



# **India Risk Survey 2013**



## *We thank our partners for their support*



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### **Acknowledgment:**

We would like to express highest gratitude and appreciation to all those who gave us the prospect to complete this report.

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# Foreword

India is one of the most promising economies in the world. India's size and further potential to grow can be well envisaged by the two facts – India is already the third largest economy in the world on Purchasing Power Parity and per capita income of India is ranked 140th in the world. So, while it is already a good size economy it may grow to exorbitant numbers if it can push per capita income of its 1.2 billion people in the right direction.

India also offers one of the most dynamic risk factors. The risks that were applicable till sometime back have either been replaced by the new prevalent risks or have taken change of shape to emerge almost like new risks. In fact the velocity of change of risks in India is noticed not being harmonized by the speed of response and risk mitigations being planned. The evolution of risks in India can be attributed to copious factors – risks may incipient from the traditional social class factors or the modern day socio-economic divide; risks may emerge from the all-time prevalent natural disasters or modern day terrorist attacks. One of the most damaging causes witnessed in recent past is regular attempts to further deepen the existing fault-lines in India that leads to eruption of risks. The continuous localization of politics and weakening national cause has potential to instantaneously disturb the sustainable growth potential. The ever increasing intolerance to accept difference of opinion is doing the same damaging job.

Risk management is an important aspect of our lives. We are exposed to risks, both in terms of threats to service provision and from the potential of lost opportunities. It is essential that of late, businesses should continue to demonstrate their unswerving commitment to consider implications arising out of the potential risks to meet client requirements and maintain their faith in the Operational Excellence of their teams and service providers.

To meet these challenges, FICCI & Pinkerton have launched India Risk Survey 2013 for the second consecutive year. This comprehensive survey is an attempt to recognize possible risk factors faced by the public and private companies while operating in India. The data and comments are an effort to enhance risk literacy leading to effective risk mitigations. I would like to share one more message that response to risks has to be multilateral with good contribution from public, private and individual capabilities. We will have a better solution when we discontinue assuming that risk mitigation is exclusive privilege of the governments.

A handwritten signature in blue ink that reads "Gulpawan Singh". The signature is stylized and includes a long horizontal stroke at the end.

**Gulpawan Singh**  
Vice President - Asia  
Pinkerton



# Foreword

The global economic situation is fragile. The International Monetary Fund has projected slow growth in the advanced economies between 2012 and 2017. In such an economic scenario, risks to business establishments can prove to be a serious obstacle to recovery and development. In order to stimulate growth, we need a risk free environment. India needs to urgently identify and assess factors that may jeopardise its economic achievements and could hinder future progress.

Besides conventional risks that we may face, businesses across sectors and regions today also experience the risks of the "New Age". For example, we are in an era, where we increasingly rely on the Internet for our daily operations, creating challenges and risks that require a new way of thinking and business planning. The threats posed by this increasing dependence on the Internet are significant and real. It is imperative that such threats be addressed as an integral part of existing corporate continuity planning.

The *India Risk Survey 2013* analyses and quantifies 'potentially destructive' risks to business enterprises in the country. It provides a referral to understand the complexity of these new risks across the spectrum of stakeholders, i.e., policymakers, corporate and members of the civil society. It also aims to prioritise risks which will enable many industries, public and private, to allocate resources required for its mitigation. The survey is an attempt to sensitise the Government and the corporate world about emerging risks and the danger they pose, so that well-planned strategic policy decisions could be formulated and implemented.

I am confident that this report will prove to be an important document for policymakers, senior executives and members of civil society.

A handwritten signature in black ink, appearing to read 'A. Didar Singh'.

**Dr. A. Didar Singh**  
*Secretary General*  
FICCI



## India Risk Survey 2013



*Very often assessments of risks are rough and ready and the consequences of making a wrong decision based on such assessments can be serious, including lost opportunities, loss of business, loss of reputation and even life. India Risk Survey aims at ranking the perceived level of threats faced by different Industries including different Regional perception that a well informed decision could be taken.*



**Ms. Naina Lal Kidwai**

*President, FICCI & Country Head – HSBC India &  
Director – HSBC Asia Pacific, HSBC Limited*



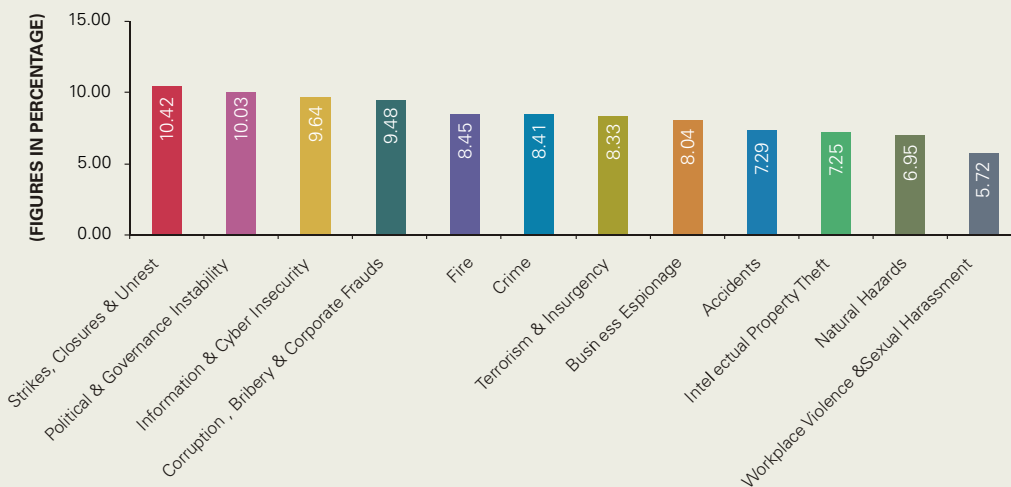
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# Executive Summary

The findings of the *India Risk Survey 2013 (IRS)* are based on a comprehensive survey, cutting across several industrial sectors, both public and private. The major highlights of the survey are as follows:

## Overall Risk Ranking



- 'Strikes, Closures and Unrest' emerged as the number one risk in the survey report. In the year 2012, it did not surface among the top five risks in the 'Overall Risk Rating'.
- The risk of 'Political and Governance Instability' has significantly changed position from number eight last year to number two this year.
- 'Information and Cyber Insecurity', 'Fire' and 'Crime' have been rated at number three, five and six respectively. They have maintained their position among the top six risks from the *India Risk Survey 2012* onwards.
- The risk of 'Corruption, Bribery and Corporate Frauds' has been acknowledged as risk number four. In 2012, India was ranked 94 among 176 countries on the Corruption Perception Index and the *Financial Stability Report* of the Reserve Bank of India revealed that losses of INR 4,448 crores (approx. USD 8.2 billion) to Indian banks from financial frauds in 2012 were the highest ever.

