasons that made respondents cautious of this risk.

<sup>4</sup> [https://ncrb.gov.in/sites/default/files/ads2020\\_Chapter-1-Accidents.pdf](https://ncrb.gov.in/sites/default/files/ads2020_Chapter-1-Accidents.pdf)

## Top Three Risks in Each Region of India

	RISK RANK 1	RISK RANK 2	RISK RANK 3
EAST	Natural Hazards	Information & Cyber Insecurity	Intellectual Property Theft
WEST	Natural Hazards	Intellectual Property Theft	Information & Cyber Insecurity
NORTH	Natural Hazards	Intellectual Property Theft	Information & Cyber Insecurity
SOUTH	Natural Hazards	Intellectual Property Theft	Business Espionage

“Natural Hazards” remains the top concern for businesses across all the regions in India, while “Intellectual Property Theft”, “Information and Cyber Insecurity” and “Business Espionage” are voted as some of the other top concerns.



## Top Three Risks Across Industry Sectors

When it comes to industry-wise risk segmentation, majority of the respondents voted “Natural Hazards” as the top risk, while “Information & Cyber Insecurity,” “Intellectual Property Theft,” “Accidents” and “Political & Government Instability” are voted as some of the other top risks.

	RISK RANK 1	RISK RANK 2	RISK RANK 3
IT / ITES	Natural Hazards	Information & Cyber Insecurity	Intellectual Property Theft
MANUFACTURING	Natural Hazards	Intellectual Property Theft	Fire
INFRASTRUCTURE	Natural Hazards	Intellectual Property Theft	Corruption, Bribery & Corporate Fraud
EDUCATION	Natural Hazards	Intellectual Property Theft	Information & Cyber Insecurity
CONSULTING	Natural Hazards	Political & Government Instability	Information & Cyber Insecurity
SECURITY SERVICES & SOLUTIONS PROVIDER	Natural Hazards	Intellectual Property Theft	Accidents
FINANCIAL SERVICES	Information & Cyber Insecurity	Natural Hazards	Threats to Women's Safety
BANKING	Natural Hazards	Information & Cyber Insecurity	Crime
AUTOMOBILE	Natural Hazards	Information & Cyber Insecurity	Political & Government Instability
E-COMMERCE / DIGITAL PLATFORMS	Natural Hazards	Intellectual Property Theft	Information & Cyber Insecurity
TRAVEL	Natural Hazards	Accidents	Information & Cyber Insecurity
OTHER	Natural Hazards	Information & Cyber Insecurity	Political & Government Instability

# OVERALL RISK RANKING

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## OVERALL RISK TREND: PRE & POST- PANDEMIC

2019	2021		2019	2021	
1	10	CORRUPTION, BRIBERY & CORPORATE FRAUDS	8	7	BUSINESS ESPIONAGE
2	1	NATURAL HAZARDS	9	8	STRIKE, CLOSURES, UNREST
3	11	CRIME	10	4	FIRE
4	5	POLITICAL & GOVERNANCE INSTABILITY	11	6	ACCIDENTS
5	9	TERRORISM & INSURGENCY	12	12	THREATS TO WOMEN SAFETY
6	2	INFORMATION & CYBER INSECURITY			
7	3	INTELLECTUAL PROPERTY THEFT			

The India Risk Survey 2021 highlights the analysis of the study conducted on risk perceptions among business leaders, security managers, as well as risk professionals representing private and public companies in the country.

India, like any economy, continues to make attempts to ease the business environment, and one focussed effort has been to build a business environment that is free, transparent, fair, and to minimize and mitigate associated, actual, and perceived risks.

India Risk Survey 2021 study highlights 12 risks that industry leaders feel can be a disruptor or has disrupted business. IRS 2021 underlines the most prevalent threat under each risk as ranked by responders. The study is to make businesses aware, plan, execute mitigation action, and ensure continuity.

While comparing the current year's trends with the pre-pandemic trend of the 2019 survey report, "Natural Hazards" has emerged as a top risk given the Coronavirus scare throughout the globe. This risk was positioned at second rank during the IRS 2018 & 2019 surveys due to the occurrence of multiple natural disasters from 2017-2019 and is now ramped up to the top position due to the Coronavirus outbreak followed by the rising threat from virus variants like Delta and Omicron, and its unprecedented impact on businesses.

The remote working model and dependence on technological infrastructure have propelled "Information and Cyber Insecurity" to the second spot in the post-pandemic era. "Intellectual Property Theft," "Fire," and "Political & Governance Instability" round up the top five risks of 2021.

While "Terrorism" has climbed down in the risk meter and "Strikes, Closures, and Unrest" climbed up from 9th to 8th position, "Threats to Women Safety" remains the lowest risk for India Inc even in the post-pandemic era - it was the lowest risk in 2019 - and it can be attributed to many companies opting for WFH or hybrid working models. It may be reminded that each sector/industry's threat appetite may vary, and that might influence their risk perception.

The 2021 survey reports "Health Risk" as the topmost emerging risk when it comes to businesses, given the disruption and health concerns caused by the Coronavirus pandemic. "Risks of Transitioning to a Remote Workforce" and "Collapse of Health Infrastructure" follow closely on their heels, while "Going Back to Work" sums up the emerging risk quad.

## Factors Influencing the Top Risks

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### NATURAL HAZARDS

**TRENDS:** Natural disasters often negatively impact businesses and communities within a certain area or in a country when they are local in nature; however, they could also limit or restrict all sorts of economic and social activities by destroying the global supply chain and claiming lives within a continent or even across the globe. The last two years have made it evident that pandemics like the COVID-19 one are capable of threatening all kind of businesses and their stakeholders at a global level and could emerge as one of the biggest catastrophic events of the century. The unprecedented Coronavirus pandemic, followed by the constant threat from emerging virus variants like Delta and Omicron, and a slew of natural disasters, leaves no doubt that "Natural Hazards" is the number one disruptive concern for business in 2021.

**THREAT MAPPING:** COVID-19, the unprecedented pandemic of 2020 and 2021, is considered to be the biggest disaster of these years. A spike in COVID-19 cases, a reduction in crucial treatment supplies, and an increase in mortality marked the second wave in India. In April 2021, cases peaked at record levels but began to decline a month later, stabilizing the overall situation. Yet virus mutations still pose a significant challenge to the fight against the pandemic.

During the pandemic, India also suffered cyclones like Tauktae, Yaas, Amphan, and Nisarga, South and East India floods, storms, cloudbursts, landslides, and industrial disasters that caused havoc and left a trail of destruction in their

wake. In February 2021, the Uttarakhand flood or Chamoli disaster killed at least 200 and injured more, the majority of whom were workers at the Tapovan dam site.<sup>5</sup> Heavy rains triggered widespread flooding in South & East India, killing over 35 people and causing lakhs of rupees worth of property damage.<sup>6</sup>



## INFORMATION & CYBER INSECURITY

**TRENDS:** Following the digital shift after the global pandemic and move to remote work instead of offices, India Inc has placed Information and Cyber Insecurity at the second spot in the 2021 survey.

**THREAT MAPPING:** India witnessed a surge in cyberattacks amid rapid adoption of digital services across the country following the lockdown imposed in the wake of covid.

As per the Ministry of Electronics & IT data, the total number of cyber security incidents includes hacking of 15,651 Indian websites in 2021. This number stood 26,121 during 2020<sup>7</sup>. This was the time when a complete lockdown was implemented in India, and organisations had to shift most of their functions to the Work From Home (WHF) / remote working model. Organisations were in haste to put necessary infrastructure for WFH in place, which exposed businesses to cyberattacks, frauds and data theft as only IT/ITes sector companies and some Indian & Global MNCs were better equipped with network security and well-defined processes for WFH by that time. Likewise, 12,001 cyber security incidents related to the government have been recorded till June 2021.

<sup>5</sup> <https://www.science.org/doi/10.1126/science.abh4455>

<sup>6</sup> <https://edition.cnn.com/2021/11/22/india/india-rain-andhra-pradesh-intl-hnk/index.html>

<sup>7</sup> <https://www.thehindu.com/business/cert-in-observed-more-than-607-lakh-cyber-security-incidents-till-june-2021-government/article35726974.ece>

<sup>8</sup> <https://timesofindia.indiatimes.com/business/india-business/air-india-hit-by-massive-data-breach-flyer-data-compromised/article-show/82836734.cms>

In February 2021, the Air India data breach affected more than 4.5 million passengers after a sophisticated cyber-attack on SITA – the Switzerland-based company providing passenger services system<sup>8</sup>. The attack was carried out on its servers based in the US. In March 2021, a Ransomware attack was carried out on Pimpri-Chinchwad Municipal Corporation, Smart City project in Pune district. In November 2020, Indian Computer Emergency Response Team (CERT-In) issued a warning against the spread of ransomware virus ‘Egregor’ capable of stealing vital corporate data.



## INTELLECTUAL PROPERTY THEFT

**TRENDS:** Respondents have voted “Intellectual Property Theft” as the third most serious concern given the increased threat of hackers, copyright pirates, brand impersonators, patent flouters, and trade secret thieves to businesses. As digitalization has paved the way for tech-based start-ups, software and data piracy as a form of IP theft is also a major concern for Indian companies.

**THREAT MAPPING:** While the world continues to grapple with the coronavirus pandemic and its evolving new variants, another risk that is becoming a serious cause of concern is Intellectual Property (IP) Theft.

The Post-pandemic era is the “golden age” for IP, with IP being the livelihood of many companies. Companies are built around patented technology, and the ever-growing competition and rise of digitalization have made it necessary for

them to protect personal property and rights. The IP filings have seen a rise in 2020 from the previous year, with the patent filings rising to 37,880 from 34,051 in 2019 and trademark filings rising to over 4.18 lakh from 3.70 lakh in 2019.<sup>9</sup>

In 2020, India took steps against websites with pirated content. Despite positive steps taken in online copyright enforcement, copyright holders continue to report high levels of piracy, particularly on the Internet and through commercial broadcasts. This includes ongoing issues like unauthorized file sharing, data and software piracy, and circumvention of Technology Protection Measures.

While laws cover almost all types of IP rights and enforcement procedures, the legislative process is often lengthy and uncertain, and the same issues can remain pending for many years. This can create uncertainty for industries and complicate their strategic intellectual property and enforcement decisions.

<sup>9</sup> [https://www.wipo.int/ipstats/en/statistics/country\\_profile/profile.jsp?code=IN](https://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=IN)



## FIRE

**TRENDS:** The rise in fire-related accidents has caused respondents to vote “Fire” as the fourth biggest risk in India Risk Survey 2021. One of the main reasons for this rise in fire accidents is rapid urbanization and the lack of fire-safety norms and safety protocol. According to NCRB data, residential buildings saw 58% of fire-related fatalities in 2019 as opposed to 2% in factories.<sup>10</sup>

**THREAT MAPPING:** According to NCRB data, a total of 9,329 cases of fire accidents were reported in 2020; nearly 58% out of the total fatalities were reported in residential buildings<sup>11</sup>. There were at least 15 known cases of fire-related accidents in COVID hospitals in 2021<sup>12</sup>, on the back of which Supreme Court directed all States to carry out fire safety audits of dedicated Covid-19 hospitals.

Bharuch hospital fire in Gujarat on May 1, 2021, killed at least 18 people, while Virar hospital fire in Mumbai’s suburban in April killed at least 13 people. Fire in Kamala Nehru hospital in Bhopal resulted in the death of four infants. During the COVID period, hospitals had become veritable fire hazards due to the overcrowding in COVID wards, increased demand for oxygen cylinders, alcohol-based sanitizers, and PPE kits which are flammable.

Mumbai witnessed two major high-rise fires when two senior citizens were killed in a fire on the 14th and 15th floors of the Hansa Heritage building in Kandivali in northwest Mumbai on November 20, 2021. On October 22, 2021, a massive fire gutted two flats on the 19th floor of the 60-storey One Avighna Park at Currey Road in south-central Mumbai. One man fell to his death from the building’s 19th floor.

<sup>10</sup> <https://timesofindia.indiatimes.com/blogs/toi-editorials/burning-problem-fast-urbanising-india-cant-be-cavalier-on-safety-have-pa-thetic-fire-fighting-infrastructure/>

<sup>11</sup> [https://ncrb.gov.in/sites/default/files/adsi2020\\_Chapter-1-Accidents.pdf](https://ncrb.gov.in/sites/default/files/adsi2020_Chapter-1-Accidents.pdf)

<sup>12</sup> <https://www.thecitizen.in/index.php/en/news-detail/index/15/21111/over-15-hospital-fires-before-2021-is-out>

<sup>13</sup> <https://www.hindustantimes.com/cities/mumbai-news/in-39-of-high-rise-fires-fire-fighting-system-did-not-work-mumbai-fire-brigade-101637258646728.html>

A total of 324 fires were reported between January 2020 to October 2021 in Mumbai’s high-rise buildings, out of which 127 buildings, or 39.2%, did not have an operational firefighting system, according to Mumbai Fire Brigade data. In the remaining 197 buildings, this system was operational and was used during firefighting.<sup>13</sup>

Rapid urbanization and tightly packed urban clusters mean a higher likelihood of fire accidents as fires have a domino effect in highly populated cities.





## POLITICAL GOVERNANCE & INSTABILITY

**TRENDS:** This risk appears in the fifth spot due to concerns over policy changes affecting certain areas of the business ecosystems. The indecisions around reopening post lockdowns and uncertainties around travel rules across the country are some of the reasons that made respondents cautious of this risk.

**THREAT MAPPING:** Political & Governance Instability stands at fifth rank in the survey despite indicators for improving governance, forward-looking policies for industries, and a boost in entrepreneurship through various schemes of the Government. It is significant to note that India Risk Survey captures various micro parameters such as State Fragility, Local Govt. Instability, Policy Changes, International Conflict, and others, under the broad sense of Political & Governance Instability. This also happens in case of conflict on policies, frequent modifications in execution framework, inadequate execution of schemes, projects, and initiatives due to Centre-State conflicts. The politicization of issues and initiatives is also seen to create a difference of opinion amongst stakeholders. The agitation against the three agricultural laws approved in September 2020 began in Punjab & Haryana and subsequently expanded to other parts of India like Delhi, Uttar Pradesh, and Maharashtra. November 2020 saw a nationwide general strike in support of the farmers and thousands converging at various border points on the way to Delhi as part of 'Rail Roko' & 'Chalo Dilli' rallies. In a major decision after facing severe backlash, the government announced to repeal the three farm laws as the protests completed one year in November this year. Farmers, however, remain adamant on their additional demands of bringing the minimum support price (MSP) in law, among others, and have not yet called off their protests.



**The comprehensive economic and social burden caused by COVID-19 is catastrophic, to say the least. The pandemic has set us back at least by a few years in terms of progress on delivery of technology and services, infrastructure, and work on poverty and inequality, to name a few. And as per trends, the pandemic only stands to further threaten social inclusivity and fair opportunity. The consequences such as rising unemployment, increasing digital divide, disrupted physical interactions, and abrupt shifts in markets have widespread ramifications. These will shape the effectiveness of our preparedness and responses to the looming threats of the next decade or so. The COVID-19 crisis will dominate the risk landscape in 2022, with market distortion and growing income inequalities across various populations disproportionately affected by the pandemic. COVID-19 will leave long-term scars on people's lives and their livelihoods, effectively regressing progress made in the last decade.**

**The novel coronavirus has crept its way through every country across the globe since the start of 2020, resulting in more than 324 million cases and over 5.5 million deaths. The rapid formulation of COVID-19 vaccines has been impressive in the face of virus mutations and efficacy against those variants. As it stands, with over 937 crore vaccines administered globally, close to 392 crore individuals, or 50.3% of the world's population, are fully vaccinated. India has successfully crossed the 155-crore mark with vaccines administered to 64.8 crore people; about 46.9% of our population.**

**Countries like New Zealand, Taiwan, and Australia have set benchmarks of how prompt and focused action can contain infections and save lives. And just as we were starting to get comfortable with vaccinations and medical progress, new variants such as Omicron have heavily impacted our march toward normalization. As the most infectious and**

**highly transmissible variant till now, it is emerging as the dominant variant in the United States, Europe, and the APAC region. It is outplaying the Delta variant with unprecedented speed and proving to be a threat in its own right.**

**The immediate management of the COVID-19 crisis will have long-term effects on public health, global economies, and societal resilience. However, India's own ability to have vaccinations available at the furthest reaches of the country is inspiring. One of the better outcomes of the pandemic is that nations have renewed interest in public health. With a heightened state of risk awareness brought on by the pandemic, certain industry sectors are in a unique position to grow leaps and bounds.**

**Organizations are now presented with a rare window of opportunity to accelerate automation, lead digital transformation, create focused online touchpoints fueled by emerging trends in customer expectations, and more. This is the New Normal that industries are gradually adjusting to. On a more microscopic level, the current situation has and will alter the conventional norms for SOPs and workplace practices.**

**Our policymakers must ensure that they sustain the increased focus on healthcare and allied services as COVID-19 becomes normalised. Over the last 24 months, countries and leading private institutions have seamlessly collaborated, pooling in intelligence and resources to develop vaccines and create distribution strategies almost overnight. The same efforts can be replicated on a global scale to deal with other chronic conditions like diabetes, cardiac complications, child mortality, women's health, etc. Our heads of state, our health ministers, and scientific leaders were pivotal in the progress and development made in the last 24 months. They must continue to be front and center in how the world evolves, to go down in history as the mavericks who helped humanity rise against all odds.**

**Coming back to business, larger companies with an established model for remote working will adapt better to the transition, while firms with a more dated sign-off model of micromanagement may lose ground. A change in customer behavior will also considerably impact business strategy and planning. One must appreciate the positive impact of remote working for more flexible modern-day firms. We're crossing thresholds here and staring squarely at the possibility of creating a more global and agile workforce. A new and future-forward approach with strong communication backed by technology will need to be established. Inevitably, such rollouts will lay the foundation for a more robust infrastructure.**

**On the individual front, people are now taking a more proactive approach for the betterment of their personal health. They're forming new habits to manage physical health, getting proper sleep, and reducing exposure to harmful elements. The general population is embracing the prospect of being more independent while working remotely. With the rapidly evolving circumstances at work and in society, the need to reskill, reinvent and stay updated on the latest innovations will become a critical aspect of the individual's focus in the foreseeable future.**

**The COVID-19 pandemic did expose the vulnerabilities in our health systems and the inequalities when it comes to open access to these facilities. It is therefore not surprising that the risk and incidence of infectious diseases have shot to the top of the list. Governments and decision-makers are on a war footing to control and eventually manage the beast that is currently overwhelming our systems. Public communication, and healthcare system capabilities are being continuously augmented to create a future-ready society.**

**As a healthcare Edtech company, we've spent the last two years working on fortifying the healthcare systems to deal with the prevention and control of various health risks, including the spread of**



**infectious diseases by educating doctors and healthcare practitioners based on the latest scientific evidence and research. The acceptance and growth that the online learning space has received in the last few years paints a promising picture of a better future with enhanced capability for risk handling, especially in the healthcare segment.”**

**– Mr. Gerald Jaideep**

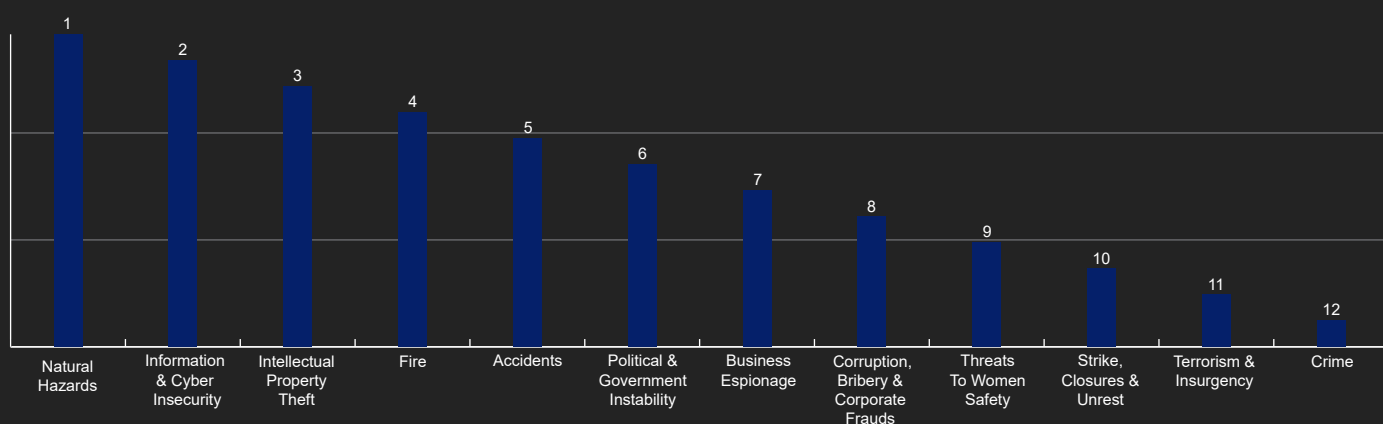
Co-Chair, FICCI Taskforce on EdTech  
CEO, Medvarsity



# REGION-WISE RISK RANKING

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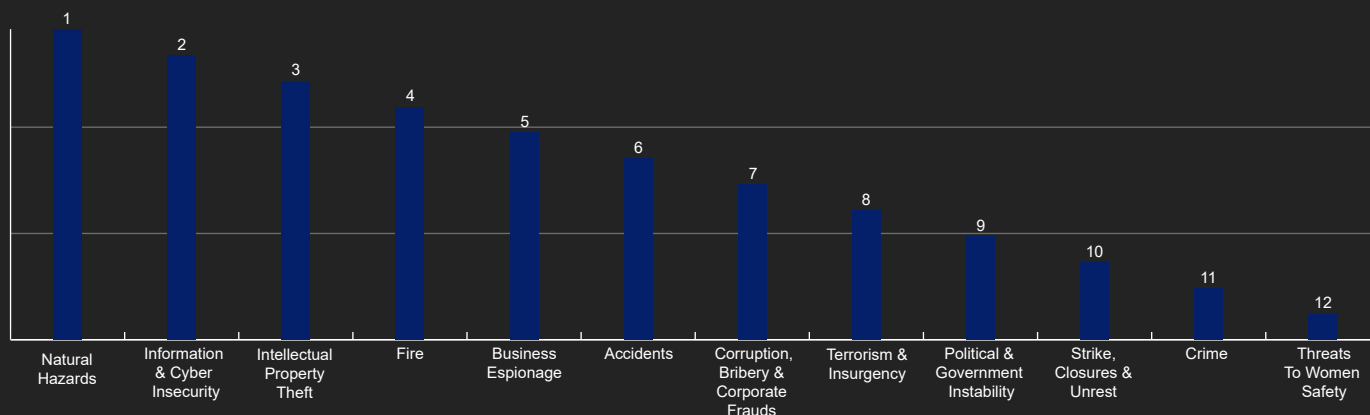
## RISK RANKING – RISK RANKING BASIS RESPONDENTS OPERATING FROM MULTIPLE LOCATIONS IN INDIA



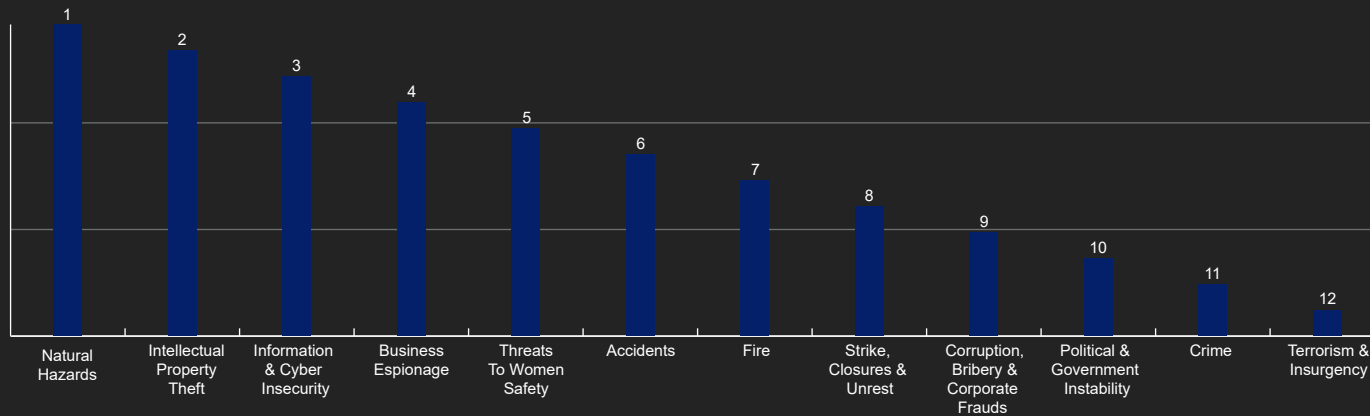
According to the respondents of the IRS 2021 survey, the top concern for businesses being operated from multiple locations in India is “Natural Hazards,” owing to the coronavirus outbreak and nation-wide lockdowns, which had serious impacts on business operations.

This risk is followed by “Information & Cyber Insecurity” in the second place due to work from home and rapid digitalisation, followed by “Intellectual Property Theft,” “Fire” and “Accidents” in the third, fourth, and fifth places respectively.

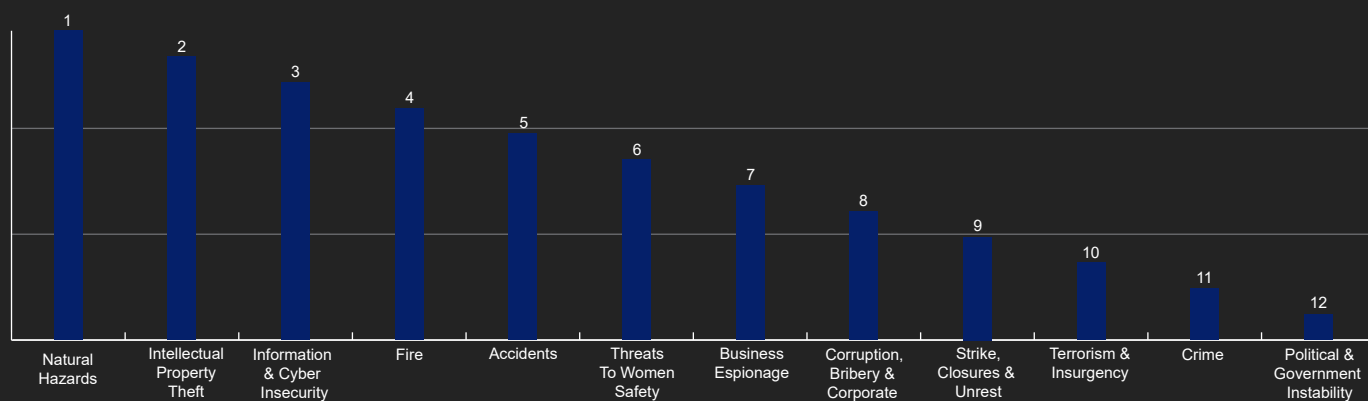
## RISK RANKING – RISK RANKING BASIS RESPONDENTS OPERATING FROM THE EASTERN REGION



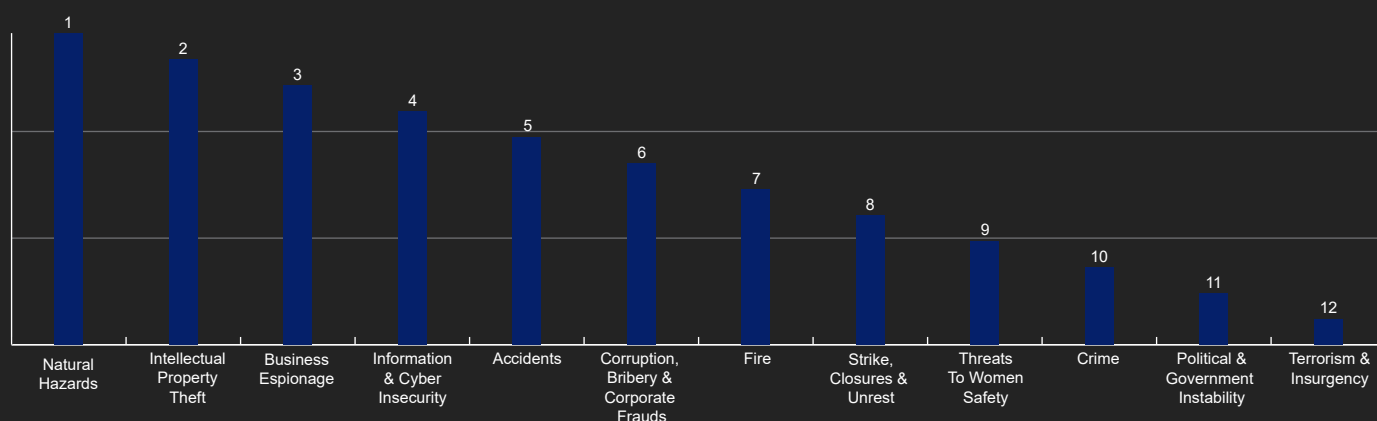
## RISK RANKING – RISK RANKING BASIS RESPONDENTS OPERATING FROM THE WESTERN REGION



## RISK RANKING – RISK RANKING BASIS RESPONDENTS OPERATING FROM THE NORTHERN REGION



## RISK RANKING – RISK RANKING BASIS RESPONDENTS OPERATING FROM THE SOUTHERN REGION



Businesses being operated from East, West, North, South India rate “Natural Hazards” as the top risk for operations.

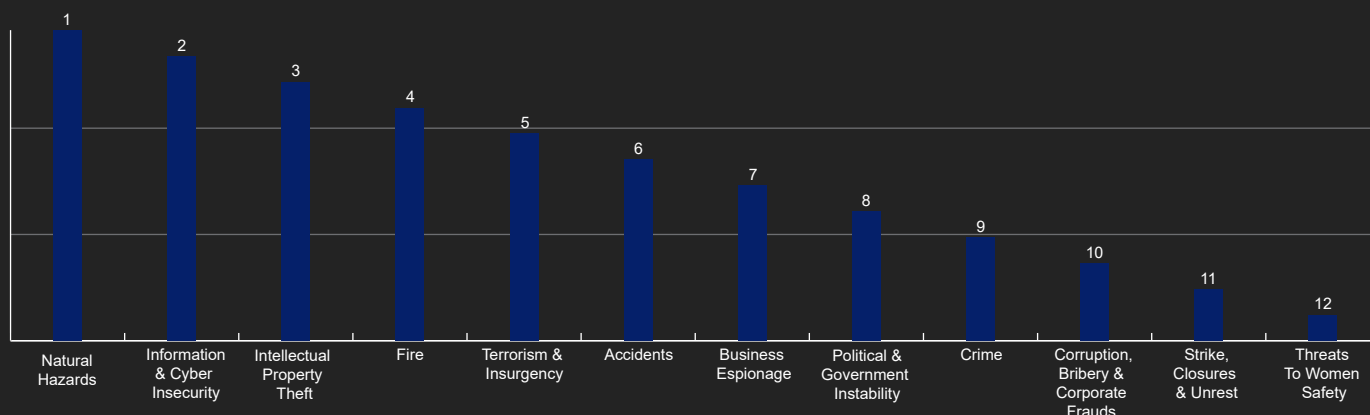
For businesses in the East, “Information & Cyber Insecurity” and “Intellectual Property Theft” have been identified as the second and third most significant threats, respectively.

“Intellectual Property Theft,” and “Information & Cyber Insecurity” have been rated as second and third top risks for the West region, respectively.

For businesses in the North, “Intellectual Property Theft” has been rated as the second most significant risk, and Information & Cyber Insecurity” has been identified as the third most important risk.

The second most critical risk for the South region is “Intellectual Property Theft,” followed by “Business Espionage” as the third most important disrupting factor.

## RISK RANKING – RISK RANKING BASIS RESPONDENTS OPERATING FROM MULTIPLE LOCATIONS OUTSIDE INDIA



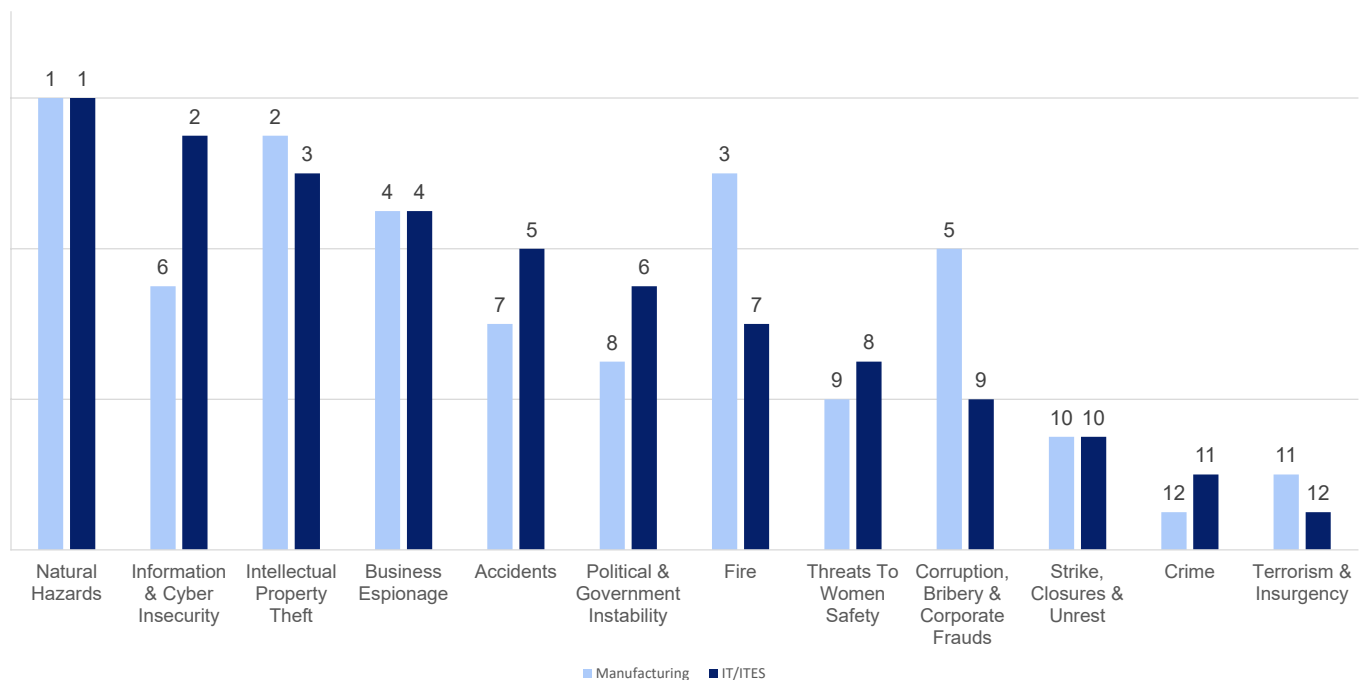
Businesses located outside of India in the Asia Pacific (APAC) or Europe, the Middle East and Africa (EMEA) regions have voted “Natural Hazards” as the top risk, while “Information & Cyber Insecurity” and “Intellectual Property Theft” are the second and third biggest concerns.

“Fire” and “Terrorism & Insurgency” have been voted as the fourth and fifth biggest concerns by the respondents.

# INDUSTRY-WISE RISK RANKING

## RISK RANKING - COMPARATIVE PERSPECTIVES ON RISK

### Risk Ranking – Manufacturing vs. IT/ITES



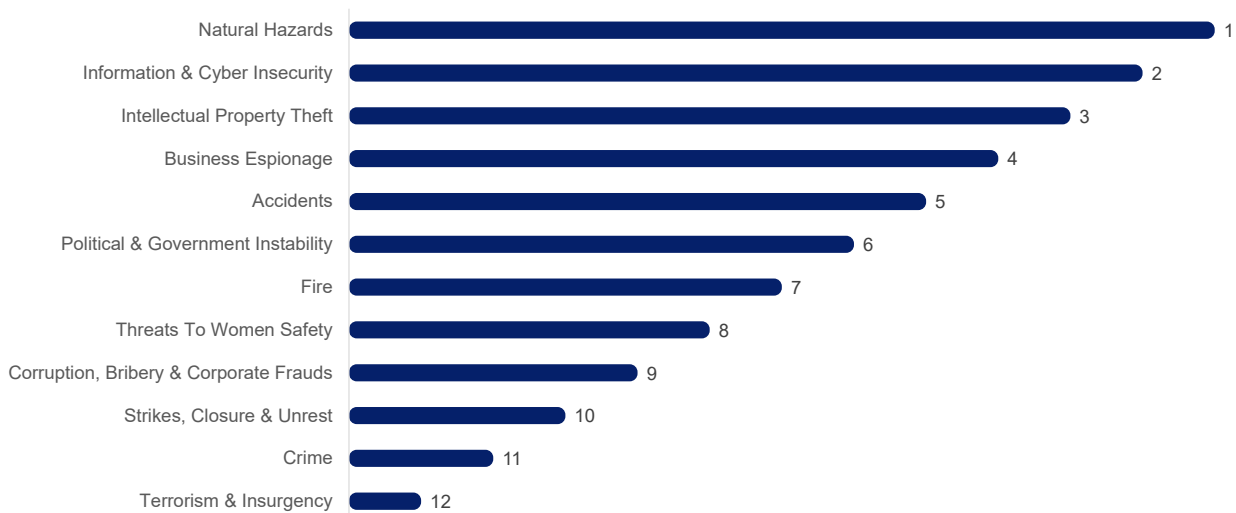
The comparative graph gives a picture of the risk perception of IT sector undertakings and manufacturing sector undertakings. The ratings of 12 risks by each sector have a significant difference in threat perception. While “Natural Hazards” has emerged as the top risk for both sectors, the second most crucial disruptive risk shows a stark contrast for both sectors. Respondents’ voting pattern indicates that the IT sector is more vulnerable to “Information & Cyber Insecurity” while “Intellectual Property Theft” remains a cause of concern for the manufacturing sector.