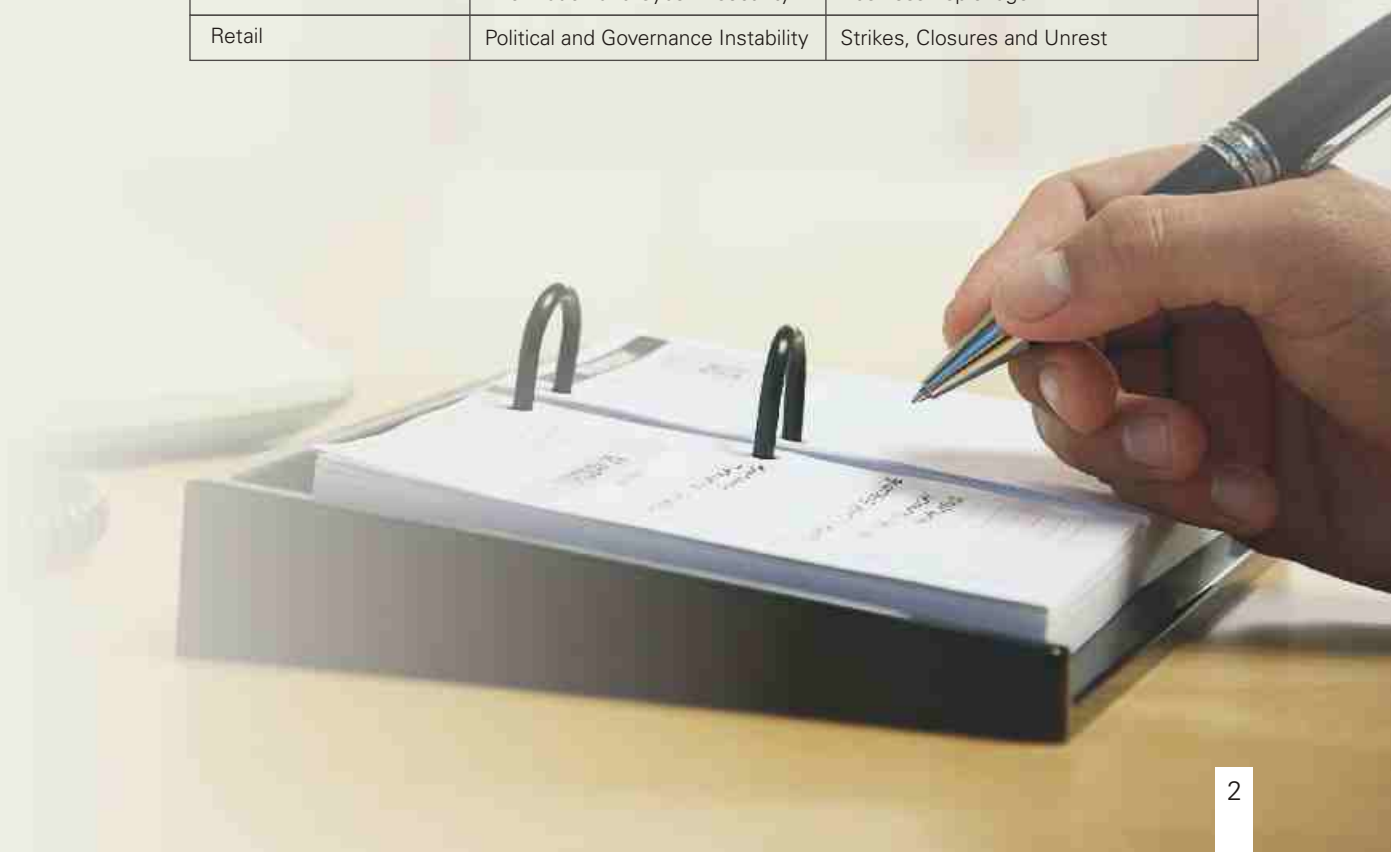


- Top three risks in each regions of India:



- Industry wise risks: The table below shows the top-ranking risks rated by major industrial sectors in India as per the *India Risk Survey 2013* –

Sector	Top Ranking Risks	Second Rated Risks
IT/ITES	Information and Cyber Insecurity	Strikes Closures and Unrest
Manufacturing	Strikes, Closures and Unrest	Corruption, Bribery and Corporate Frauds
Security Service Providers	Strikes, Closures and Unrest	Terrorism and Insurgency
Government/PSU	Terrorism and Insurgency	Corruption, Bribery and Corporate Frauds
Financial Services	Information and Cyber Insecurity	Corruption, Bribery and Corporate Frauds
Hospitality	Natural Hazards	Fire
Infrastructure	Corruption, Bribery and Corporate Frauds	Political and Governance Instability
Telecom	Information and Cyber Insecurity	Business Espionage
Retail	Political and Governance Instability	Strikes, Closures and Unrest