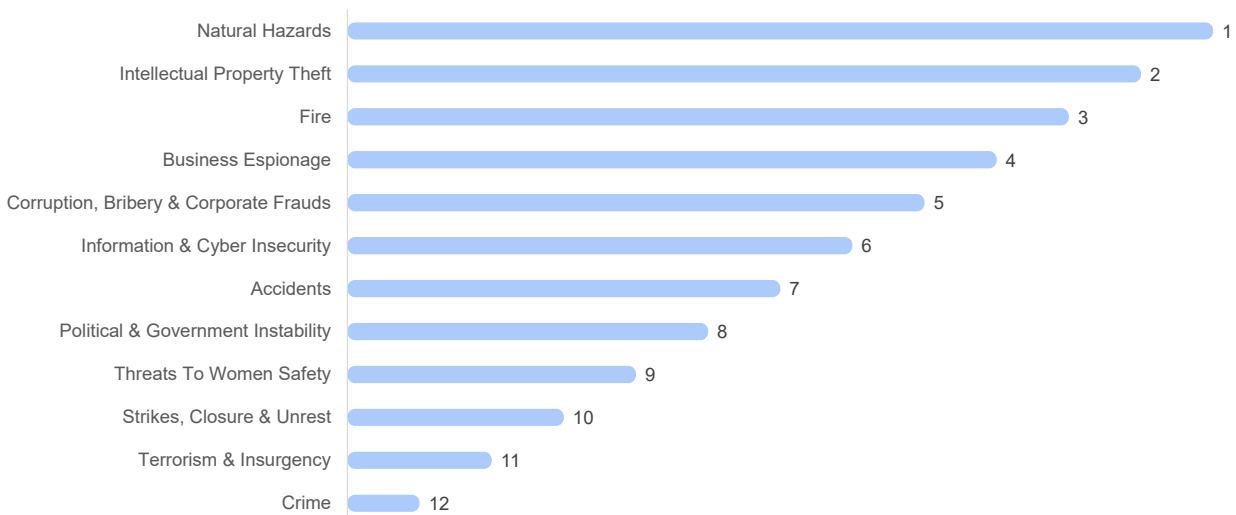
While companies are making efforts to secure the Information and Technological infrastructure and minimize the risk of data theft by amplifying cyber security, respondents believe this is the second biggest cause of concern for techs in 2021. India's manufacturing sector took a big hit from the pandemic-related lockdowns and following unrest, and respondents see this as a potential risk.

IT/ITES industry has identified "Intellectual Property Theft" as the third top risk while the manufacturing sector has placed "Fire" in the third spot. For the IT sector, "Business Espionage" and "Accidents" are the fourth and fifth disruptive factors, "Business Espionage" and "Corruption, Bribery & Corporate Frauds" have been identified by the manufacturing sector for the same spots. "Political & Government Instability" risk which stands in the sixth spot in the IT sector, falls to the eighth spot in the manufacturing sector, while the manufacturing sector votes "Information & Cyber Insecurity" as the sixth risk.

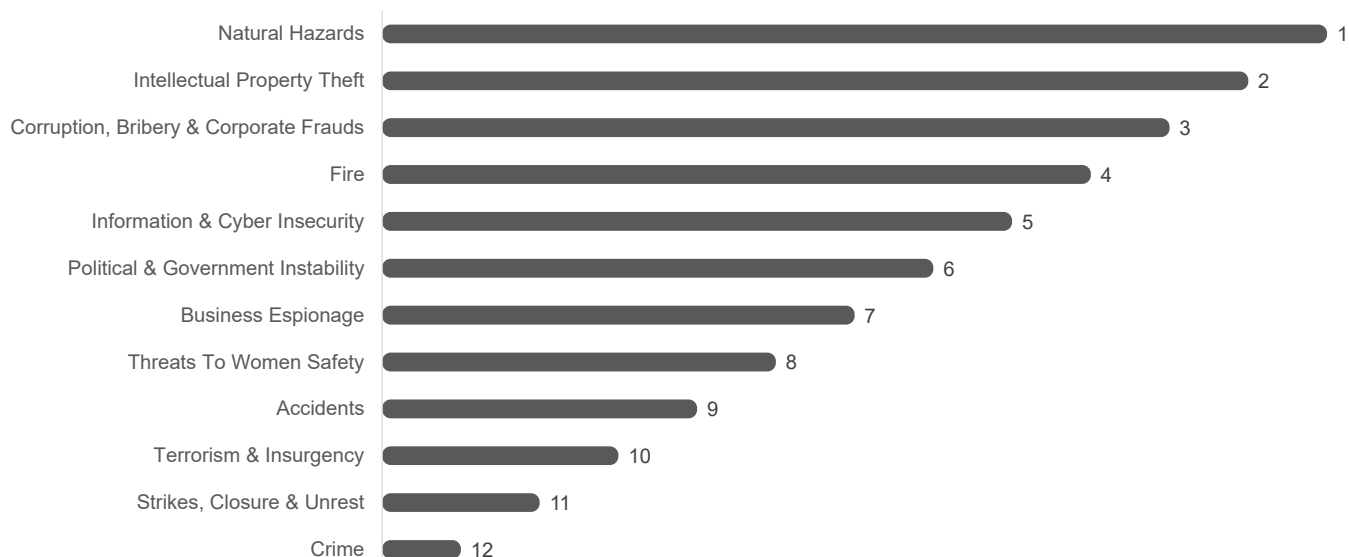
#### Risk Ranking - IT/ITES



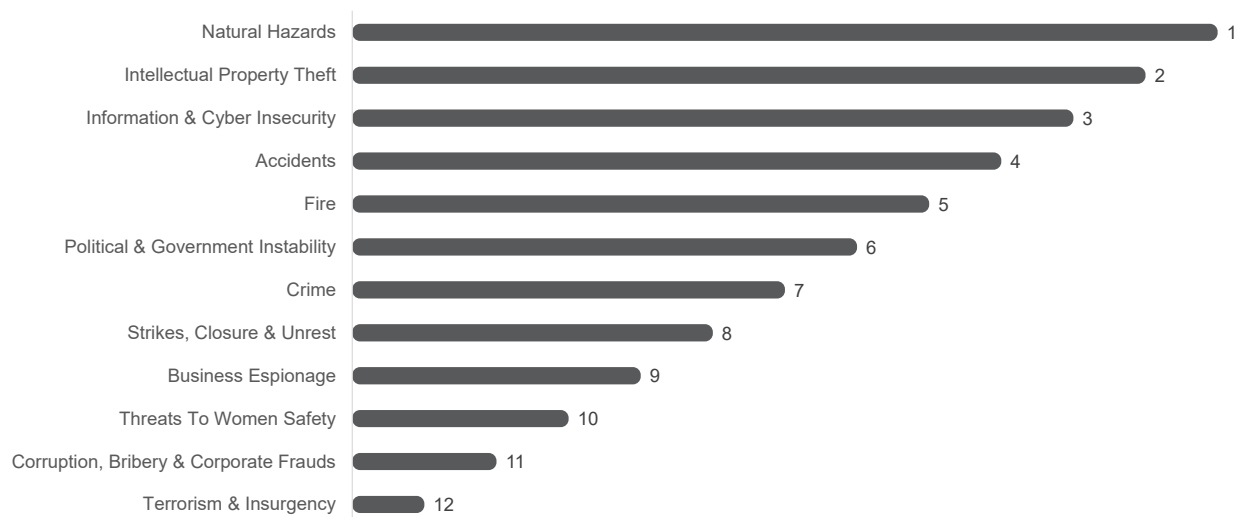
#### Risk Ranking - Manufacturing



## Risk Ranking - Infrastructure



## Risk Ranking - Education





**Risk Management has assumed great significance in the global economic scenario, and its landscape is evolving. Every organization, industry, and economy around the world is confronting more risks than ever before. Risk professionals have before them a challenge to not only keep pace, but also think one step ahead in an attempt to foresee emerging risks and collaborate with businesses to build mitigation strategies.**

**Risk is not limited to large corporations or banks. Non-profits, government agencies, and higher education organizations all face a host of risks. Yet, risk management practices in the non-profit realm, including higher education, appear to be significantly less developed than in much of the corporate world. One of the plausible explanations could be that universities' shared governance systems and distributed decision-making make it more difficult to implement institution-wide risk management activities. But with economic models challenged by rising costs, fluctuating endowment values, and uncertainty about future government funding of research, universities face increasing risks.**

**As the education sector continues to rapidly evolve, new risks will emerge, known risks will take new forms, and crises will inevitably unfold. Universities must be comfortable with a “new normal” of perpetual disruption. The Covid 19 pandemic has changed the way students are educated around the world. The sector is experiencing change at an accelerating pace and has given us a glimpse of how education could change in the long term.**

**The risks that fall under the domain of higher education as a custodian of knowledge are risks**

**connected with the vulnerability of the primary process of education: acquiring, managing, and disseminating knowledge. There are several ways in which knowledge can be lost or accidentally disseminated. One important risk in this domain is associated with the vulnerability of the ICT structure within educational and research establishments. The loss of information can pose a threat to academic, scientific, commercial, and social interests.**

**Further, educational institutions are established under a Society or a Trust, and hence borrowings are limited to banks only. This makes Financial Risk management, many a time, more difficult for educational institutions, unlike industry where financial risks can be mitigated through borrowings from different types of financial organizations.**

**Schools and universities need to re-think how to look at a risk ecosystem. Whereas risk management has historically been confined to specific domains (compliance, internal audit, safety, insurance) and often managed in siloes, institutions today need to realize that their risk portfolio is inherently interconnected.**

**It is extremely important for educational institutions to develop an ‘enterprise’ approach to risk management, as opposed to siloed plans that exist within specific divisions or units to deal with risks specific to their function or mission. By taking an ‘enterprise’ approach to risk management, institutions can be more proactive and prepared by responding more effectively when issues, incidents, and crises arise.**

**Risk management will help improve decision-making, planning, and prioritization; allocate more efficiently financial and other limited resources; allow leadership to anticipate what may go wrong, minimize crisis management, or prevent a disaster or serious financial and/or reputational loss.**

**In higher education, an institution committed to advancing learning could be too timid by being slow to experiment with learning models; that is, too slow to try new pedagogical methods, online learning, or other applications of technology to learning. A major research university might find that its long-standing tenure and promotion practices reward incremental or ‘safe’ research using traditional methods. Or its financial model could present opportunities that aren’t being explored, perhaps related to its sticker price and financial aid levels, or programmatic changes that could be made to enhance net tuition.**

**While ‘brand protection’ is not usually touted as a mission of universities, a university could be overly protective of its brand and therefore less likely to enter beneficial partnerships, perhaps with corporations or with other institutions either at home or abroad. Capital investment is another area where too much caution could present a risk to the institution. Clearly, risk management should be approached from the perspective of not taking on enough risk as well as from the more traditional view of minimizing risks.**

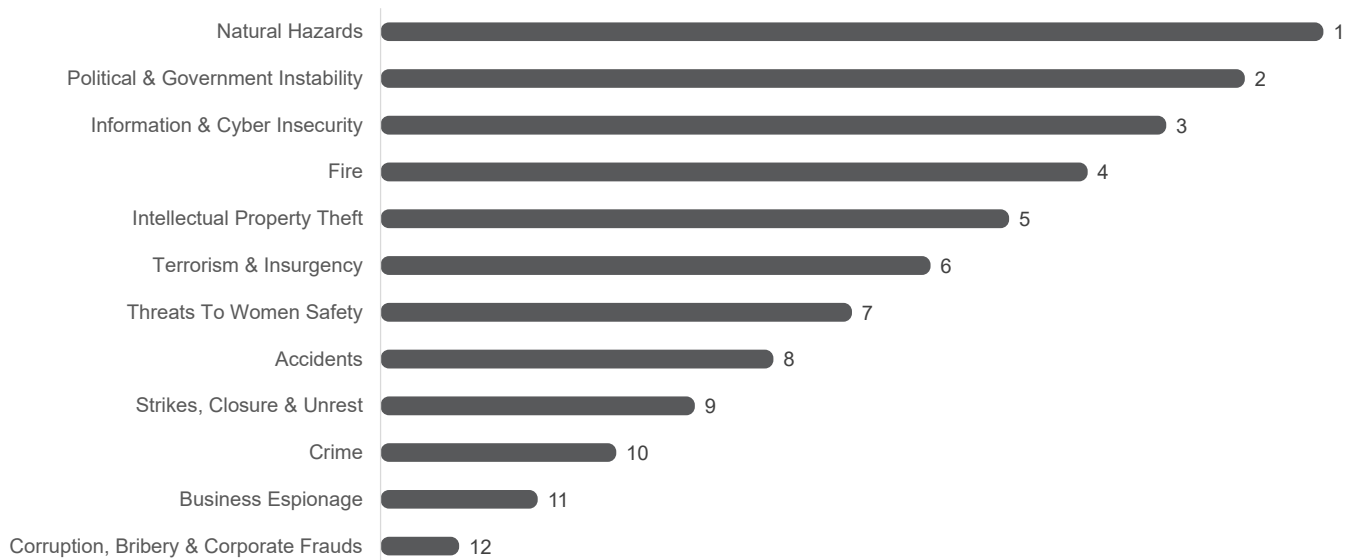
**Positioning risk management as avoidance of loss will ultimately weaken colleges and universities. Events and crises will occur. It is important to understand that institutions and Universities will not have all the answers. However, an effective risk management ecosystem should be mission oriented, strategic, and broad enough to capture those issues that are of fundamental importance to the ongoing success and mission of the institution.**



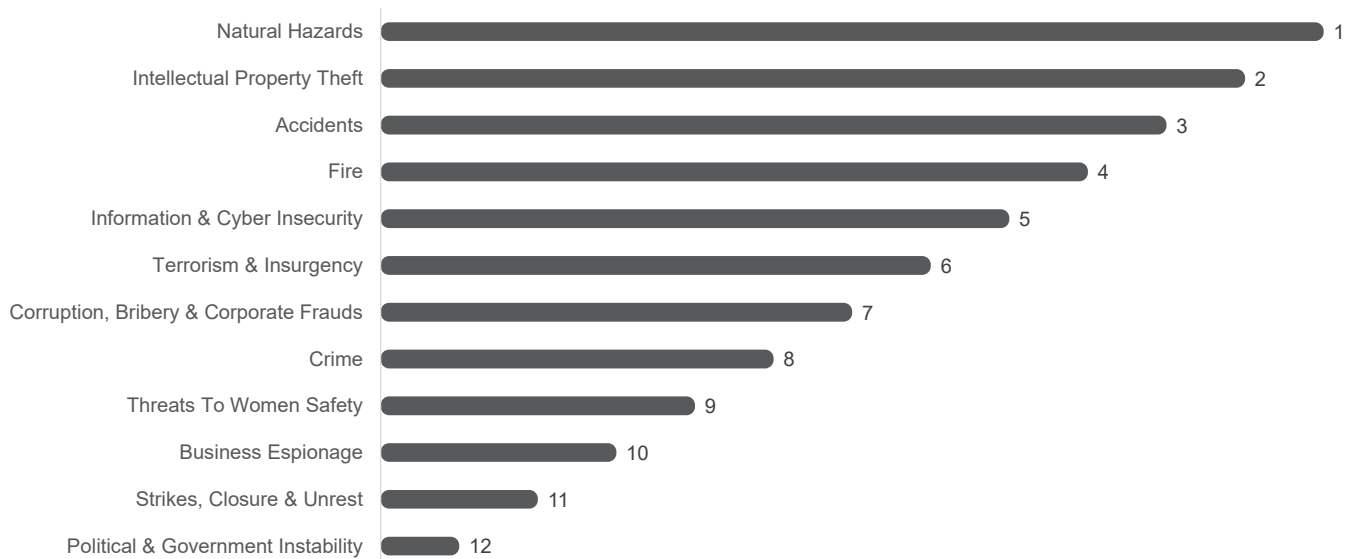
**– Dr. Vidya Yeravda**

Chair, FICCI Higher Education Committee  
Pro-Chancellor, Symbiosis International University

## Risk Ranking - Consulting



## Risk Ranking - Security Services & Solution Providers







**The Emergence of COVID 19 differentiated the entire timeframe of the modern world into pre and post-pandemic segments. This has changed our perception towards risk from a gradually evolving, mostly impacted by local or national events which stay for a finite time, to an entirely new situation which has the potential to shatter economies across the globe, force businesses and individuals to limit their activities for an indefinite time. Governments and businesses have started seeing risk as a disruptor with infinite scale and magnitude, which needs a stronger partnership of all stakeholders to deal with it.**

**SIS Group largely falls in the ambit of the private security services sector, which is often understood as manned guarding only, is, in fact a blend of people, process & technology, and includes vital essential services, like cash logistics, hygiene services and facility management, electronic security, fire safety, background check, detective services, amongst others. These services are omnipresent; our clientele includes every single manufacturing facility, bank branch, ATM, office, hotel, hospital, school, educational institution, public utility, shopping mall, and a number of government establishments and residential colonies.**

**The last two years have demonstrated that adverse situations also create ground for the implementation of new ideas. Take, for example, one industry that transformed itself into the first line of defence against Coronavirus. True COVID frontline warriors. Private security services assisted government machinery in implementing the lockdown. Healthcare facilities and select industries related to the production and supply of essential items could function as our workers were helping staff with sanitization and management of COVID protocols. Due to its critical role, private security services were notified under**



**‘essential services’ by the Government soon after the announcement of nationwide lockdown. Private security guards, cleaning staff, and cash van workers continued to work through lockdown, risking their lives to support local administration, hospitals, grocery stores, and banks. The stature of a security guard elevated when Hon’ble Prime Minister of India expressed trust in the honesty and sincerity of security personnel and also when crores of residents living in residential societies appreciated the hard work and devotion of security guards who could not travel to their homes due to lockdown and discharge duty on 27x7 basis.**