# Introduction

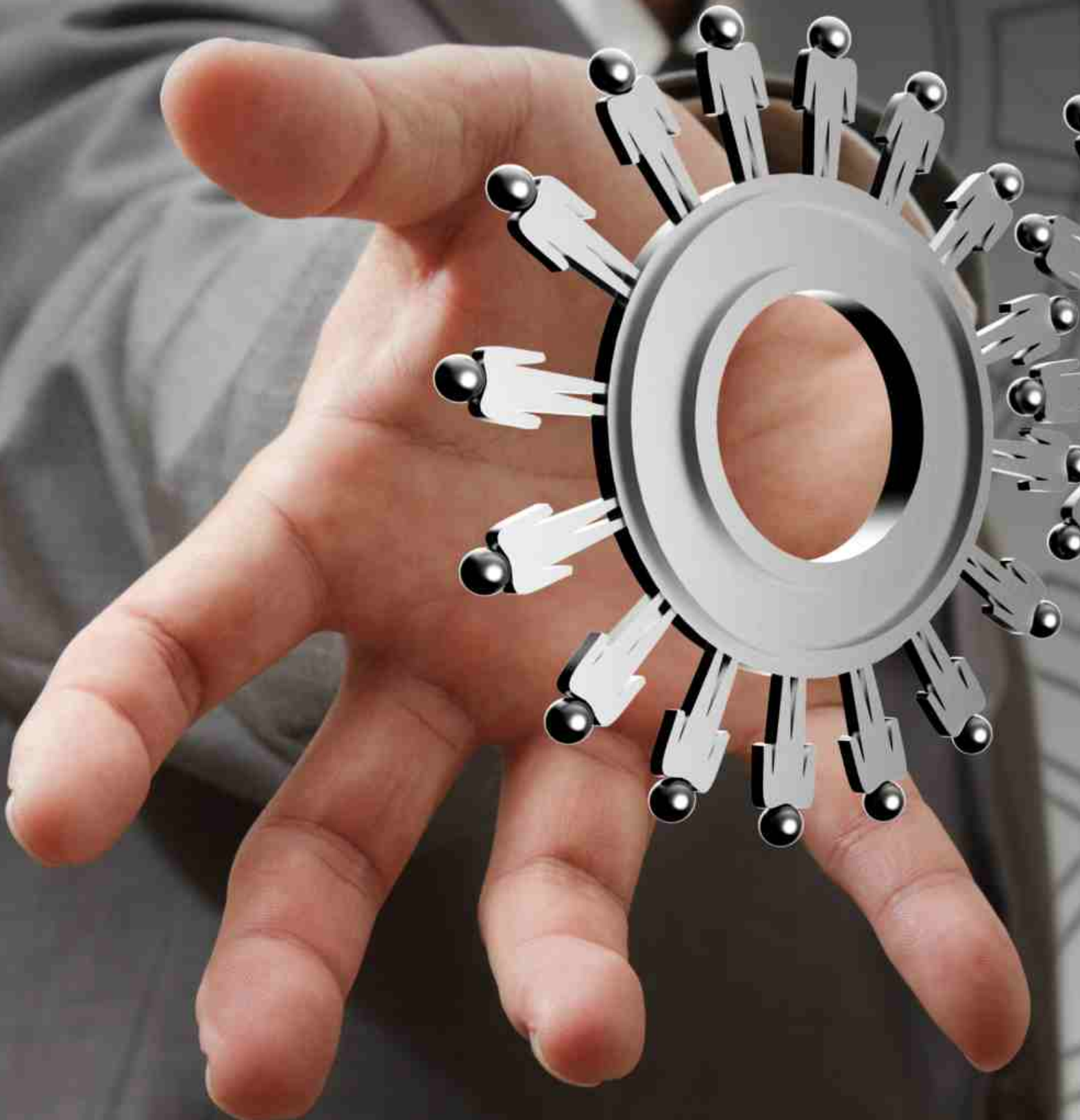
India has evolved into an attractive investment destination as both foreign and domestic companies are increasingly making their presence felt in one of the largest markets in the world. Traditionally, important parameters that attract investment into a country have been profitability, cost, infrastructure, freedom of doing business etc. However, of late, the factor of risk has evolved as one of the parameters impacting investment and decision making in business. These risks always have a latent bearing on investment and operations. The possible consequences can be in the form of loss of time, infrastructure, inventory, manpower and also opportunity to invest in some other economies that are more rewarding.

These risks sometimes not only affect an organization in the form of loss of infrastructure, inventory, manpower etc. but also adversely affect the economy at large. For instance, due to the 26/11 terrorist attack, the Taj Mahal Hotel not only suffered on account of loss of revenue, people but also saw a sharp dip of nearly 17% in their share prices to INR 40.20 marking a new 52 week low at that point of time. According to Insurance Regulatory and Development Authority (IRDA), the structural damages post 26/11 amounted to INR 500 crore and also took a toll on the insurance industry. The financial losses incurred due to the 26/11 attacks in Mumbai were estimated to be to the tune of over USD 800 million. Overseas investors pulled out a record USD 13.5 billion from Indian stocks immediately after the incident in 2008 causing Benchmark BSE sensitive Index slump to 56%.

Maruti Udyog Limited at Manesar was plagued by labour unrest at its Manesar plant for over a year during the year 2011-12. Labour unrest resulted in halting of production. According to a leading newspaper, the series of workers' strikes at the plant led to a production loss of 83,000 cars or INR 2,500 crore.

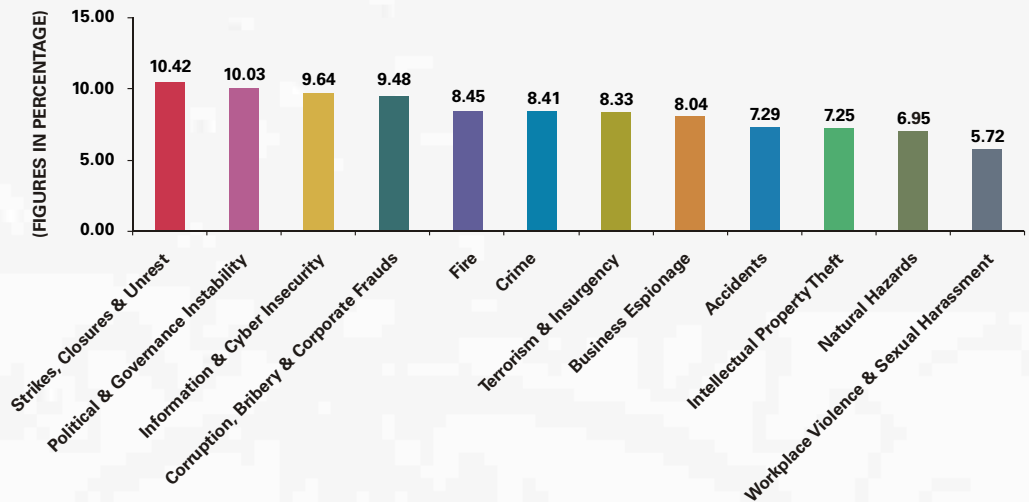
In 2004, tsunami flooded 1,200 cars of Hyundai Motors at the Chennai port. Though, it may not be possible for a company to become completely insulated from these risks, still if a regions's impending risks are known beforehand, a company can mitigate losses by taking timely preventive measures.

Therefore, FICCI and Pinkerton have come out with a detailed atlas of various risks having the potential of causing unprecedented and innumerable losses to companies operating in various regions of India. This atlas is based on the survey conducted across different industrial sectors, which look at responses by the actual players on the field. It is an effort to present an analysis of key risks likely to be faced by corporate India in its day-to-day functioning. In a broader sense, the aim of *IRS 2013* is to enhance the prospects of corporate India by making them aware of the potential risks without facing possible disruptions in their functioning.