**Being a manpower-intensive sector, private security services were hit badly due to COVID. A large percentage of workers got infected with the Coronavirus while performing duties at entries of offices, manufacturing plants, and healthcare facilities. When Govt of India initiated the vaccination drive, SIS Group took vaccination on topmost priority and ran a nationwide campaign for its 2,30,000 employees and appointed City In-charges in 132 cities to encourage staff to get vaccinated and provide them financial support towards hospitalisation due to COVID. As of 19th Jan’22, more than 95% of our staff in SIS Group has been vaccinated with two doses, and several have been given booster doses as well. Also, disbursement of INR 8.46 crore to 6822 beneficiaries have been made under INR 10 crore COVID welfare fund, which was created to support employees for testing, hospitalization, and treatment expense from COVID related illness.**

**The last two years, have been full of transformations besides speculations around variants of the Coronavirus. India has become the world leader in sailing through the difficult time with the greatest participation of government, organisations, and people in defeating COVID. The nation witnessed brave decisions taken by the Government to extend relief to citizens and industry, mainly daily earners**

**and small businesses. The biggest success of this participation has been the mass vaccination programs, which is probably the biggest in terms of numbers with more than 157 crore vaccine doses administered so far<sup>14</sup>, 66% of the population is partially vaccinated, which is above the world's average (61%), and close to half of the population is fully vaccinated<sup>15</sup>. This is the bright picture of our country today in contrast to the concerns around India's capability in dealing with such a situation.**

**It is said that disasters like COVID 19 pandemic happen once in a century, though in my sense, it could just be glimpses of the unpredictability and risks towards which we as countries and organisations are heading. Bigger risks are arising from climate change, increasing population, shirking resources, negative use of technology, and others that are waiting for us in the near future. Key elements for us as leaders are the ability to participate and put in place business continuity measures to face up to the uncertainties of our environment.**



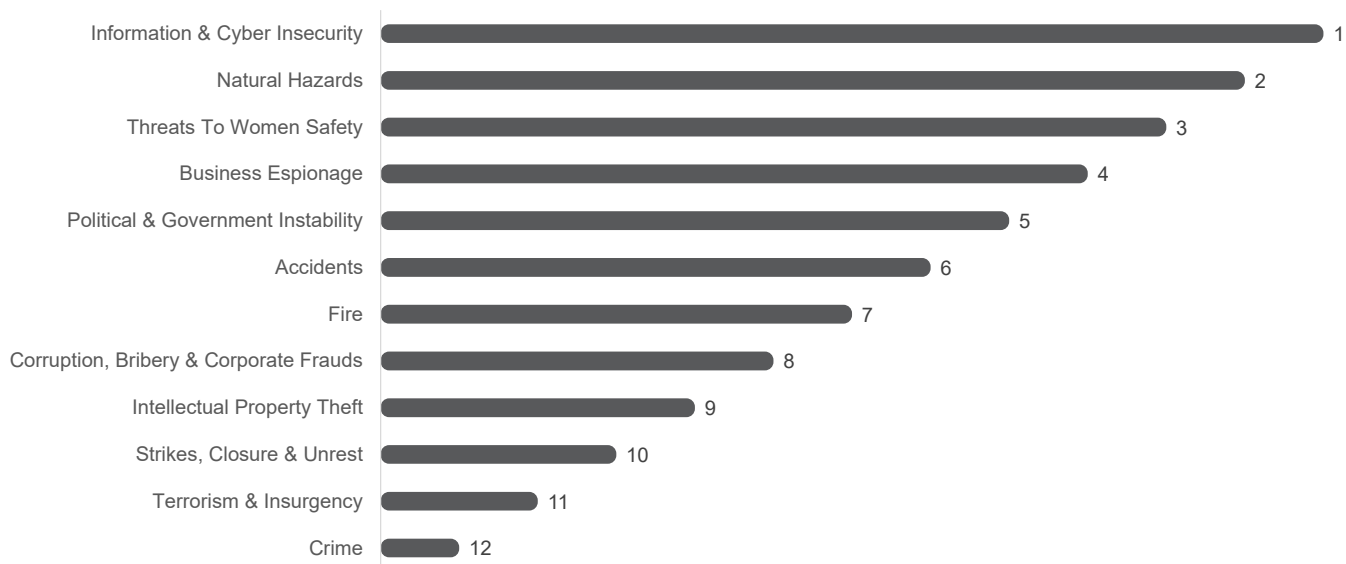
**– Mr. Rituraj Sinha**

Chair, FICCI Committee on Private Security Industry  
Group Managing Director, SIS Group Enterprises

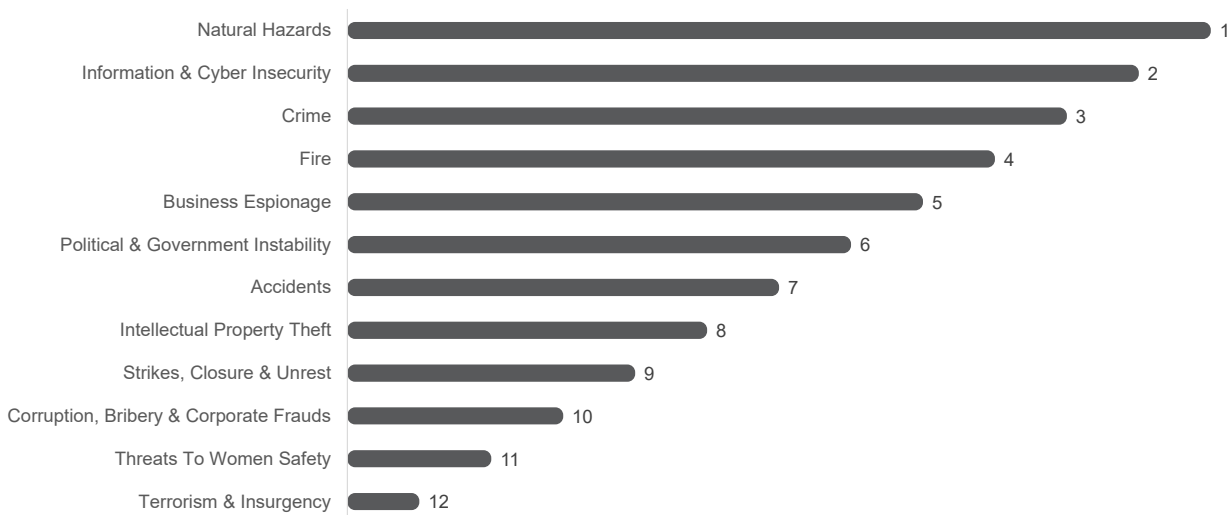
<sup>14</sup> <https://dashboard.cowin.gov.in/>

<sup>15</sup> <https://www.nytimes.com/interactive/2021/world/covid-vaccinations-tracker.html>

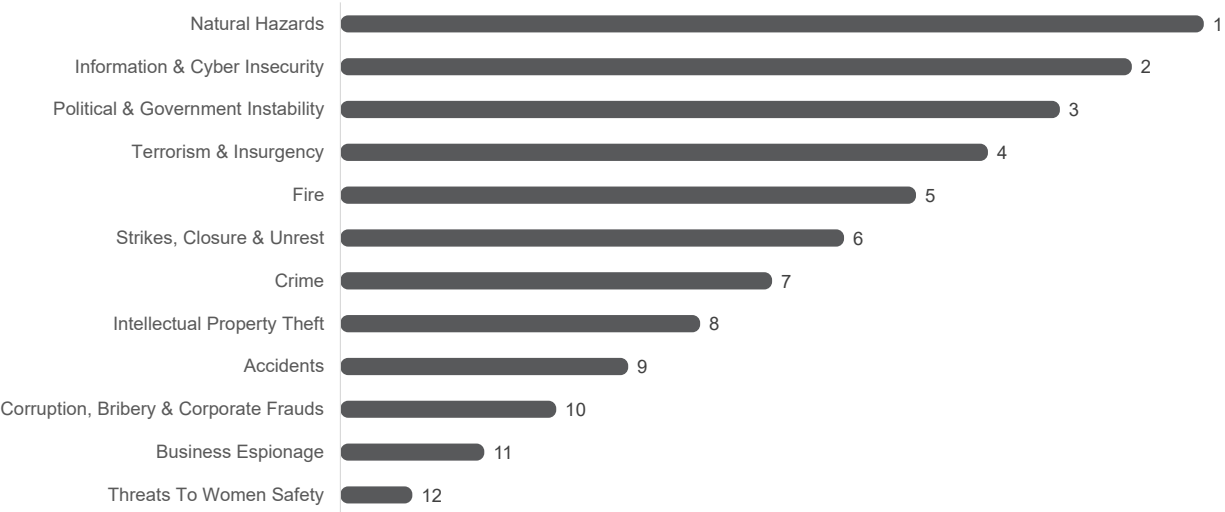
## Risk Ranking - Financial Services



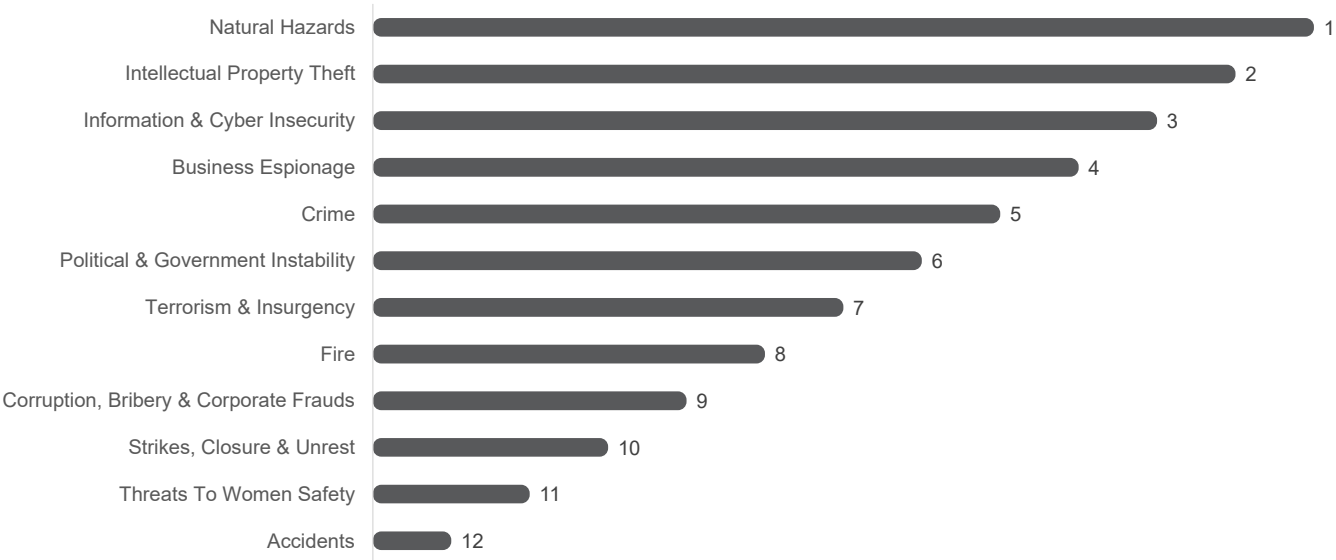
## Risk Ranking - Banking



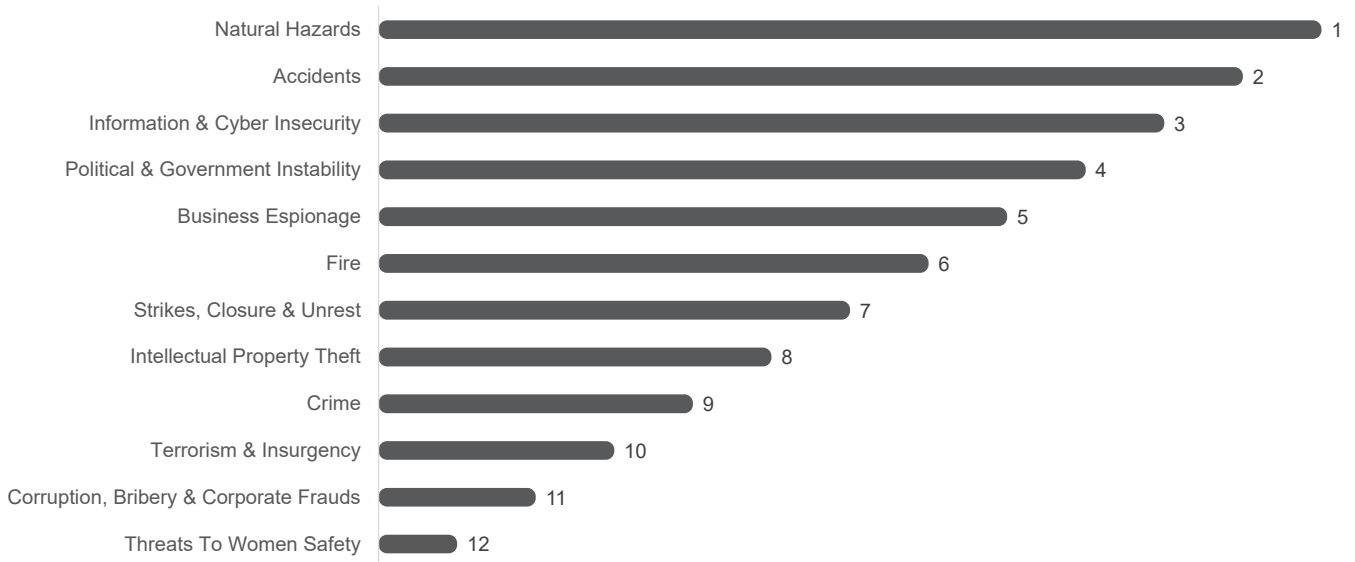
Risk Ranking - Automobile



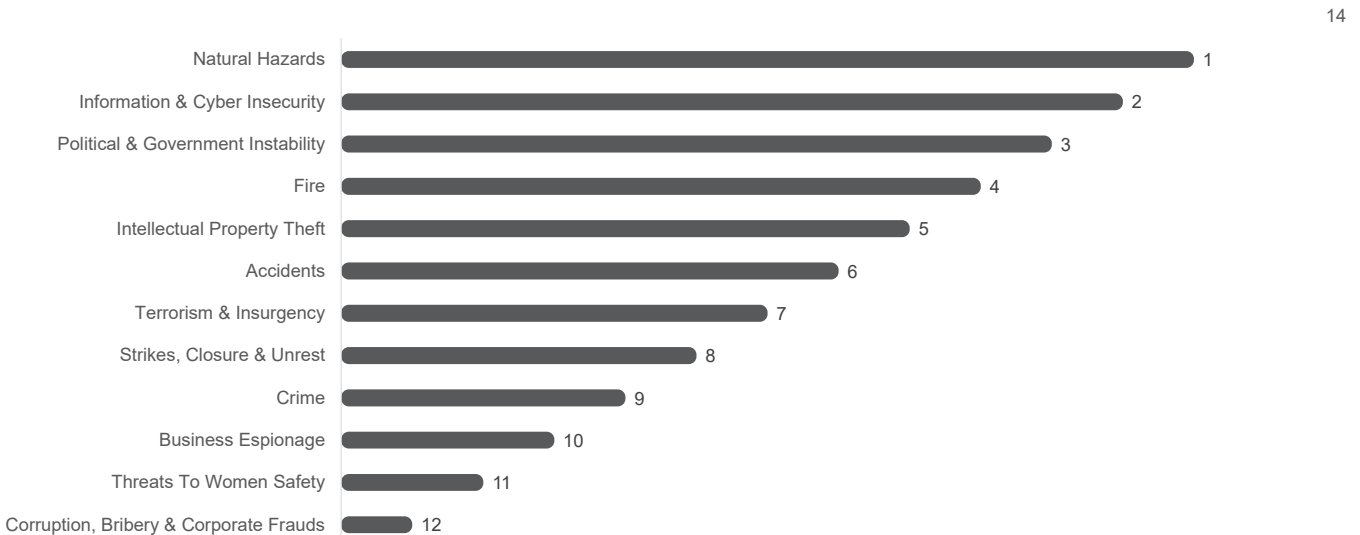
Risk Ranking - E-Commerce/Digital Platforms



## Risk Ranking - Travel



## Risk Ranking - Other Industries



The above-presented graphs capture the industry-wise rankings of risk categories. They vary from each other, as each of them has different levels of exposure to each risk category and appetite to mitigate.

Due to the rising environmental concerns and the coronavirus pandemic, “Natural Hazards” has been voted as the top risk by industries across the board. IT/ITES sector sees “Information & Cyber Insecurity” and “Intellectual Property Theft” while the manufacturing sector sees “Intellectual Property Theft” and “Fire” as the second and third biggest concerns.

“Intellectual Property Theft” is the second most significant concern for Infrastructure and Education sectors, followed by the risk of “Corruption, Bribery & Corporate Fraud” for Infrastructure and “Information & Cyber Insecurity” for Education.