# Overall Risk Ranking

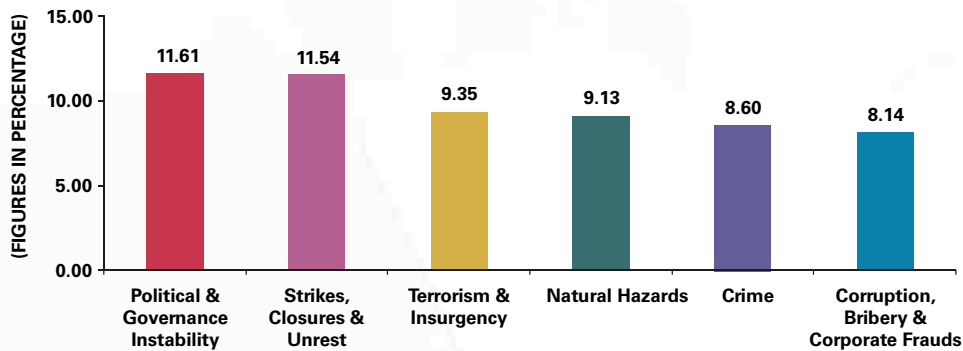
## Overall Ranking of Risks



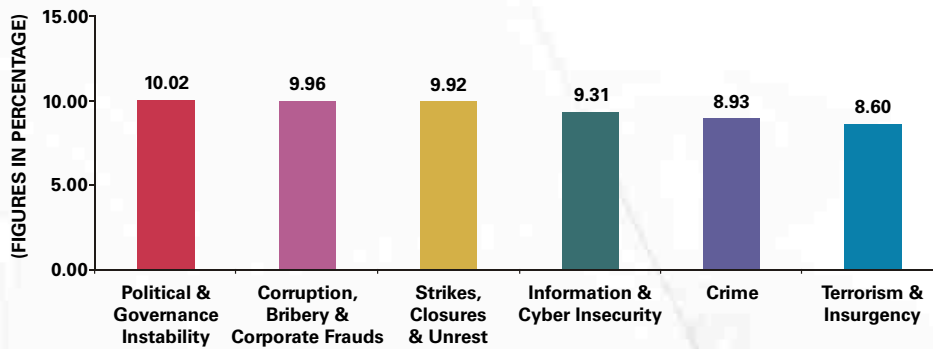
*IRS 2013* result presents some surprise findings to corporate India. 'Strikes, Closures and Unrest' has been rated as the number one risk in 2013. Large number of working days are wasted in strikes, closures and unrest, resulting in huge financial losses. The year 2012-13, nation witnessed a number of strikes, closures and unrest, and this appears to be the reason for making it a high priority risk in *IRS 2013*. As political instability impacts business continuity and development projects, 'Political and Governance Instability' is being seen as a potent risk that the respondents have placed at number two in *IRS 2013*. 'Information and Cyber Insecurity' and 'Corruption, Bribery and Corporate Frauds' at number three and four respectively, show the vulnerability of companies to the forces of corruption which are prevalent at all levels. Significant decline in terror attacks and its negligible impact on corporate India is the reason behind rating 'Terrorism and Insurgency' as an insignificant risk at number seven. 'Business Espionage' and 'Natural Hazards' which create significant business disruptions have been rated at number eight and eleven respectively. Despite the growing awareness of increasing incidents of crime against women and loss of lives in workplace violence (clashes at Maruti Suzuki plant in Manesar in 2012), 'Workplace Violence and Sexual Harassment' does not appear to be posing much risk to corporate India. Its last place at number twelve in *IRS 2013* shows that such incidents are not perceived as a threat to the functioning of business.