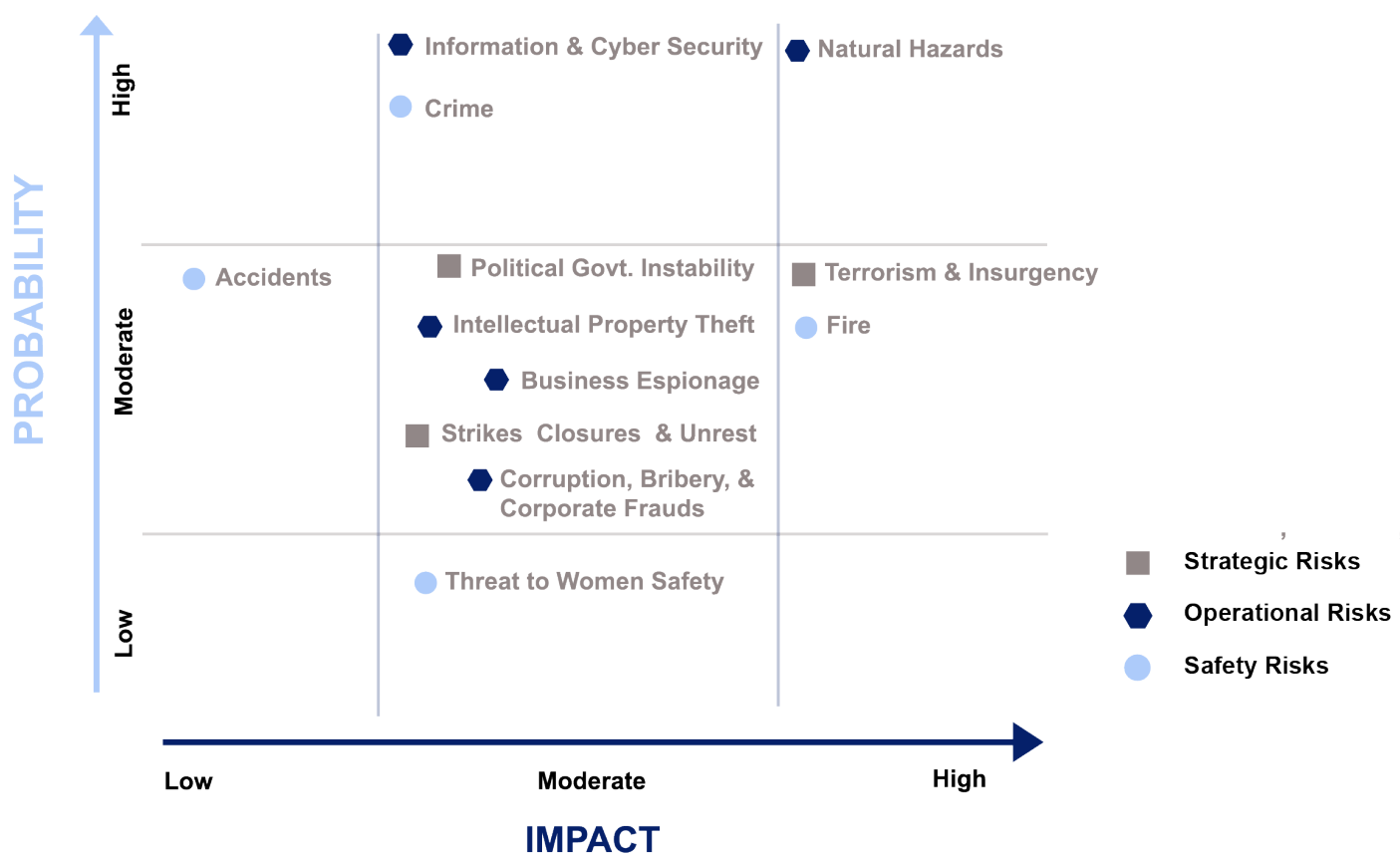
Respondents from the Consulting industry voted “Political & Government Instability” and “Information & Cyber Insecurity” as the second and third risks, while respondents from Security Services & Solution Providers industry voted “Intellectual Property Theft” and “Accidents” as the second and third biggest concerns.

Respondents from both Financial Services voted “Information & Cyber Insecurity” as the top risk and “Natural Hazards” and “Threats to Women’s Safety” as the second and third risks while respondents from the Banking industry voted “Information & Cyber Insecurity” and “Crime” as the second and third most disruptive concerns.

“Information & Cyber Insecurity” and “Political & Government Instability” were the second and third biggest risks for the Automobile sector, while “Intellectual Property Theft” and “Information & Cyber Insecurity” took second and third spot with the E-Commerce & Digital Platform players.

Respondents from the Travel sector voted “Accidents” and “Information & Cyber Insecurity” as the two biggest risks after Natural Hazards.

# RISK CATEGORIZATION





The IRS 2021 segregates risks into three categories, viz., Strategic, Operational, and Safety risks. Strategic risks are those that directly impact the achievement of an organisation's business objectives. At the national level, these are risks that have a grave impact on national security and its survivability. Strategic risks are majorly determined by the top leadership of the organisation.

Operational Risks are defined as the probability of a loss occurring from the internal inadequacies of an organisation or a breakdown in its controls, operations, or procedures. Lastly, Safety risks are those risks that have the potential to affect and jeopardise employee safety. These could be either internal or external or both. Employees being the critical assets to an organisation, any potential hazard or threat to their safety could affect business continuity. The graph on 'categorisation of risk' represents a particular risk that falls within the categories of either Strategic, Operational, or Safety risks. The probability and impact of these risks illustrate their importance to the corporate sector. The categorisation is generic since certain risks considered 'Strategic' for some industries can be categorised as 'Operational' risks for another set of industries.

## Understanding the Shift

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It is evident from the Risk Categorization that whilst certain types of risk have shown little to no change over the due course of time since 2019, there are multiple categories of risk that have shown a distinct change impacting organizations along the way owing to an ever-pervasive change in the political, geographical, and social landscape across regions and territories.

India witnessed the peak of second-wave caused by Delta variant of SARS COVID – 19 virus bringing with it a dramatic effect on business continuity. Along with the pandemic, the country also faced challenges in the form of natural calamities, including cyclones, earthquakes, and floods. This caused the risk ranking for Natural Disasters to top the list of most impactful business risks of 2021, having been in 2nd place in the Risk categorization in 2019.

Another irrepressible change witnessed in 2021 was in the Information and Cyber Security space which saw the risk rank move up to 2nd position in risk categorization from being at 6th position in 2019. This is attributable to the massive rise in cyber-attacks due to the large-scale adoption of digital services and cloud-based work environments by Indian businesses owing to the pandemic-induced lockdowns and restrictions across the country. The biggest challenge seen here is the facilitation of legacy systems with high traffic of data.

Meanwhile, there has been a significant improvement in the risk category of "Corruption, Bribery, and Corporate Frauds." The most fundamental cause identified over the due course of time in this regard is the high-scale digitization at the national level aiming to negate the detrimental effect of excessive rules and procedures resulting in the loss of precious time. Simultaneously, the checks and balances for such loopholes are being inculcated showing a positive shift towards creating a sustainable business ecosystem. This has led to the requisite risk category moving to 11th position from 1st in 2019.

Furthermore, India witnessed a decline in the 'Crimes' risk category from 3rd position in 2019 to 10th position in 2021. This can be attributed to the fact that crimes reported against women, children, and other traditional crimes have gone down significantly due to the prevailing lockdown/restrictions this year.

This year has seen a huge rise in the business potential of entities across the country, setting a precedent for maximum unicorns to the expansion of manufacturing hubs in various regions. However, a major quantum rise has been seen in the Micro, Small, and Medium Enterprises (MSMEs), wherein there is a pressing need for far-reaching business education to allow these businesses easy access to the global ecosystem. Such businesses are constantly facing challenges owing to lack of systemized support in terms of Intellectual Property Rights and prevention of theft. The risk rank of IP has moved up to the 3rd position from 7th in 2019.

The pandemic has brought to light a series of mismanagement issues at healthcare centers, and they have been facing the brunt of unexpected electrical loads, unavailability of requisite manpower, and overworked employees at manufacturing stations resulting in fires. During this period, hospitals have become veritable fire hazards due to overcrowding in COVID wards, increased demand for oxygen cylinders, alcohol-based sanitizers, and PPE kits which are flammable. Owing to this, 'Fires' has risen to 4th position as against 10th in 2019.



**The current pandemic has not just had enormous economic consequences but also has had a devastating impact on Global Education. Educators, administrators, training organisations, service providers, parents, and students around the world have been made to feel the extraordinary ripple effect of the crisis as educational institutions and training centers have remained shut amid the public health emergency. According to the figures released by UNESCO, back in March'20, some 1.3 billion learners around the world were not able to attend school or university. World Bank had said that the COVID-19 pandemic is causing more than 1.6 billion children and youth to be out of school in 161 countries. This is close to 80% of the world's enrolled students.**

**While shutting schools may help reduce the spread of infection, they also impose significant costs. The already poor learning levels and nutrition status of Indian children, particularly younger children, are causing invisible but real damage to their future prospects and, in turn, to the country.**

**Ever since the schools have been shut, and despite attempts at remote learning, it has been observed that learning, especially for the poor, is virtually at a standstill. We can assess the impact of the shutdown by looking at what has happened when schools are closed for other reasons. For example, it is well documented that school closure during summer vacations causes a 'summer slide,' in which children can lose as much as 25-30% of what they learn in the school year, and this 'slide' has greater effects on disadvantaged children. Analysis of data from India has also shown that this loss exists and is significant. School closures can also prove to be particularly damaging for younger children who are trying to pick up foundational skills like reading which will help them learn over their remaining**

**school years.**

**Nearly 80% of countries have weighed these risks and decided to reopen schools, and 59 countries, including Germany, Denmark, Sweden, Norway, France, New Zealand, and a few more, had already opened schools as of August'2020. These countries, despite having higher infection and death rates in comparison to India, went ahead and reopened schools, and no adverse increase in infection or death rates was noticed because of the same.**

**The longer the closure of the schools, the greater will be the economic impact. The World Bank estimates the global average present value of earning losses from these disruptions is around 25,000 USD per child for a 7 month shutdown<sup>16</sup>. Scaling this earning loss to India's GDP per capita<sup>17</sup> and given that we have 250 million children in school, the estimate implies that the school closure will cost India approximately 1.14 trillion USD over the lifetime of these children. A similar estimate by the OECD puts this cost at nearly 10 trillion USD<sup>18</sup>.**

**However, the impact on other stakeholders - including parents, teachers, and schools themselves, is also significant. Extended school closure will undoubtedly impact teachers in private unaided schools - especially the majority in low fee schools. With schools unable to collect fees from families who are themselves economically impacted, teaching and non-teaching staff salaries have also dipped significantly. There are over 3.03 lakh unaided private schools in the country, which at a basic estimate provides direct employment to approx. 3 crore people, which comprises teaching, non-teaching, and support staff. Likewise, the higher education sector has a substantial contribution in this regard. This translates into livelihood to 12-15 crore citizens of the country, making Education one of the top 5 employment providers in the country.**

<sup>16</sup> <https://thedocs.worldbank.org/en/doc/798061592482682799-0090022020/original/covidandeducationJune17r6.pdf>

<sup>17</sup> Global GDP per capita in 2019 - 11428USD, India GDP per capita - 2107USD. The scaling is a conservative estimate given that India has been growing faster than the world average, and our school shutdown is already 8 months long.

<sup>18</sup> <https://www.oecd.org/education/The-economic-impacts-of-coronavirus-covid-19-learning-losses.pdf>

**Finally, there is the threat to schools themselves.**

**Consumers' spending on private education in India for the year 2018 was USD 68 billion, which translates into 2.5% of GDP. A recent Economist report points out a sharp increase in shutting down of low-fee schools, affecting the industry contribution to the economy<sup>19</sup>. School shutdowns will represent a tremendous loss in expertise, experience, and talent in the sector, as well as exacerbate transition gaps for teachers and students.**



**– Mr. Manit Jain**

Chairman, FICCI Alliance for Re-Imagining School Education (ARISE)  
Co-Founder & Director, The Heritage Group of Schools

<sup>19</sup> <https://www.economist.com/asia/2021/01/03/private-schools-that-educate-50-of-indian-children-are-folding>

# RISK IN DETAIL

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## NATURAL HAZARDS

**YEAR-ON-YEAR RANKING:** “Natural hazards” emerged as the top risk in the India Risk Survey 2021 report due to global fear of the coronavirus. In 2019, this risk was ranked second, while was placed 2nd in view of the loss of lives, property and business due to a number of floods and cloud burst events the country witnessed, in 2018. This jump could highlight the coronavirus pandemic, followed by a string of weather-related natural disasters all over the world and in India.

**INCIDENT MAPPING:** In the years 2020-21, the unprecedented arrival of the COVID-19 pandemic has emerged as the worst disaster. On January 30, 2020, India reported its first case. After the United States, the country is currently the world’s second-worst Covid-19 impacted country in terms of a total number of positive cases<sup>20</sup>. During the initial wave of the pandemic in March-May 2020, the Indian government imposed strict restrictions and lockdowns. The second wave in 2021 also prompted several state administrations to announce complete lockdowns. COVID-19’s first wave reached its apex in India in September 2020, when the vast bulk of the populace was unaffected. The second wave of COVID-19, however, had major consequences in India, including a rise in cases along with increased mortality and shortage of critical treatment supplies. In April 2021, cases peaked at record levels but began to decline a month later, stabilizing the overall situation. Yet virus mutations still pose a significant challenge to the fight against the pandemic. The recent global spread of variant B.1.1.529, a variant of concern named Omicron, is rapidly increasing in India, resulting in the third wave of the pandemic.

<sup>20</sup> <https://www.worldometers.info/coronavirus/countries-where-coronavirus-has-spread/>

During the pandemic, India also suffered cyclones like Tauktae, Yaas, Amphan,



and Nisarga, South and East India floods, storms, cloudbursts, landslides, and industrial disasters that caused havoc and left a trail of destruction in their wake. In February 2021, the Uttarakhand flood or Chamoli disaster claimed at least 72 lives and caused at least 200 to be missing or dead<sup>21</sup>, the majority of whom were workers at the Tapovan dam site. Heavy rains triggered widespread flooding in South & East India, killing over 35 people and causing lakhs of rupees worth of property damage.<sup>22</sup>

**IMPACT AND COMBAT:** Despite being hit hard by the pandemic, India has been able to mobilize and emerge from a fatal second wave of the virus in early 2021. To tackle Delta with its robust vaccination program, which it spearheaded, more than 1.53 billion doses have already been administered. India has acted in everyone's best interests by supplying medical supplies and equipment to more than 150 countries as well as placing a critical supply of COVID- 19 on the global market.

“ I quote Churchill, “Success is not final, failure is not fatal; it is the courage to continue that counts. While the pandemic wreaked havoc in the world, people from all walks of life came together to help and support each other. Organizations, big or small, businesses found creative means to support themselves and their customers. Resilience had a new meaning in a world under lockdown. The desire to continue the fight against the virus has been encouraging, and while it will be some time for the world to get back to pre-covid days, it is the courage to continue this fight that will decide where we land in days ahead. ”

– Maj. Abhinav Mishra (Retd)

Senior Associate Director, Loss Prevention, Ethics - Compliance & Fraud Investigations, Gurnar Soft

Honorable Prime Minister committed India to an ambitious pledge at the United Nations Climate Change Conference of Parties (COP26) in Glasgow, Scotland. The main target for this conference was to keep global warming below 1.5 degrees Celsius by 2030. At the conference, India announced a five-point plan to combat global warming and climate change, including a goal to achieve net-zero emissions by 2070.<sup>23</sup>

<sup>21</sup> <https://www.thehindu.com/news/national/chamoli-disaster-due-to-avalanche-says-geological-survey-of-india/article35031786.ece>

<sup>22</sup> <https://edition.cnn.com/2021/11/22/india/india-rain-andhra-pradesh-intl-hnk/index.html>

<sup>23</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1768712>





## INFORMATION & CYBER INSECURITY

**YEAR-ON-YEAR RANKING:** Information and Cyber Insecurity has emerged as a leading concern for businesses in 2021 with second place in the India Risk Survey 2021. India witnessed a surge in cyberattacks amid the rapid adoption of digital services following the lockdown imposed in the wake of the coronavirus pandemic. India Risk Survey 2021 focuses on four significant threats posed by Information and Cyber Insecurity: data theft, compliance and regulatory incidents, cyberinfrastructure attacks, and impersonation.

As per data shared by MoS Electronics and IT in August 2021, the total number of cyber security incidents included hacking of 15,651 Indian websites in 2021. That number stood at 26,121 in 2020. Likewise, 12,001 cyber security incidents affecting government organizations have occurred as of June 2021.<sup>24</sup>

As businesses adjust to the work-from-home model, the coronavirus pandemic has presented new obstacles. Businesses are speeding up their digital transformations, and cybersecurity has become a major concern. Yet despite the increased demand for technology, many companies still do not provide a “cyber-safe” remote-working environment. If cybersecurity concerns are ignored, the consequences for reputation, operations, legality, and compliance could be severe.

**INCIDENT MAPPING:** In February 2021, the Air-India data breach affected more than 4.5 million passengers after a sophisticated cyber-attack on SITA - a Switzerland-based company providing passenger services to the country’s air traffic control system. The attack was carried out on its servers based in the US.<sup>25</sup>

In March 2021, a Ransomware attack was carried out on the Pimpri-Chinchwad Municipal Corporation’s Smart City project in the Pune district, managed by Tech Mahindra.<sup>26</sup> In October 2020, Haldiram’s popular food major faced a ransomware attack, and attackers demanded \$750,000 to regain access.<sup>27</sup>

In November 2020, the Indian Computer Emergency Response Team (CERT-In) issued a warning against the spread of the ransomware virus ‘Egrogor’ capable of stealing vital corporate data.<sup>28</sup>

**IMPACT AND COMBAT:** India lacks a comprehensive cybersecurity law that includes the Information Technology Act of 2000 and its rules governing cybersecurity, data breach notification, and incident response. The Indian government established the Indian Computer Emergency Response Team as the national nodal agency for cybersecurity under the ITA to carry out functions such as collecting, analyzing, and disseminating information on cyber-incidents, forecasting and alerting of cybersecurity incidents, taking emergency measures for dealing with cybersecurity incidents, and issuing guidelines, advisories, vulnerability notes, and white papers relating to information security, among others.

The National Critical Information Infrastructure Protection Centre (NCIIPC) is the nodal agency for critical sectors under the ITA and has framed the NCIIPC Rules and Guidelines to protect the nation’s Critical Information Infrastructure (CII) from unauthorized access, modification, use, disclosure, and disruption to ensure a safe, secure, and resilient information infrastructure for critical sectors in the country.

<sup>24</sup> <https://www.thehindu.com/business/cert-in-observed-more-than-607-lakh-cyber-security-incidents-till-june-2021-government/article35726974.ece>

<sup>25</sup> <https://indianexpress.com/article/explained/air-india-sita-data-breach-explained-7325501/>

<sup>26</sup> <https://economictimes.indiatimes.com/tech/information-tech/ransomware-attack-on-pimpri-chinchwad-smart-city-servers-managed-by-tech-mahindra/articleshow/81514435.cms>

<sup>27</sup> <https://timesofindia.indiatimes.com/city/noi-da/haldirams-hit-by-ransomware-attack-hackers-asked-for-7-5l/articleshow/78712465.cms>

<sup>28</sup> <https://www.businesstoday.in/latest/economy-politics/story/beware-cyber-security-attacks-in-india-grew-194-in-2020-291535-2021-03-23>



**Over the past year, the complexity of the business operation has had severe impact due to prolonged uncertainty of pandemic affecting the main drivers of risks being rearranged in the order of – societal, environment, technological and geo-political.**

**Asian hubs are largest producer and exporters of raw materials and shutting down factories due to COVID-19 has damaged the supply chain resulting in surge in prices of semi to finished goods worldwide. China being one of the largest exporters of raw materials to India had stern implication for Indian business manufactures not only due to shut down but also due to turbulent geopolitical relations between the two countries imposing sanctions when collaboration was essential in the wake of unprecedented times.**

**Just as the economy started to see green shoots of healing in Q3- FY 23, the new more transmissible variant casts fear forecasting “Omicron driven economic disruption” leading to lower consumer spend, people isolation, work from home, re-engineering of supply chains, numerous bankruptcies, all causing economic damage. Due to this outbreak majority of the Indian companies have witnessed cash flow crunch leading to operational issues.**

**The cyber security threat is rated as the topmost short-term risk after public health. The pandemic has caused unpredictable acceleration in technological drivers disrupting business landscape with rapid digitisation, transforming workplace interactions overnight exponentially increasing cyber threats to data protection, cyber-crimes potentially due to less secured networks or lack of knowledge to cope up with the use of technology.**

**This titanic shift rushing towards automation to increase efficiency and reduced on-site workforce may lead to catastrophic risks exposing businesses to unforeseen financial and ethical risks particularly in terms of unwarranted investment, labour-unrest, job loss, crime etc.**

**The pandemic has brought a new barometer to assess the demands of workforce and workplaces. An increased inclination towards hybrid model by shrinking office space and allowing employees to work remotely with flexible hours are throwing challenges on how to maintain company culture, bring creativity, motivation and setting expectations in virtual interfaced world.**

**This brings us to a much larger societal risk of health and well-being of the employees where remote working, altered work conditions, isolation and, economic down-turn are all leading to mental health crisis, depression, and well-being of employees and loss of productivity.**

**Shortage of a vaccinated workforce for organisations, especially the ones that are labour intensive and are exposed to operating risks as the migrant workforce is more inclined to alternate livelihood at their home town.**

**Being part of security and facility industry, these services were classified as essential in nature, during the pandemic. This led to marathon workdays to maintain the continuity of service deliveries specially in sector such as healthcare, manufacturing, logistics and e-commerce. Motivating frontline workforce to get vaccinated and perform their duties in COVID wards in a hospital was an uphill task. No matter how technology enablement is made, the workforce responsible for creating, implementing and using the technology needs to be safeguarded with good health, safety and security.**

**Beyond health crisis, businesses have to re-model**

**their operating model for survival, and constantly review their risk mitigation strategies to build resilience for business continuity affected by any anarchic volatility during the prolonged recovery period.**



**– Ms. Rupal Sinha**

CEO, IFMS, Quess Corp Ltd.

(CII) from unauthorized access, modification, use, disclosure, and disruption to ensure a safe, secure, and resilient information infrastructure for critical sectors in the country.

The Personal Data Protection (PDP) Bill would be implemented in India. The Joint Parliamentary Committee (JPC) proposes to broaden the scope of the PDP Bill to include “overall data protection” and non-personal data. Furthermore, discussions on crucial topics such as data localization and government access to data published on social media sites are still underway. The JPC released its report on December 16, 2021, along with the finalised PDP Bill 2021, following a series of consultations with stakeholders.<sup>29</sup>



## INTELLECTUAL PROPERTY THEFT

**YEAR-ON-YEAR RANKING:** Risks associated with Intellectual Property (IP) Theft have climbed to the third position in India Risk Survey 2021, compared to seventh in 2019.

Indian companies are gradually evolving from simple traders to manufacturers and service providers. Research and innovation are now significant, particularly for startups, to help them stand out in already crowded and competitive markets. Innovation allows companies to compete in a market packed with domestic and foreign competitors.

While large corporations are well aware of intellectual property rights, the micro, small, and medium enterprises (MSME) sector in India, which contributes about 29 per cent towards the country's GDP<sup>30</sup> through its national and international business, requires greater awareness on the subject. The vast majority of this sector consists of micro-enterprises based in rural rather than urban areas of the country, therefore it is critical to educate this sector on the need of not just creating but also protecting their intellectual property.

**INCIDENT MAPPING:** During the COVID-19 pandemic in India, e-commerce expanded, but the expansion has aided online trafficking in counterfeit and pirated goods. The largest e-retailers in India, e-pharmacies, and e-marketplaces all suffered the severity of the counterfeits.<sup>31</sup>

As more Indians connect to digital platforms to consume content, advertising and subscription-based video streaming firms are losing up to 30% of their annual revenue to piracy. A lot of piracy happens through apps that aren't made in India and aren't available on the App Store. Although the platform's content is free, the company stands to lose advertising revenue, which is calculated based on viewership.<sup>32</sup>

**IMPACT AND COMBAT:** IP facilitation centres for MSMEs have been established by the Govt of India at district and block levels around the country to provide IP awareness, support, and assistance to MSMEs.<sup>33</sup> These facilitation centres work with IP practitioners to give advice and assistance in the filing of new IP rights registration applications, and ongoing support until the IP right is granted. These facilitation centres also assist MSMEs in upgrading their technology and increasing their competitiveness through the appropriate use

<sup>29</sup> <https://economictimes.indiatimes.com/tech/technology/2021-year-in-review-indias-data-protection-bill-its-not-just-personal/article-show/88613786.cms>

<sup>30</sup> <https://www.ibef.org/industry/msme.aspx>

<sup>31</sup> <https://health.economictimes.indiatimes.com/news/medical-devices/fighting-counterfeits-in-india-during-second-wave-of-pandemic/83228358>

<sup>32</sup> <https://www.thehindu.com/sci-tech/technology/as-digital-piracy-rises-amid-pandemic-original-content-creators-losing-money-ey/article34748666.ece>

<sup>33</sup> <https://msme.gov.in/ip-facilitation-centre-msme>



of IP.

On October 15, 2020, the government launched the Kalam Program for Intellectual Property Literacy and Awareness Campaign (KAPILA)<sup>34</sup> to promote intellectual property literacy and patent awareness. The scheme's goals include raising awareness about Intellectual Property Rights (IPR) in Higher Education Institutions (HEIs), enabling IP protection for inventions created by HEIs' faculty and students, developing a Credit Course on IPR, a training program on IPR for HEIs' faculty and students, and sensitization and development of a vibrant IP filing system.

The National Intellectual Property Awareness Mission (NIPAM)<sup>35</sup> has been launched by the Department for Promotion of Industry and Internal Trade (DPIIT), Govt of India as part of the government's "Azadi ka Amrit Mahotsav". The ambitious pan-India project aims to educate 1 million pupils on intellectual property and its rights. Its goal is to instil a spirit of creativity and invention in kids in higher education as well as to motivate university students to develop and preserve their creations.

<sup>34</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1695149>

<sup>35</sup> <https://ipindia.gov.in/newsdetail.htm?774>



## FIRE

**YEAR-ON-YEAR RANKING:** Fire has climbed from 10th in 2019 to fourth position in India Risk Survey 2021. As per National Crime Record Bureau (NCRB), there were 9,329 fire incidents in India during the year 2020.<sup>36</sup> Total lives claimed in fire accidents were 9110 in the same year.

While there has been a decrease in the overall number of fire-related accidents reported in the last five years, there has been a considerable increase in the proportion of deaths relative to injuries, which is concerning. This could reflect difficulties with medical and emergency services in responding to such incidents, which could have reduced the death toll. Other factors, such as the severity and form of the fires, could also contribute to higher mortality.

**INCIDENT MAPPING:** Nine people, including five engineers of Telangana State Power Generation Corporation, were killed after a massive fire swept through the Srisailem Hydroelectric plant on the Telangana-Andhra Pradesh border in August 2020.<sup>37</sup> A fire at Vindhya Organics, a chemical facility near IDA Bollaram, Hyderabad, injured up to eight people in December 2020.<sup>38</sup>

In November 2020, a fire broke out at the steel plant's Power Plant 2 in Vishakhapatnam due to a turbine oil leak in the 1.2-megawatt electric motor. In addition, four workers were injured in an accident at Vizag Steel Plant's Steel Melting Shop 2 (SMS 2) in December.<sup>39</sup>

In January 2021, A massive fire broke out in a five-story under-construction building on one of the vaccine major Serum Institute of India's (SIIs) campuses, one of the 2 firms leading India's fight against the new coronavirus disease. At least five persons were killed.<sup>40</sup>

Since August of last year, India has witnessed 24 cases of hospital fires with a total of 93 fatalities, despite strict fire inspections and audits in hospitals.<sup>41</sup>

<sup>36</sup> [https://ncrb.gov.in/sites/default/files/adsi2020\\_Chapter-1-Accidents.pdf](https://ncrb.gov.in/sites/default/files/adsi2020_Chapter-1-Accidents.pdf)

<sup>37</sup> <https://indianexpress.com/article/cities/hyderabad/telangana-srisailem-hydel-power-station-fire-injured-missing-6563759/>

<sup>38</sup> <https://www.newindianexpress.com/cities/hyderabad/2020/dec/12/major-fire-at-chemical-factory-in-hyderabad-several-injured-2235301.html>

<sup>39</sup> <https://www.newindianexpress.com/cities/hyderabad/2020/dec/12/major-fire-at-chemical-factory-in-hyderabad-several-injured-2235301.html>

<sup>40</sup> <https://indianexpress.com/article/india/serum-institute-of-india-fire-all-you-need-to-know-7157180/>

<sup>41</sup> <https://www.financialexpress.com/lifestyle/health/hospital-fires-in-india-what-is-causing-a-sudden-surge-in-incidents/2246554/>

**IMPACT AND COMBAT:** Fire safety audits, violations of regulations, and lack of awareness are all common causes that lead to fires. In 2016, the National Building Code recommended that building residents conduct periodic fire safety inspections to ensure they meet their standards. However, for commercial buildings, it is up to statutory authorities such as the State Factory Inspectorate or various outside entities depending on its nature to audit for fire safety purposes.

The Ministry of Health issued regulations in 2020 that require third-party certification for fire protection. The Supreme Court ordered all states to conduct fire audits in December 2020, and the National Disaster Management Authority (NDMA) has set fire safety standards for hospitals and other public facilities.



## POLITICAL & GOVERNANCE INSTABILITY

**YEAR-ON-YEAR RANKING:** Political & Governance Instability falls to the fifth rank from last year's fourth position in the India Risk Survey 2021. Domestic politics, interstate conflict, civil unrest, emerging foreign policy challenges, and policy changes are some of the factors perceived as a threat under this risk category.

**INCIDENT MAPPING:** India witnessed a major political upheaval in West Bengal after the 2021 Legislative Assembly results in May. Reports of purported murders, rapes, and vandalism shook the state, and violence resulted in more than 14 deaths across West Bengal.<sup>42</sup>

As religious violence erupted in parts of Bangladesh in October 2021, a rally organized to protest the attacks turned violent in the North-Eastern state of Tripura. The repercussions of the violence were felt in Maharashtra's Nanded, Amravati, and Malegaon during religion-specific community protest rallies.<sup>43</sup>

In a major inter-state conflict, at least five Assam Police personnel were killed after the old boundary dispute between Assam and Mizoram resulted in violent clashes at a contested border point in July 2021.<sup>44</sup>

The agitation against the three agricultural laws approved in September 2020 began in Punjab & Haryana and subsequently expanded to Uttar Pradesh and Delhi. As the protests completed one year in November 2021, the Government of India repealed the farm laws after facing major backlash. The protests, however, continued as farmers demanded bringing the minimum support price within the purview of the law among other conditions.<sup>45</sup>

On the international front, India's border tensions resulted in a deadly military conflict in Ladakh's Galwan Valley in 2020. Since then, the two sides have been holding talks on the Line of Actual Control in Eastern Ladakh to attempt to resolve the standoff, and 14 rounds have been held so far.<sup>46</sup>

**IMPACT AND COMBAT:** Indian economy is poised for rapid growth after the economic setback from the COVID-19 pandemic. According to the IMF's latest

<sup>42</sup> <https://indianexpress.com/audio/3-things/inside-bengals-post-election-violence-murder-rape-ransacking-and-boycott/7414329/>

<sup>43</sup> <https://www.indiatoday.in/india/story/maharashtra-protest-violence-tripura-stone-pelting-1876301-2021-11-13>

<sup>44</sup> <https://economictimes.indiatimes.com/news/et-explains/assam-mizoram-border-dispute-heres-what-led-to-the-clashes-and-everything-else-you-need-to-know/articleshow/84920326.cms>

<sup>45</sup> [https://www.business-standard.com/article/current-affairs/farmers-hail-repeal-of-3-farm-laws-to-continue-protest-over-other-demands-121111900755\\_1.html](https://www.business-standard.com/article/current-affairs/farmers-hail-repeal-of-3-farm-laws-to-continue-protest-over-other-demands-121111900755_1.html)

<sup>46</sup> <https://www.news18.com/news/india/14th-round-of-india-china-talks-end-in-stalemate-but-both-sides-agree-on-early-resolution-of-pending-lac-issues-4653896.html>



annual review, India's broad range of economic, fiscal, monetary, and health measures are aiding recovery and helping to alleviate the long-term negative effects of the crisis.<sup>47</sup>

The COVID-19 outbreak has disrupted Global Supply Chains (GSC) and made global manufacturers aware of the inherent risk in concentrating the entire supply chain in one location. India is tapping this opportunity and emerging as a competitive business continuity destination by providing a potential alternative to the existing global supply centres.

India's exponential jump to 63rd spot in the World Bank's Ease of Doing Business survey 2020 demonstrates the Indian government's commitment to strengthening the country's overall business environment. A slew of measures like rational tax systems, simple and clear rules, reducing compliance burdens, and utilizing technology for greater compliance have all been implemented to promote EoDB. FDI policies have also been revised to encourage international investment in the country. The 'Make in India' Policy recognizes various key industrial sectors and dedicated policy stimulus and reduced FDI regulations support high-speed growth in these industries. Furthermore, the government has expressed its commitment to Aatmanirbhar Bharat with a low reliance on imports. The government is currently charting out a blueprint for combining MSME promotion and providing a boost multiplier to the country's manufacturing and industrial infrastructure.

<sup>47</sup> <https://www.imf.org/en/News/Articles/2021/11/02/na111121-indias-economy-to-rebound-as-pandemic-prompts-reforms>



## ACCIDENTS

**YEAR-ON-YEAR RANKING:** The "Accidents" risk category ramped up to the sixth position in the India Risk Survey 2021, in comparison to the eleventh position as of 2019. According to the NCRB's data on accidental deaths for 2020, every 100 road crashes took 37 lives on average, the highest number in five years.<sup>48</sup>

However, factors such as crash severity and a spike in the proportion of two wheeler occupants killed in overall fatalities have increased from 36 percent in 2019 to 43.6 percent in 2020. According to the data, India recorded 1.20 lakh cases of "deaths due to negligence related to road accidents" in 2020, averaging 328 people per day.<sup>49</sup>

According to data compiled by IndustriALL Global Union, 116 industrial accidents in the chemical and mining industries were reported in the country between May last year and June this year, resulting in the deaths of at least 231 people.<sup>50</sup>

**INCIDENT MAPPING:** A major gas leak from a chemical plant in Visakhapatnam, Andhra Pradesh, killed at least 11 people and affected thousands in early May 2020. A large number of domestic animals, pets, and plants were affected.<sup>51</sup> Six persons were killed and 17 others were injured when a boiler exploded at the Neyveli NSE Lignite Corporation thermal facility in Tamil Nadu's Cuddalore district.<sup>52</sup>

On June 13, 2020, a large explosion caused by lightning in a stone mine in the

<sup>48</sup> <https://timesofindia.indiatimes.com/india/last-years-road-accidents-were-most-fatal-in-5-years/articleshow/87574502.cms>

<sup>49</sup> <https://www.newindianexpress.com/nation/2021/sep/19/120-lakh-deaths-due-to-negligence-in-road-accidents-in-2020-average-328-daily-ncrb-data-2360921.html>

<sup>50</sup> <https://www.newsclick.in/116-Accidents-in-Chemical-Mining-Industries-231-Workers-Killed-From-May-2020-to-June-2021-Survey>

<sup>51</sup> <https://www.indiatoday.in/india/story/vizag-gas-leak-tragedy-visakhapatnam-lg-polymers-all-you-need-to-know-1675509-2020-05-07>

<sup>52</sup> <https://economictimes.indiatimes.com/news/politics-and-nation/two-killed-in-boiler-explosion-in-tamil-nadu/articleshow/76725471.cms?val=3728&from=rmdr>

Kabrai area of Mahoba district killed three labourers and severely injured two others.<sup>53</sup>

In January 2021, four contractual employees at the Rourkela Steel Plant (RSP), a subsidiary of Steel Authority of India Limited (SAIL), died after being exposed to a hazardous gas.<sup>54</sup>

**IMPACT AND COMBAT:** Addressing a virtual session on the 'Role of Corporates in Arresting Road Fatalities' organized by FICCI, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Shri Nitin Gadkari Hon'ble Minister for Road Transport & Highways, said that the Government's target is to reduce road accident deaths by 50% by the year 2024.<sup>55</sup> The World Bank and the Asian Development Bank have approved a proposal in which the Government will allocate Rs.14,000 crores to states, the National Highways Authority of India, and other stakeholders to eliminate black spots in every state, district, and city.<sup>56</sup>

<sup>53</sup> <https://timesofindia.indiatimes.com/city/kanpur/lightning-causes-blast-in-mahoba-stone-mine-3-killed/articleshow/76347757.cms>

<sup>54</sup> <https://www.thehindu.com/news/national/other-states/4-workers-die-of-exposure-to-toxic-gas-in-rourkela-steel-plant/article33511502.ece>

<sup>55</sup> <https://auto.hindustantimes.com/auto/news/nitin-gadkari-aims-to-reduce-road-accidents-by-50-per-cent-before-2024-41623984404007.html>

<sup>56</sup> <https://www.india.com/business/big-boost-to-road-safety-all-new-roads-in-india-to-have-advanced-traffic-management-system-check-details-4674605/>



**For Businesses and Policy Makers, the last 2 years have been years of Paradigm Shift in the domain of Business Risk, some portion of which is known, and most of it is still unknown. The immediate and short-term impact of the Pandemic, especially related to Public Health, Employee Productivity, and continuity or disruptions to Economic activities are partially factored in our decisions, but its long-term impact, especially related to People's new perception about their work & life, about Physical and Digital balance in our lives, is yet unknown. These unknown factors will develop preferences of our Employees and consumers at large, sooner than later. In view of this, Industry Leaders and Policy Makers must accept and act to mitigate this all-new Risk Landscape as it evolves in the near future.**

**The depth of Digital Value chain for every organisation got accelerated to a new dimension, and it will only move further in that direction. Hence, Cyber Security, Data Privacy and related topics will gain prime importance while preparing organisational risk mitigation strategies. The newfound "Work from Home" reality has far-reaching implications on Employee Engagement, Team Leadership and Organisational Culture. It also has widened the difference in working environment for Operations and support teams. People who are needed to perform tasks physically and people who can add value through digital-only presence will have very different work-life dimensions. Hence, over time it will also have implications on organisation's HR Practices and Risk Management. The needs and preferences of the new generation will be a major factor in deciding the Consumer Behaviour. Increasing demand for Digital Experiences will compel businesses and policymakers to further accelerate their Digital Value chain, which will further add to the new Risk Paradigm.**