# Region-wise Risk Ranking

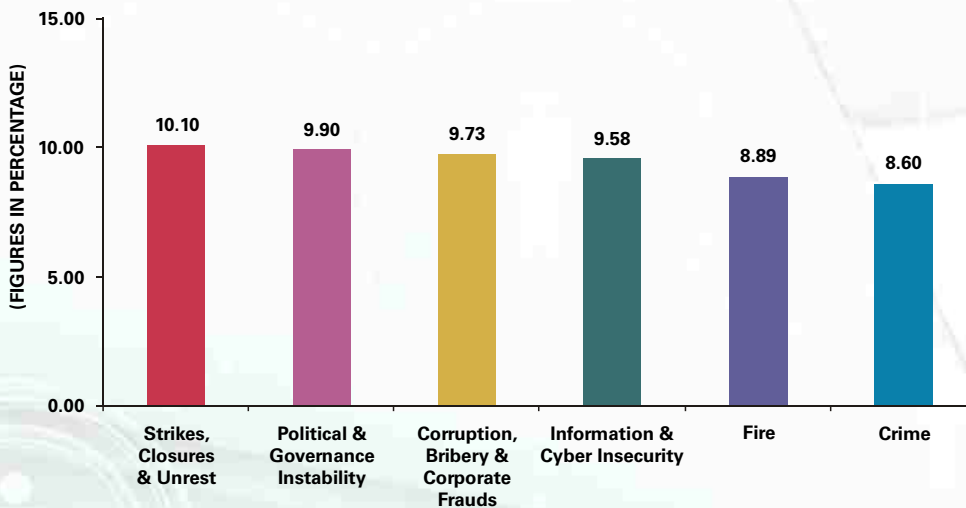
## Risk Ranking – Eastern Region



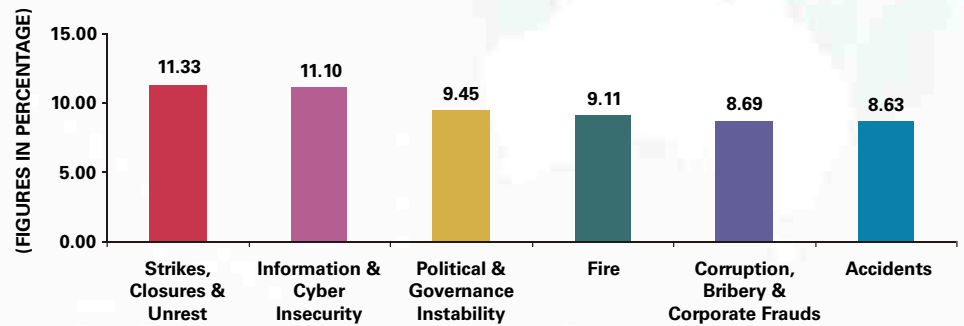
## Risk Ranking – Western Region



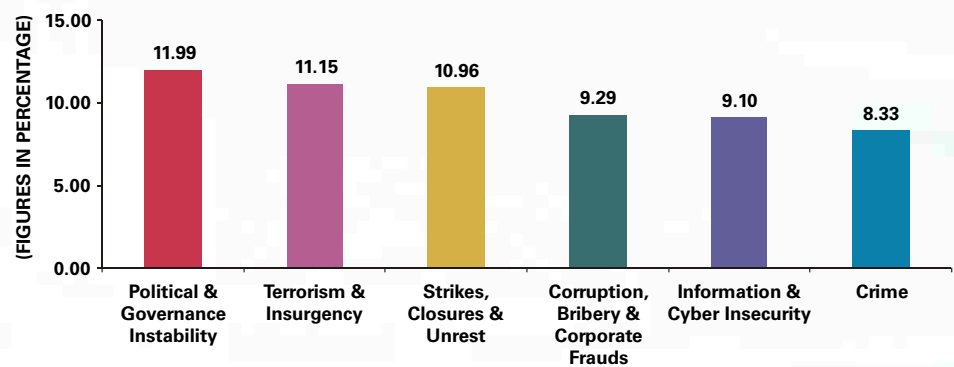
## Risk Ranking – Northern Region



## Risk Ranking – Southern Region



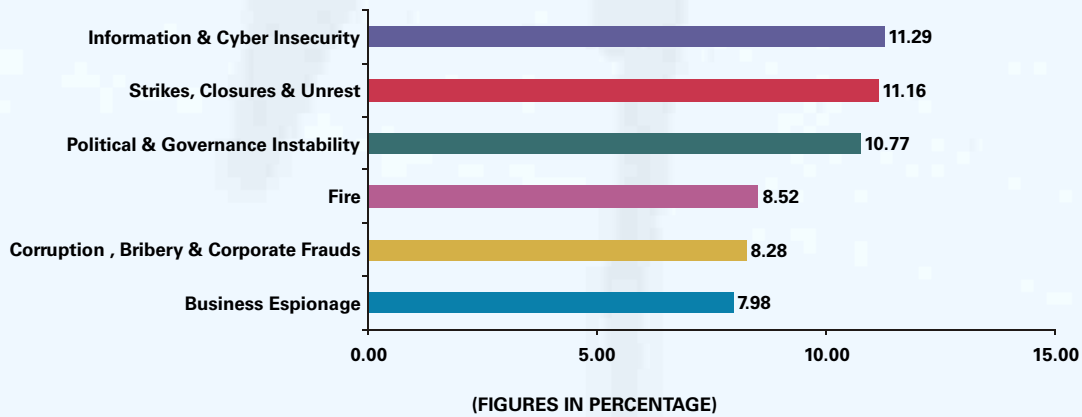
## Risk Ranking as Perceived from Outside of India



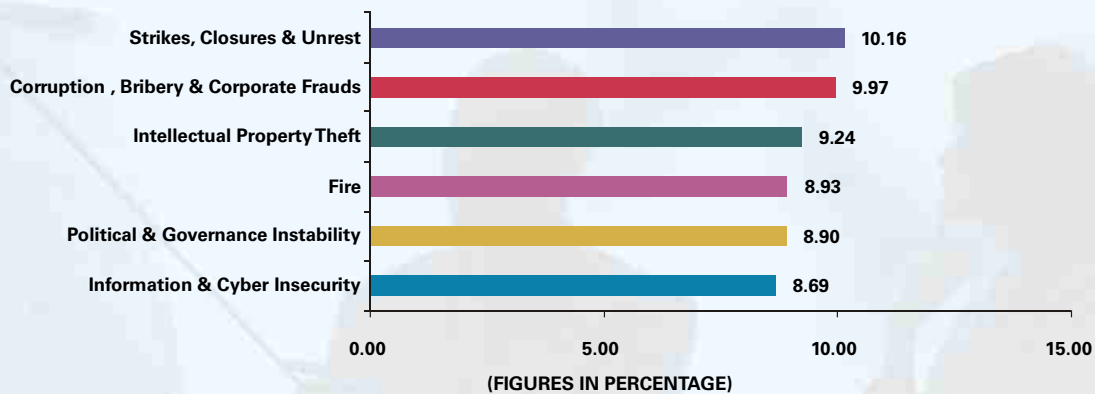
For the four main regions of India viz., East, West, North and South, 'Political and Governance Instability' and 'Strikes, Closures and Unrest' emerged as risk number one and two respectively. 'Information and Cyber Insecurity' and 'Corruption, Bribery and Corporate Frauds' occupied number three and four positions respectively for West, North and South. For the eastern region, however, 'Natural Hazards' and 'Terrorism and Insurgency' become high priority risks. This may be because east Indian states viz., Orissa, Bihar, West Bengal have been hit hardest by natural calamities like cyclones, flash floods and fires. In addition, some of the districts in these states have a huge presence of Naxal insurgents, which of late has emerged as the single biggest internal security threat in India. This may be the reason why 'Terrorism and Insurgency' has got the second highest risk rating by companies operating outside of India. It was placed at number two in *IRS 2012* by companies having headquarters outside of India.