**Preparedness of Business towards facing Natural Hazards need strong integration with various stakeholders of the Society at large. Hence Organisation's approach to external factors outside their day-to-day business boundaries will gain more importance. Learning from the current crisis will go a long way to prepare faster response-time within organisations. All the newly built Collaboration platforms with external stakeholders will continue to be relevant. In this regard, a bigger direction setting has started among responsible Businesses worldwide to bring the balance in their approach to Profit, Planet, and Purpose. Even the closest stakeholder of past and current times for Businesses, the Investor Community has started giving more prominence to ESG- Environmental, social and governance matters, as is evident from the recently held COP26 Climate Summit held in Scotland. The creation of a New International Sustainability Standards Board (ISSB) to develop a comprehensive global baseline of high-quality sustainability disclosure standards is an excellent initiative in this direction to serve the Investor Community and mitigate the Long-Term Risk of our Planet itself.**

**I am sure that this will gain further momentum in the coming months in the wake of the ongoing health crisis being faced by every business and will prevail with more sense of urgency. We haven't done enough in the last 100 years, but this urgency will propel us to a faster trajectory to align Business Goals and their Purposes to Sustainable Development Goals. This will need to rework all relationships of our Businesses with all stakeholders, including society at large. The KPI's of the future will be in alignment with a sustainable future for humankind as otherwise, this is the biggest risk on the Planet today, and more and more in the awareness of Industry Leaders and Policy Makers.**

**Depending on how this narrative of sustainability will move from Investor and Companies to society**

**at large, I foresee a major shift in consumer behaviour and their consumption pattern of both Products and Services. This may shift Business Models around Product and Service Delivery and will pose a new risk challenge for existing and old businesses. Consumers may start asking or changing their preferences while consuming even free services like social media or Search Engines, as they are beginning to see its hidden costs to Planet and humanity's natural progression. Organisations need to be very close to their Consumers and use early trends to mitigate the risk of obsolescence of their existing business model. Many Technology companies have started realising and have announced new business models supporting that shift. It may gain pace as technology will further enable consumers to be aware of the revenue streams of companies and will demand fairness for all stakeholders. In recent times, we have witnessed consumer backlash to some fast home delivery companies when their stretched delivery time commitments and people practices were related to increased Road Crash Risk and received strong social media support.**

**This calls for the handling of Reputation and Brand risk in the on-line space for consumer-facing companies. In current times, the power of online media can't be underestimated, and hence mitigation plans for this risk should also be in place.**

**In summary, we clearly see the new Risk Paradigm of a connected world, and it calls for reorganising our Risk mitigation strategy. To support Industry Leadership, handle these situations, a new set of skills and competencies is required, and we must first start capacity building activities in this direction.**

**How these risks will evolve may yet not be known fully in this fast-changing VUCA (Volatility, Uncertainty, Complexity, and Ambiguity filled) world, but taking the 1st step for awareness and capacity building on**



**SDG's, Cyber Security, Business Model Innovation etc. among our Teams and Universities must gain appropriate momentum to mitigate these risks.**



**– Mr. Rama Shankar Pandey**

Chair, FICCI Sub-Committee on Road Safety &  
Managing Director, Hella India Lighting Ltd.



## BUSINESS ESPIONAGE

**YEAR-ON-YEAR RANKING:** ‘Business Espionage’ has moved up to seventh place in the India Risk Survey 2021. Business Espionage is a covert and unlawful activity of obtaining beneficial information from competitors to acquire a competitive advantage. It could be carried out in a variety of ways, including cyberattacks, which are the most dangerous form of business espionage, or by embedding physical things within a competitor’s organization. The secretive/ clandestine acquisition of valuable assets or trade secrets from competitors is a common practice in business espionage. This implies that the buyer and the asset, or another entity participating in the transaction, are engaging in some type of corruption, such as leaking trade secrets. Therefore, it is also critical to comprehend the extent of corruption in Indian organizations to assess the risk of business espionage.

**INCIDENT MAPPING:** A New Delhi-based IT firm has been accused of using fake accounts to impersonate a politician, journalists, and environmental activists in an attempt to acquire information, including their email addresses, for later phishing attempts.<sup>57</sup>

A US-based tech company dismissed several employees in India for allegedly illegally accessing corporate data that was being utilised by dubious merchants.<sup>58</sup>

**IMPACT AND COMBAT:** The Information Technology Act of 2000 (‘IT Act’) is the only law that governs cyberspace. Data theft, computer source damage, unauthorized access, and other offenses are all punishable under the Act. Businesses must be aware of these provisions.

With data becoming increasingly valuable, businesses should verify that suggested firewalls are in place to protect against hackers. It is emphasized that organizational function and information flow must be safeguarded at all costs to protect valuable assets and sensitive data. Furthermore, training personnel regularly will prepare them with best practices in the event of hacking activities. It’s also imperative to undertake independent audits to ensure the organization’s business resilience and continuity.

<sup>57</sup> <https://www.news18.com/news/tech/new-delhi-it-company-and-6-others-banned-for-spying-on-50000-facebook-users-4564517.html>

<sup>58</sup> <https://in.fashionnetwork.com/news/Amazon-india-dismisses-several-india-employees-for-alleged-data-breach.1044091.html>



## STRIKES, CLOSURES, AND UNRESTS

**YEAR-ON-YEAR RANKING:** ‘Strikes, Closures and Unrests’ ranks at the eighth position in the India Risk Survey 2021, a move upwards from the ninth rank in 2019. Businesses face direct financial and operational repercussions of strikes, closures, and unrest. Businesses not only suspend operations during such disruptive events, but protesters can also target their services and cause property damage during any planned or impromptu gathering. When such occurrences disturb or threaten to disrupt operations, the country’s perception of ease of doing business and business continuity suffers. These challenges are particularly critical now that the Indian government is attempting to persuade global firms to relocate portions of their supply chains to India.



Instability, which threatens corporate operations, has a direct impact on the market by weakening investor confidence, which leads to an increase in the risk premium allocated to the country's securities.

**INCIDENT MAPPING:** According to data from the Ministry of Labour and Employment, India has lost 36.94 lakh man-days in 210 strikes and lockouts in the public and private sectors during the last three years. Between 2018 and 2020, the public sector saw 89 strikes and lost the most man-days (19.91 lakh), even though the number of strikes was lower than the private sector, which saw 121 strikes and lost 17.03 lakh man-days.<sup>59</sup> In 2020, the Covid-19 epidemic and accompanying lockdown appeared to have had an impact, as only 15 strikes in the public sector were reported, resulting in 1.98 lakh man-days lost. In the private sector, 15 strikes resulted in 85,478 man-days lost.

After violent protests at its facilities in Karnataka in December 2020, one of the leading mobile manufacturers sustained damages of Rs 50 crore. Thousands of contract workers protested against unpaid wages at Corporations' production factory in Bengaluru.<sup>60</sup> The nation witnessed a year-long state of disagreement over three agricultural bills which resulted in the blocking of national highways by Farmers and agricultural groups around Delhi NCR.<sup>61</sup> The protests cost the National Highway Authority of India (NHAI) INR 2,731.32 crore in toll losses in Punjab, Haryana, and Rajasthan. In addition, disruptions in the supply chain for raw materials had a significant impact on SME units in Punjab, Haryana, Himachal Pradesh, Rajasthan, Delhi NCR, Uttar Pradesh, and Uttarakhand.<sup>62</sup>

**IMPACT AND COMBAT:** The government has proposed more conditions restricting workers' right to strike in the Industrial Relations Code Bill, 2020, as well as an increase in the threshold relating to layoffs and retrenchment in industrial establishments with 300 workers, up from 100 workers or more at present. Only workers in public utility services are currently allowed to strike after the 14th day of their six-week strike notice. The Code, on the other hand, mandates workers in all industrial institutions to give 60 days' notice of a strike and forbids them from striking within 14 days of that notice. In addition, the code broadens the scope of strikes and requires advance notice, and aims to prevent employees and employers from engaging in arbitrary strikes and lockouts, while also balancing the interests of all parties affected.<sup>63</sup>

To avoid escalating confrontations between labour and capital, a proactive strategy is required. It is critical to ensure that workers are paid and that they are paid on time, to ensure that the business is established on a stable foundation. Maintaining favourable and transparent labour regulations, as well as involvement with labour unions, to maintain cordial ties and alleviate labourers' concerns is necessary. A positive work environment and an incentive system can help employees achieve their full potential.

<sup>59</sup> <https://thewire.in/labour/due-to-210-strikes-india-lost-36-94-lakh-man-days-in-2018-20-period-govt-data>

<sup>60</sup> <https://www.businesstoday.in/latest/corporate/story/wistron-estimates-rs-52-crore-loss-after-protests-at-the-karnataka-plant-281527-2020-12-15>

<sup>61</sup> <https://economictimes.indiatimes.com/news/politics-and-nation/farmers-agitation-has-caused-business-loss-of-rs-50000-crore-in-delhi-ncr-cait/articleshow/80388556.cms?from=mdr>

<sup>62</sup> <https://www.hindustantimes.com/india-news/nhai-suffered-2-731-32-crore-loss-due-to-farmers-protest-parliament-told-101638384437585.html>

<sup>63</sup> <https://indianexpress.com/article/explained/govts-new-versions-of-labour-codes-key-proposals-and-concerns-6603354/>



## TERRORISM AND INSURGENCY

**YEAR-ON-YEAR RANKING:** ‘Terrorism & Insurgency’ drops to the ninth position from 2019’s fifth position in India Risk Survey 2021. According to reports by the South Asian Terrorism Portal, India has witnessed a consistent drop in terrorism-related casualties since 2018.<sup>64</sup> The nation ranked eighth on the Global Terrorism Index 2020 by Institute for Economics and Peace and has the lowest terrorism deaths and the lowest attack lethality rate among the top 10 countries on the Index.<sup>65</sup>

**INCIDENT MAPPING:** India faces threats from several radical Islamist, communist, and separatist groups active across the country, out of which the government has identified and banned 42 organizations.<sup>66</sup>

In April 2021, at least 22 security personnel were killed, 32 were injured, and one jawan was reported missing during the four-hour-long conflict between military and Maoists in Chhattisgarh.<sup>67</sup>

The People’s Liberation Army and the Manipur Naga People’s Front have jointly claimed responsibility for the November 13 ambush of an Assam Rifles convoy in Manipur’s Churachandpur district, which killed seven people, including a Commanding Officer, his wife, and their five-year-old son. Since the attack on Dogra Rifles in 2015, ambushes have become one of the biggest threats in the state.<sup>68</sup>

India has been fighting insurgency and terrorism in Jammu & Kashmir for nearly three decades, affecting thousands of residents and resulting in property damage worth hundreds of thousands of rupees. After the abrogation of Article 370 in August 2019, although terrorist violence in Jammu and Kashmir had decreased significantly, at least 39 people including 13 civilians, have been killed due to terrorist violence in Kashmir in October 2021.<sup>69</sup> India is also concerned about an upsurge in cross-border terrorism after the Taliban’s takeover of Afghanistan.<sup>70</sup>

**IMPACT AND COMBAT:** India has pushed for global acknowledgment of terrorism in all its forms, and several UN Resolutions have been passed to provide a collective approach. India is discussing the Afghan issue in a variety of international and bilateral forums, and it is dedicated to keeping close tabs on events in Afghanistan and any terrorist threats originating from the country. At the legal level, the Unlawful Activities Prevention Act (UAPA) has been enhanced, reinforced, and equipped to deal with terrorism in all its forms. In addition gathering, sharing, and disseminating intelligence became a priority. Another initiative has been to combat terrorism financing, which has gained traction as the UAPA and anti-money laundering laws have improved.

<sup>64</sup> <https://satp.org/datasheet-terrorist-attack/fatalities/india>

<sup>65</sup> <https://visionofhumanity.org/wp-content/uploads/2020/11/GTI-2020-web-1.pdf>

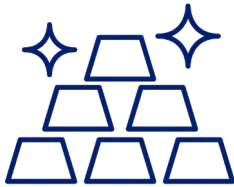
<sup>66</sup> <https://www.mha.gov.in/node/91173>

<sup>67</sup> <https://www.indiatoday.in/india/story/chhattisgarh-encounter-naxal-maoists-tarrem-sukma-bijapur-cobra-crpf-jawans-missing-1786930-2021-04-04>

<sup>68</sup> <https://indianexpress.com/article/explained/explained-what-is-pla-the-group-responsible-for-attack-on-assam-rifles-convoy-in-manipur-7621905/>

<sup>69</sup> <https://foreignpolicy.com/2021/11/15/india-pakistan-kashmir-partition-hindu-muslim-modi-bjp-article-370-35a/>

<sup>70</sup> <https://timesofindia.indiatimes.com/india/india-to-host-nsa-level-meeting-on-afghanistan-on-nov-10/articleshow/87539181.cms>



## CORRUPTION, BRIBERY, & CORPORATE FRAUD

**YEAR-ON-YEAR RANKING:** A drastic shift is observed in “Corruption, Bribery, and Corporate Frauds” as it dropped to tenth place in the India Risk Survey 2021, from first place in 2019. Factors behind this improvement may include cutting down on processes and validation at each level while applying for a license or a government document, faceless assessment and use of digital technology in transferring benefits of welfare schemes directly to beneficiaries without the middleman.

India’s position has risen from 185 in 2014 to 77 in 2020 on the TRACE (an international business organization) index, which evaluates ‘Bribery Risk’ as perceived by foreign investors while conducting business in 194 nations.<sup>71</sup>

**INCIDENT MAPPING:** The Central Bureau of Investigation (CBI) filed a complaint against an Indian iron and steel firm based in Himachal Pradesh and its directors in March 2021 for allegedly defrauding a consortium of banks of Rs 555.65 crore.<sup>72</sup> CBI filed a charge sheet before a designated court in Guwahati, Assam, in October 2021, against 15 individuals, including senior employees of a public sector insurance firm and a public sector bank, in a Rs 47.68 lakh fraud case.<sup>73</sup>

In November 2021, the Enforcement Directorate arrested the director of a Kolkata-based education management company in connection with a bank fraud case of Rs 184.43 crore.<sup>74</sup> In October 2021, the CBI filed a chargesheet against a former director and CEO of a big private bank, and the promoter of a business conglomerate, in connection with an alleged Rs 1,700 crore loan scam.<sup>75</sup>

Between March 2020 and June 2021, a group of employees from a large Social Security Organization’s Mumbai office allegedly illegally syphoned off Rs 21 crores from the common Provident Fund (PF) pool.<sup>76</sup>

**IMPACT AND COMBAT:** In India, businesses have started to take a more proactive approach to deal with corruption. Domestic legal changes have also compelled the necessary transition. The Prevention of Corruption Act, 1988 (Prevention of Corruption Act) was recently amended and now requires corporate companies to implement compliance measures to prevent their workers from engaging in any activity that could be classified as corruption or bribery under the Act. As a result, businesses have begun to implement their internal procedures and policies to comply with anti-corruption legislation. These policies cover compliance with applicable laws in India as well as in foreign jurisdictions.

Moreover, businesses are actively hosting workshops and training sessions to educate their employees and personnel about their rights, obligations, and responsibilities under anti-corruption laws, bribery, and ethics internal policies. Some companies have put in place whistle-blower protection systems as part of their internal policies and procedures to encourage their employees to expose acts of corruption or bribery.

India is also a member of the Business 20 (B20) that has identified 12 priorities for business globally, including anti-corruption. As a major driving factor in the Indian economy, the Indian business sector is keen on educating itself about strategies and good practices that prevent and control corruption.<sup>77</sup>

<sup>71</sup> <https://www.traceinternational.org/trace-matrix>

<sup>72</sup> <http://www.businessworld.in/article/CBI-Files-Case-Against-Indian-Technometal-Company-For-Alleged-Fraud-Of-Rs-555-65-Cr/19-03-2021-384390/>

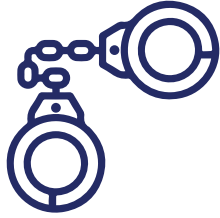
<sup>73</sup> <https://www.indiatoday.in/india/story/bank-insurance-officials-in-charge-sheet-by-cbi-fraud-case-assam-1870247-2021-10-27>

<sup>74</sup> <https://indianexpress.com/article/cities/kolkata/184-cr-fraud-kolkata-firm-director-held-7638218/>

<sup>75</sup> [https://www.business-standard.com/article/finance/loan-scam-cbi-charge-sheet-against-ex-yes-bank-md-rana-kapoor-wife-121100801176\\_1.html](https://www.business-standard.com/article/finance/loan-scam-cbi-charge-sheet-against-ex-yes-bank-md-rana-kapoor-wife-121100801176_1.html)

<sup>76</sup> <https://www.bri-flynews.com/en/tags/employees>

<sup>77</sup> <https://www.unodc.org/southasia/frontpage/2013/Dec/india-time-to-reflect-internally-on-addressing-corruption-instead-of-being-policed-by-someone-else-says-indian-industry.html>



## CRIME

**YEAR-ON-YEAR RANKING:** Crime Risk has been placed at the eleventh spot in the India Risk Survey Report 2021, compared to its third rank in the India Risk Survey 2019 and seventh rank in India Risk Survey 2018.

India was placed 135th out of 163 countries in the 15th edition of the Global Peace Index 2021 (GPI 2021) released by the Institute of Economics and Peace (IEP).<sup>78</sup> The index assesses continuing domestic and international conflict, as well as societal safety and security, and militarization (a total of 23 indicators).

According to the Crime in India 2020 report, there were a total of 66.01 lakh crimes reported in the year 2020.<sup>79</sup> According to the report, the year saw fewer “traditional crimes,” such as those committed against women and children, however, it saw a significant increase in civil conflicts.

According to the data, the number of cases reported for crimes against women, children, and senior citizens, theft, burglary, robbery, and dacoity, among other crimes, decreased by almost 2 lakhs between March 25 and May 31, 2020, as a result of the lockdown. Murder, on the other hand, saw a slight increase of 1% from a year earlier. India reported a total of 29,193 murders in 2020, according to the National Crime Records Bureau.<sup>80</sup>

**IMPACT AND COMBAT:** The Indian Penal Code, 1860, the Criminal Procedure Code, 1974, and the Indian Evidence Act, 1872 are regarded as the basic outlines that guide the executive and the judiciary to capture, hold, try, and sentence criminals in Indian courts and the courts of India. The government is ensuring the safety of the Indian social structure as a whole, and it is implementing various tools and laws to combat crime and its consequences. Many state police departments have also begun to monitor CCTV footage in command-and-control centres 24 hours a day, seven days a week, and are working to identify the culprits. Furthermore, the NCRB is investigating the use of artificial intelligence for facial recognition to aid in the investigation of criminal cases. Under the National Automated Fingerprint Identification System (NAFIS) program, the Bureau is also seeking to connect fingerprint data with the Crime and Criminal Tracking Network or System of Crime (ATN)

<sup>78</sup> <https://reliefweb.int/sites/reliefweb.int/files/resources/GPI-2021-web.pdf>

<sup>79</sup> <https://ncrb.gov.in/sites/default/files/CII%202020%20Volume%201.pdf>

<sup>80</sup> <https://www.indiatoday.in/india/story/vendetta-love-affair-dowry-triggered-murders-india-2020-1855148-2021-09-21>



## THREATS TO WOMEN'S SAFETY

**YEAR-ON-YEAR RANKING:** Threats to Women's Safety Risk maintains its twelfth position in the India Risk Survey 2021. Data released by the National Crime Records Bureau (NCRB)<sup>81</sup> showed that incidences of crime against women in cities decreased by 8.3 percent in 2020 compared to 2019, even though nearly 77 rape cases were recorded across the country on an average every day that year. Maximum incidents of crime against women were registered under 'Cruelty by the Husband or his Relatives' (30.2%), followed by 'Assault on a woman with intent to outrage her modesty' (19.7%) kidnapping and abduction of women (19.0%), and rape (7.2%)," according to the report. Cyber fraud climbed from 11 to 31 percent; while cyberstalking decreased from 16 to 12 percent.<sup>82</sup>

<sup>81</sup> <https://ncrb.gov.in/en/search/node/rape>

<sup>82</sup> <https://www.thehindu.com/news/cities/Delhi/crimes-against-women-dip-by-24-cybercrimes-see-55-rise-ncrb-data/article36486113.ece>

**INCIDENT MAPPING:** In 2020, 17,003 incidences of sexual harassment were reported, out of which only 485 were instances of workplace sexual harassment; a slight decrease from the 505 cases reported in 2019.<sup>83</sup>

While the shift to a virtual workspace has reportedly resulted in a decrease in the total number of sexual harassment complaints in India, sexual harassment still occurs in more indirect ways, such as inappropriate messages, calls/texts at odd hours, sexist remarks, and taking screenshots without one's knowledge during video calls, among other things.

**IMPACT AND COMBAT:** In the Vishaka Case (1997), the Supreme Court mandated that all businesses with more than ten employees establish anti-sexual harassment tribunals to handle complaints and compensation. The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, or the Prevention of Sexual Harassment (POSH) Act, has made it obligatory for organizations to establish an Internal Complaint Committee (ICC) to investigate and investigate complaints. The government has also made it possible for women in the public and commercial sectors to report workplace harassment using an online portal known as the SHe-Box (Sexual Harassment Electronic Box).

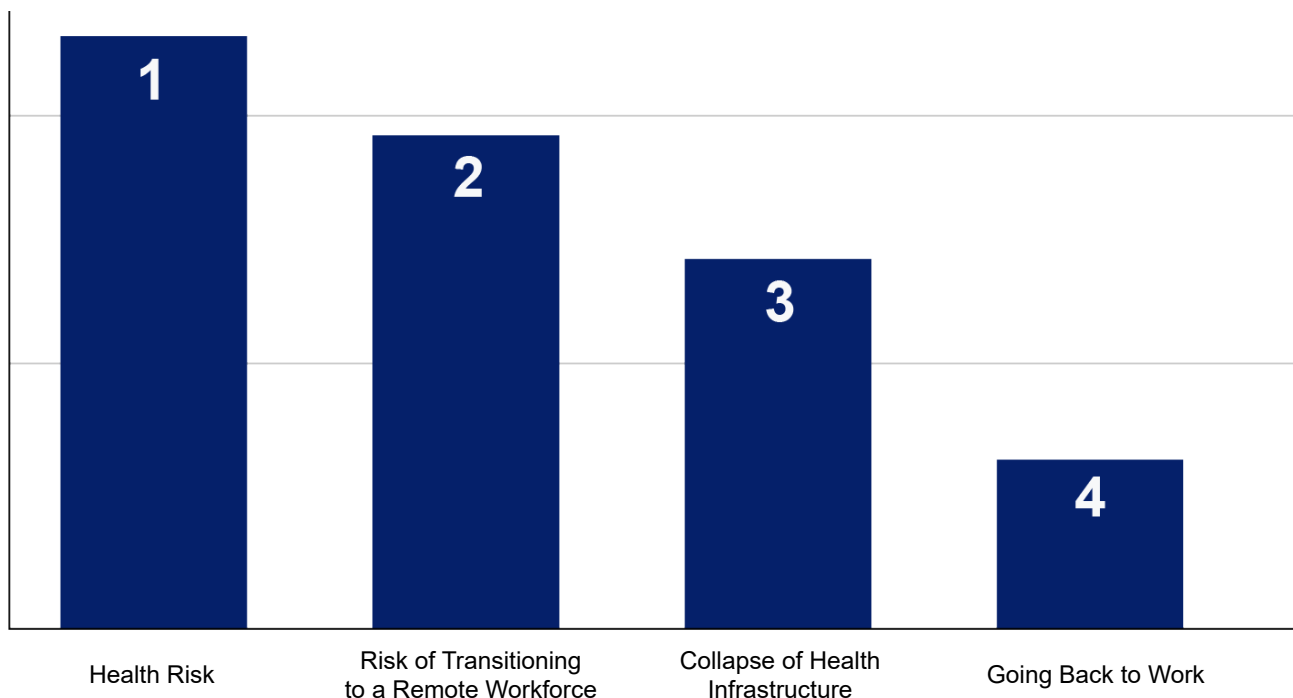
Companies have begun to implement mandatory sexual harassment training programs and workshops for all employees for all employees to raise essential awareness to enforce the organization's sexual harassment policies.

In recent years, sexual harassment on social media and social networking sites has increased dramatically. The government introduced new IT laws this year to combat the misuse of social media platforms, requiring businesses to appoint a grievance officer, declare the first source of the malicious material, and remove content portraying nudity or modified images of women within 24 hours.

<sup>83</sup> <https://www.edexlive.com/news/2021/sep/15/ncrb-report-2020-despite-lockdown-pandemic-only-4-drop-in-stalking-voyeurism-and-sexual-harassment-women-24034.html>

# EMERGING RISKS

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This section highlights the emerging risks for businesses to explore in a postpandemic environment, based on considerations from industry experts and survey findings. The 2021 India Risk Survey reports “Health Risk” after the pandemic horror as the topmost emerging risk when it comes to businesses. “Risks of Transitioning to a Remote Workforce” and “Collapse of Health Infrastructure” follow closely on their heels, while “Going Back to Work” sums up the emerging risk quad.

“Organizations across industries have realized that people are their greatest assets, and their Safety, Security, Mental wellbeing are critical to the organization’s performance and growth. While operating in these VUCA times, a holistic and comprehensive approach towards its Personnel and Physical security will add exponential value to the business.”

– Mr. Aditya Loomba

Jt. Managing Director, ECO Rent A Car

### HEALTH RISK

The COVID-19 pandemic has created an unprecedented situation with numerous health concerns. The health crisis has hurt the daily lives of Indians, including employees. Stress, isolation, and a poor working environment have harmed workers' health and made exposed them to physical and mental health concerns. Many employees are experiencing exhaustion, tiredness, headaches, eye-related issues, and back problems due to less physical movements and increased hours of screen exposure.

According to a study published by one of the Indian general insurance companies in August 2021, a significant drop in the health status proportion has been observed from 54 percent in the pre-Covid era to 34 percent in the post-Covid era. Several other studies provide a similarly grim picture. According to findings from a LinkedIn survey,<sup>84</sup> more than half of India's employed professionals (55 percent) are stressed at work, as well-being measures have become a luxury for many. Faced with these challenges, team leaders and managers have developed and implemented a range of methods to improve employee quality of life at work. The issue of employee well-being is currently at the forefront of Team Leaders', Managers', and company stakeholders' concerns, as they are confronted with new issues involving work structure and assistance for employees to ensure their balance and well-being.

Companies are introducing a slew of initiatives to help stressed-out employees. Live meditation, mental health programs focusing on vulnerable populations, extended weekends, special holidays, free wellbeing app subscriptions, and 24-hour counselling helplines are a few examples. Companies are now attempting to better understand their employees' individual needs and adapting actions on a case-by-case basis. To combat this emerging risk, organizations must prioritize such efforts and safeguard the well-being of their employees.

### THE COLLAPSE OF HEALTH INFRASTRUCTURE

In India, hospitals and the entire healthcare system struggled to cope with the devastating second wave of the Covid-19 outbreak. Even in large cities, the healthcare delivery system was not able to cope with the crisis. During this wave, medical supplies and facilities were lacking, causing panic among the masses. Now, the health system is preparing to avoid a situation like that of the previous wave, and thus, preparations are intensifying.

Furthermore, a large portion of the country's population still lacks adequate health insurance, and many individuals have little or no access to important medicines. According to a recent report by the NITI Aayog, 40 crore Indians do not have access to health insurance.<sup>85</sup> They do not qualify for government-subsidized health insurance and have not paid for private voluntary health insurance. The report also suggests that the government and the private sector will need to work together to boost health insurance penetration.

<sup>84</sup> <https://www.indiatoday.in/education-today/latest-studies/story/world-mental-health-day-55-of-indian-employees-feel-stressed-says-linkedin-report-1863187-2021-10-10>

<sup>85</sup> [https://www.niti.gov.in/sites/default/files/2021-10/HealthInsurance-forIndiasMissingMiddle\\_28-10-2021.pdf](https://www.niti.gov.in/sites/default/files/2021-10/HealthInsurance-forIndiasMissingMiddle_28-10-2021.pdf)



## RISKS OF TRANSITIONING TO REMOTE WORK

Workplace transformation has accelerated in the last year, with remote work becoming the norm for most office jobs. Workers have experienced a variety of issues resulting from the transition to remote platforms, including a lack of basic digital skills, a weak digitization plan, financial concerns, and poor data management. India Risk Survey 2021 highlights that ‘Information and Cyber Insecurity’ has emerged as one of the leading risks this year as working from home has led to an increase in data breaches, identity fraud, and a slew of other problems. Remote employees can pose cyber security risks to an organization such as phishing schemes, weak passwords, unencrypted file sharing, insecure home Wi-Fi, working from personal devices. According to a recent report, cybersecurity and data protection are the top priorities for businesses. According to another survey by Cisco research, 37% of cybersecurity technologies deployed by Indian organizations are considered outdated by security and privacy professionals working in those companies.<sup>86</sup> However, on the brighter side, companies in India are responding by investing in advanced cybersecurity solutions to strengthen their security posture.

<sup>86</sup> <https://www.businesstoday.in/latest/story/indian-companies-adopting-zero-trust-investing-in-sase-architecture-cisco-314897-2021-12-08>

<sup>87</sup> [https://www.business-standard.com/article/economy-policy/amid-wfh-burnout-indian-professionals-want-to-return-to-office-survey-121091401055\\_1.html](https://www.business-standard.com/article/economy-policy/amid-wfh-burnout-indian-professionals-want-to-return-to-office-survey-121091401055_1.html)

Additionally, working remotely has also disrupted work schedules by pushing employees to work longer hours than usual, work several shifts, or even overnight, with little time to sleep and recover. According to a study by professional network LinkedIn, one in every three professionals in India is burnt out due to increased workload and stress as the pandemic forces them to work remotely.<sup>87</sup> Thus, the firms must provide a work-life balance and adequate schedules for their employees to be more productive.

## GOING BACK TO WORK

Business leaders are considering returning to office as cities reopen after months of lockdown and restrictions. However, the process is challenging since there are still uncertainties regarding how to safely recall staff, how to synchronize work schedules, and when business travel can resume. Additionally, many employees have discovered benefits in working from home or in a mixed part-office/part-home environment without sacrificing productivity. According to the survey, Indian workers said working from home was more productive for them. Employees are thus still in a conundrum in choosing offline working mode.

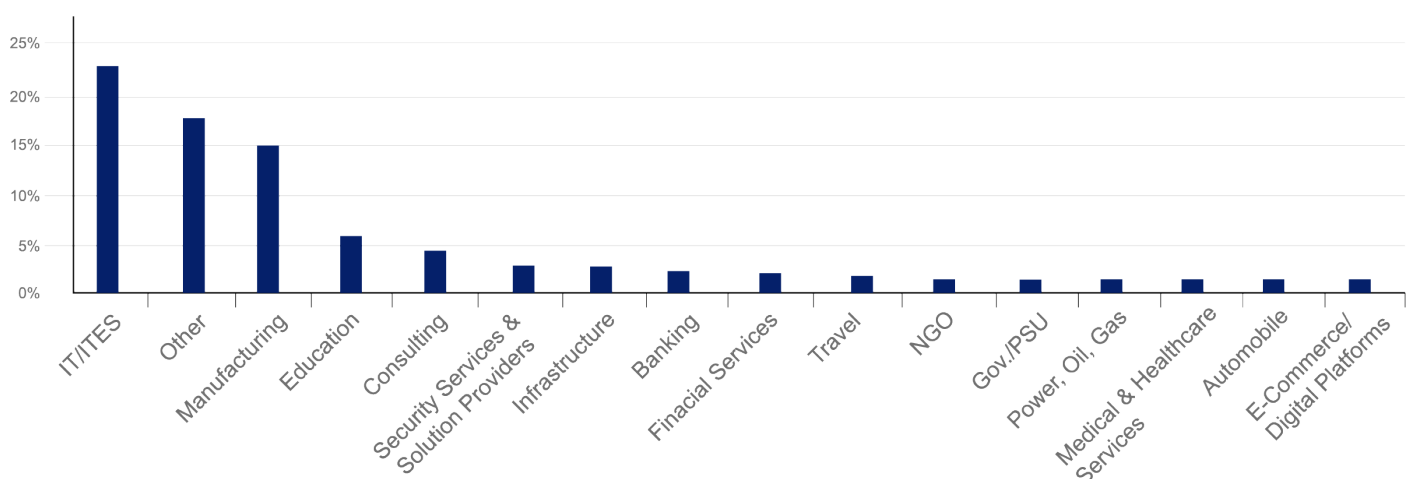
Additionally, businesses must devise a reopening strategy to ensure a smooth return to work at the office. Firms must ensure that COVID-appropriate behaviour is observed in the workplace. Employees would most likely expect to work in less closely designed spaces and will require reassurance that health checks will be conducted. As a result, it will be critical for businesses to reconsider their physical setup and adopt steps such as reducing the number of touchpoints. Most essential, businesses must maintain a vibrant workplace culture. Prioritizing safety, privacy, and transparency over performance can help build the trust that all organizations will be required to implement.

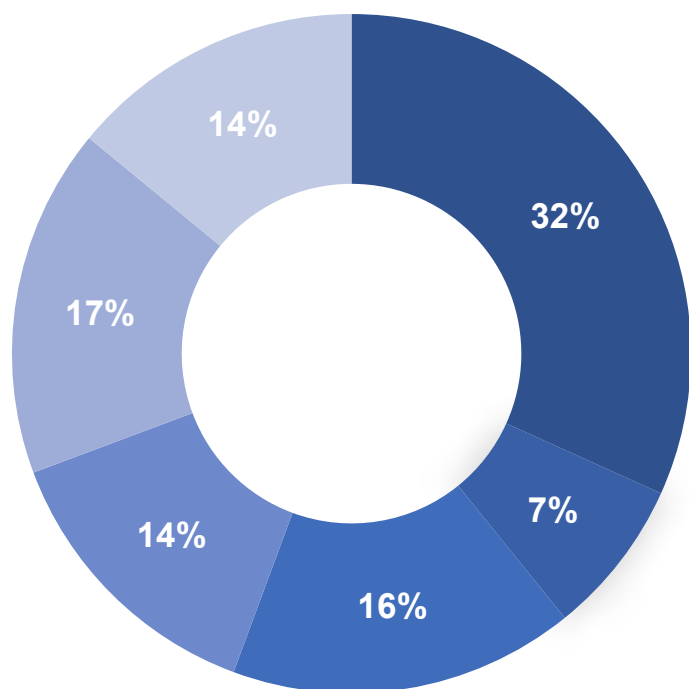
# METHODOLOGY & RESPONDENTS

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The aim of the IRS 2021 is to identify prominent risks that are critical and rank them based on their pertinence to businesses and regions of India. The methodology consisted of a risk survey that was administered across India and abroad. The respondents varied from employees from lower, middle to upper management professionals. All results received have been presented graphically, along with trend observations for each risk. The highest risk is ranked at number 1, with the lowest at number 12. Respondents were also required to identify which was the most prevalent threat under each risk category.

## ■ Industry-Wise Contribution





## Geographical Contribution

Respondents operating from

- Multiple Locations in India
- East
- West
- North
- South
- Outside

# WAY FORWARD

Though the second wave did impact India's economy, it was far lesser than the first wave. After enduring a second wave India's economy is poised to rebound. India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis. Although another wave is not impossible it seems unlikely today, new infections have fallen significantly and vaccination rates have risen to surpass a billion doses. It would be safe to say that the Indian economy has grown resilient against the pandemic-induced growth disruptions. In a situation where India faces another Covid wave, the economy may suffer briefly due to disruptions before rebounding strongly — a trend seen after both Covid waves in India.

Corporations have realised the importance of having a responsible person leading their sustainability efforts. Economic, social, and environmental sustainability is a must in today's business environment. It has a lot of benefits as well. A corporate strategy focusing on sustainability can add brand value, meet consumer demands, increase efficiency, attract valuable talent and create new opportunities.

## ABOUT PINKERTON

Pinkerton is a global comprehensive risk and security management leader focused on delivering specialized risk advisory, investigations, protection solutions, and embedded SMEs. With over 170 years of legacy, Pinkerton has built unparalleled institutional knowledge, while having sight into future risk businesses are facing.

We bring a total risk perspective, knowledge-based design, and end-to-end delivery in everything we do. With our three-pronged approach, we assess the risk factors you are facing today, design an effective solution that fits your unique needs, and can deliver tactical services to assist you with execution — in an ad hoc to prolonged capacity.

As a trusted partner, you can rely on our family of thousands of employees and connected partners across 100+ countries to support your risk management and security needs.

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## ABOUT FICCI

Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialisation, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies.

FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

## NOTES

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