# Industry-wise Risk Ranking

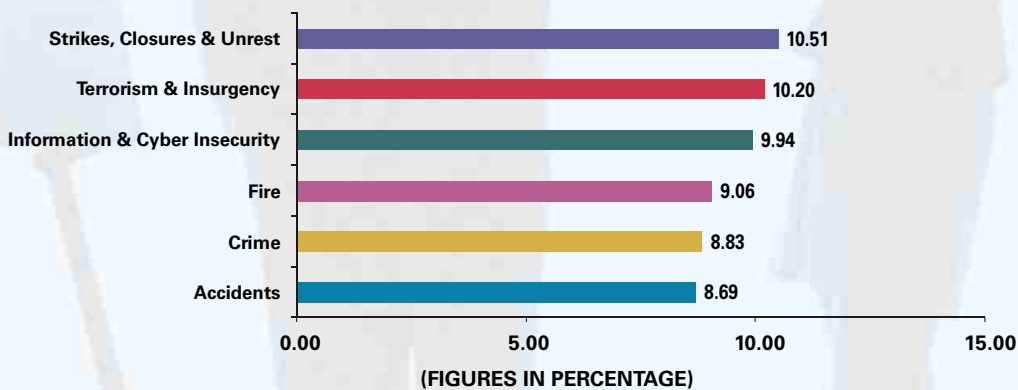
## Risk Ranking – IT/ITES



## Risk Ranking – Manufacturing

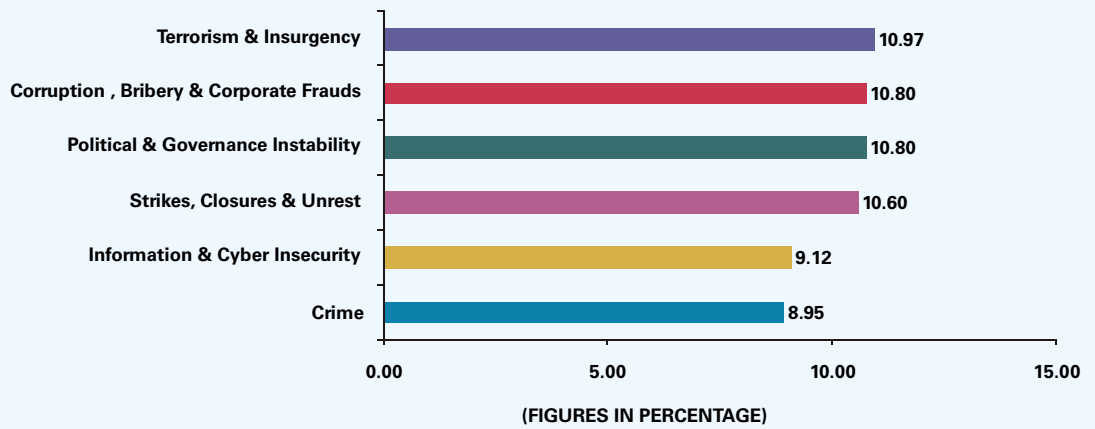


## Risk Ranking – Security Service Providers

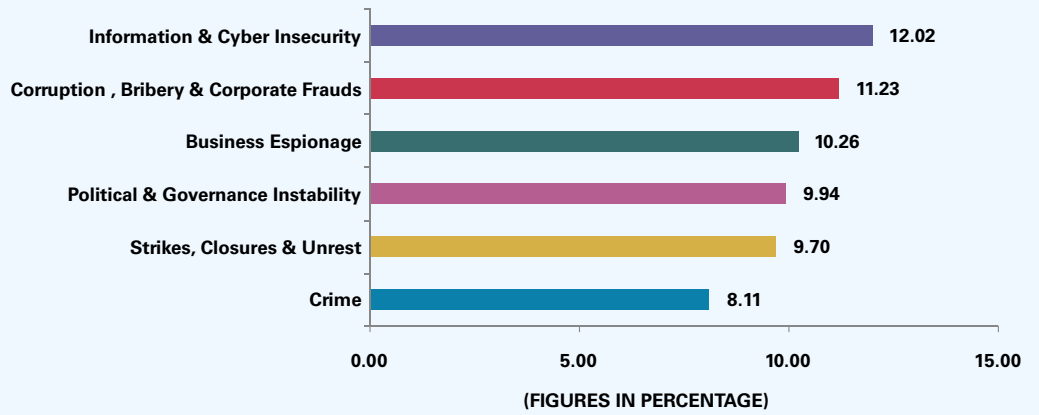




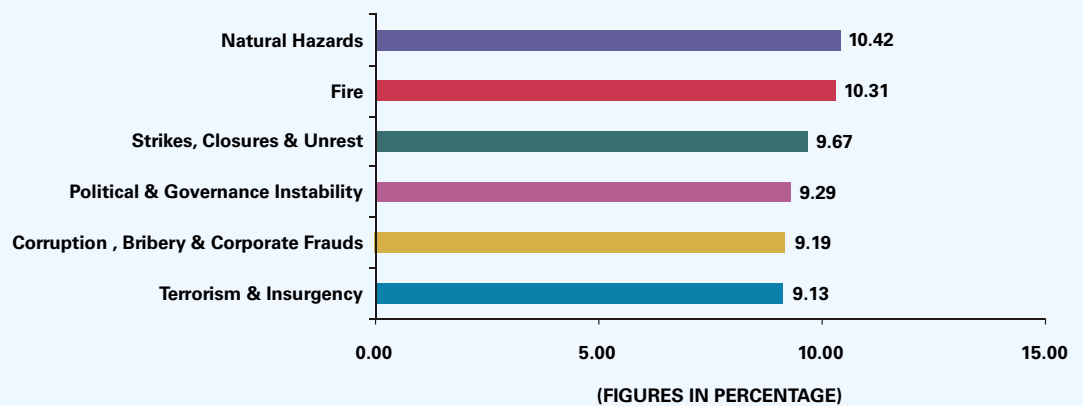
### Risk Ranking – Govt./PSU



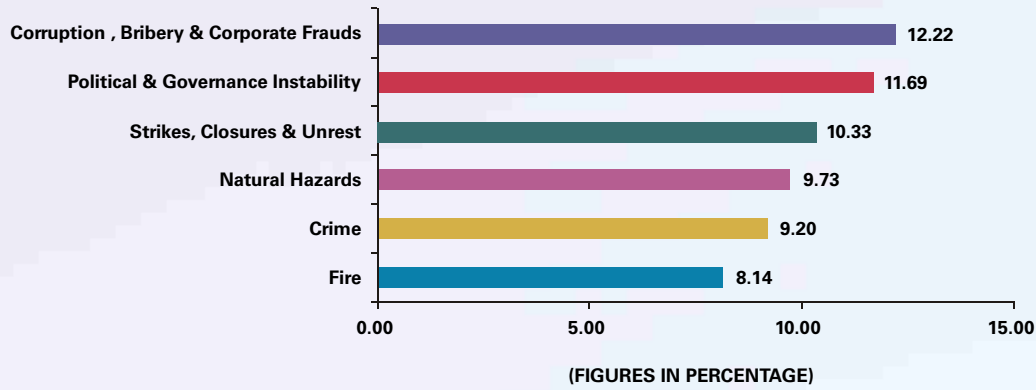
### Risk Ranking – Financial Services



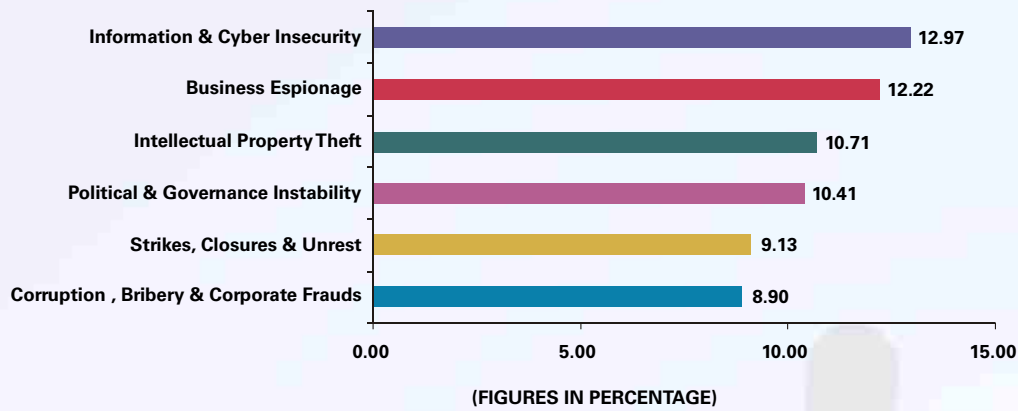
### Risk Ranking – Hospitality



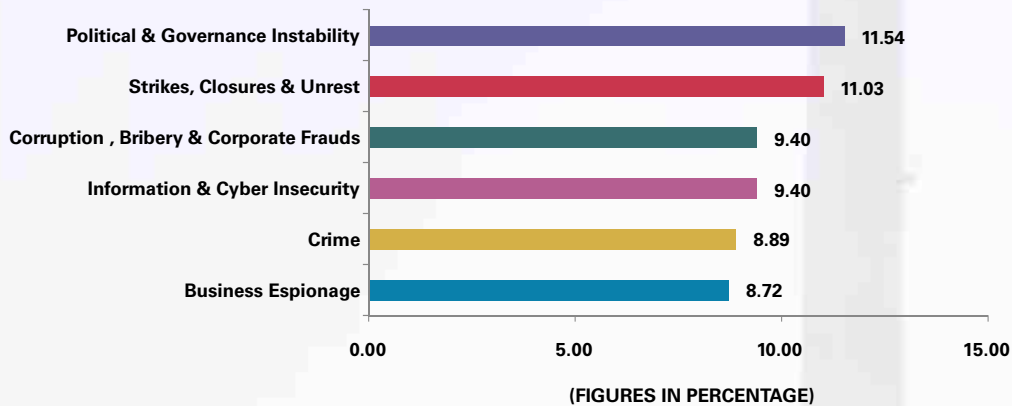
### Risk Ranking – Infrastructure



### Risk Ranking – Telecom



### Risk Ranking – Retail



Industry-wise risk ranking presents a highly divergent picture of potential risks as faced by various industrial sectors. Each sector has designated a risk as high priority which is specific to them. 'Political and Governance Instability', 'Strikes, Closures and Unrest', 'Corruption, Bribery and Corporate Frauds', 'Terrorism and Insurgency' and 'Information and Cyber Insecurity' occupy the position of high priority risks for the top-five respondent industrial sectors. These sectors are IT/ITES, Manufacturing, Security Services Providers, Government/PSU and Financial Services. The infrastructure sector was hit hard by corruption and recurring frauds in India and thus, rated 'Corruption, Bribery and Corporate Frauds' as risk number one. 'Information and Cyber Insecurity' holds the biggest risk to the telecommunication sector due to the increasing number of cyber frauds. For the retail sector, 'Political and Governance Instability' is the number one risk as the retail business suffers most during episodes of political violence.



# Risk Categorization

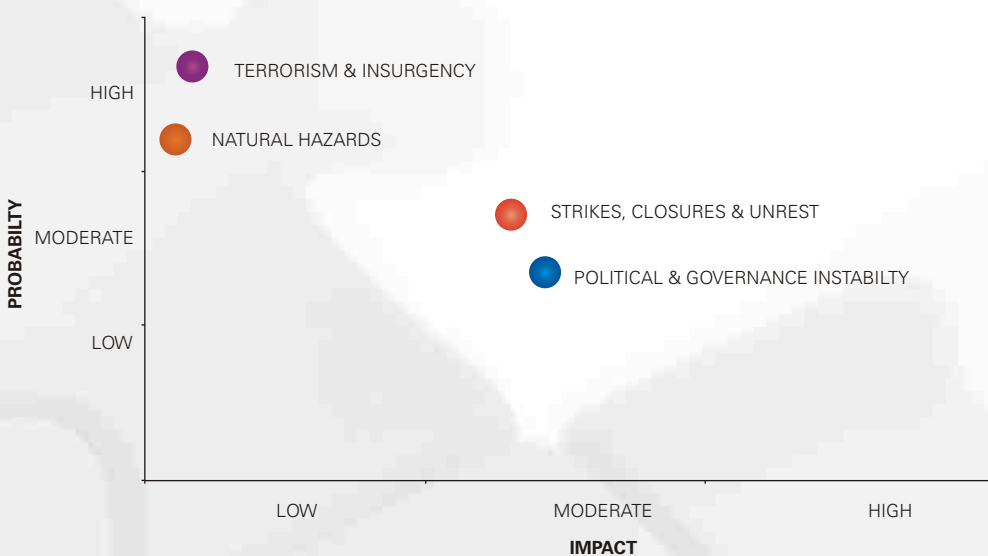
IRS 2013 categorizes risks in three different categories viz. Strategic, Operational and Safety Risks. Strategic Risk is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Operational Risk is defined as a risk incurred by an organization's internal activities. It focuses on the risks arising from people, systems and processes through which a company operates. Safety Risks are risks which have the potential to put employees safety at risk whether within the company or outside. Any threat or hazard to employees safety will have a definite impact on business continuity.

IRS 2013 has pictorially presented a probability analysis of each risk falling under defined risk categories with the sole objective of underlining its importance and consequent impact on future business continuity processes. The categorization done is generic therefore, some of the risks considered 'Strategic' for some industries, can be considered as 'Operational' for another set of industries.

## Strategic Risks

Strategic Risks	Probability	Impact
Strikes, Closures & Unrest	Moderate	Moderate
Political & Governance Instability	Moderate	Moderate
Terrorism & Insurgency	Low	High
Natural Hazards	Low	High

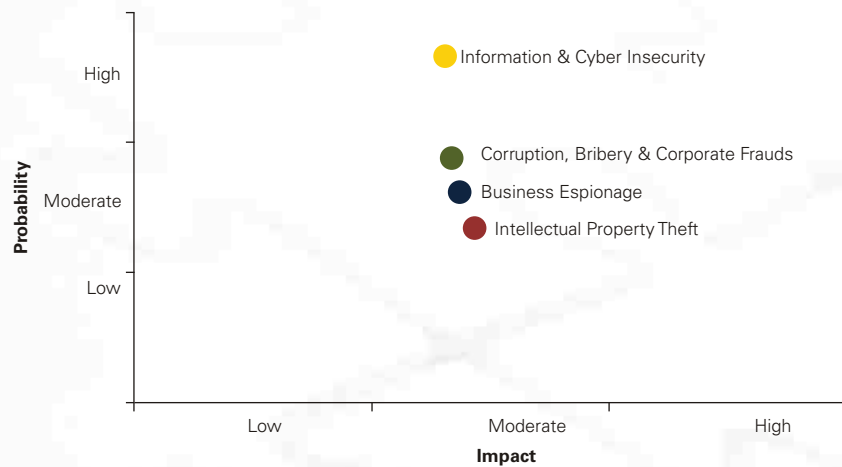
## Strategic Risks



## Operational Risks

Operational	Probability	Impact
Information & Cyber Insecurity	High	Moderate
Corruption , Bribery & Corporate Frauds	Moderate	Moderate
Business Espionage	Moderate	Moderate
Intellectual Property Theft	Moderate	Moderate

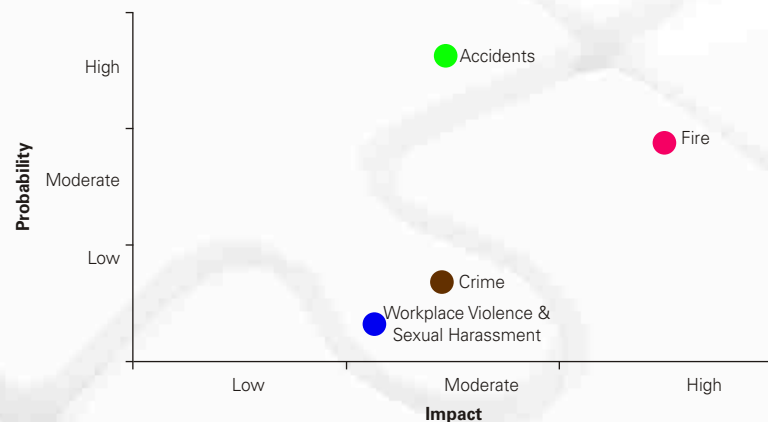
### Operational Risks



## Safety Risks

Safety	Probability	Impact
Fire	Moderate	High
Crime	Low	Moderate
Workplace Violence & Sexual Harassment	Low	Moderate
Accidents	High	Moderate

### Safety Risks





# Risks – Details

The details mentioned hereunder are as per the overall Risk Ranking

## STRIKES, CLOSURES AND UNREST

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 1	# 6	<ul style="list-style-type: none"> <li>➤ Enhanced politicization</li> <li>➤ Increased violence</li> <li>➤ Wide coverage and discriminating consequences</li> </ul>

Enhanced politicization, increased violence and insouciance towards likely consequences are the three most critical factors influencing 'Strikes, Closure and Unrest' in India. The consequences of strikes, closure and unrest may include economic downturn, public aggravation and citizen safety. These are the factors that make civic disturbances the highest rated risk in India.

The largest contributor to civic unrest is strikes called by various labour unions and demonstrations by political parties. India has nearly 11 central trade unions covering almost all possible business and trade practices in organized as well as unorganized sectors of the economy. Most calls for a strike have been supported by political parties associated with the respective trade unions and the response has been prodigious. The two-day nationwide strike on 20-21 February 2013 is a case in point that led to the anticipated losses of approximately INR 26,000 crores (approx. USD 4.9 billion) at a time when India's economy is indicating signs of deceleration. A large number of public protests organized by political parties on issues such as inflation, corruption, regional sensitization etc. had also been witnessed in 2012.

The demonstrations related to national and social causes have also been attended in large numbers. The primary being agitations initiated against corruption and protests against brutal rape and murder in Delhi influencing nationwide demand of enhanced women safety. These demonstrations not only cause widespread traffic congestion but also ended up in a violent scuffle between protestors and the authorities on quite a few occasions.



The increase of violence during strikes and closures has been reported frequently. During a nationwide strike on 20-21 February 2013, a trade union leader was killed while enforcing closure in Ambala, Haryana. Protestors damaged several industries in Noida and south Delhi on these two days. Special police forces from Delhi were called to control the protestors in Noida, Uttar Pradesh.

There has been a positive interference by the governments and courts in India to reduce the number of strikes. The government is trying to bring more number of services under Essential Services Maintenance Act (ESMA) which would enable them to declare many strikes illegal if its continuation disrupts the functioning of essential services under the purview of ESMA. There are instances where some strikes were pronounced illegal leading to financial penalties by the courts. On 9 May 2012, the Delhi High Court declared the Air India pilots' strike as illegal. Similarly, on 9 March 2012, strike of lawyers was declared illegal by the Supreme Court of India as well as by the Punjab and Haryana High Court.

“ Jurisdictional risk arising out of lack of clarity and propensity of changes in policy and leadership is a significant constraint to investments. India Risk Survey brings to light this aspect of potential risks to businesses. ”

**Mr. Sidharth Birla**

Senior Vice President, FICCI and Chairman,  
Xpro India Limited



## POLITICAL AND GOVERNANCE INSTABILITY

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 2	# 8	<ul style="list-style-type: none"> <li>➤ Fractionalization and localization diluting national agenda</li> <li>➤ Slower reforms</li> <li>➤ Irregularities in policy formulation and governance</li> </ul>

National critiques, international experts, media and studies have relentlessly highlighted that unclear mandate to a single political party has resulted in less than adequate reforms. Another impediment being faced is increasing fractionalization and localization of developmental issues, thus diluting the overall national agenda for reform and development. The situation is quite thought provoking both at the centre and state levels.

In June 2012, an international credit rating agency, Fitch, has lowered down the sovereign credit rating of India from 'stable' to 'negative'. Three months later, another credit rating agency Standard and Poor's further downgraded India's sovereign credit rating from 'stable' to 'negative'. The agency also highlighted that India still faced a one-in-three chance of a credit rating downgrade over the next 24 months. Both these rating agencies cited almost the same reasons for their action, viz., corruption and inadequate economic reforms coupled with slow growth and high rate of inflation. Recently, the Government of India has taken some positive steps to boost investments, the most important of them are a cap on distribution of Liquefied Natural Gas (LPG), allowing Foreign Direct Investment in the retail, increasing the prices of diesel and petrol etc. These have not only improved investors confidence, but have also strengthened the rupee against the US Dollar.

“As one looks into the upcoming horizon, the political uncertainty that we are facing in India is the biggest impediment for the businesses to make investment calls which in turn impacts downstream businesses like ours. I am glad that the India Risk Survey initiated by Pinkerton will give a voice to risk perceptions from an industry POV and hopefully initiate policy and technology debates to address the same.

”

**Mr. Pankit Desai**  
President

Rolta India Pvt. Ltd.

In India also, plenty of companies have closed down their operations in the year 2012 which includes telecom companies like Etisalsat, New York Life, US mutual fund giant Fidelity Worldwide Investment, Germany's Fraport which is the world's No.2 airport operator due to slow economic reforms, red tapism, ambiguous clearance processes etc. This has led companies to slash investment, with capital goods output going down to 28% in June 2012 from a year earlier. Foreign direct investment is down to 67% since the start of the fiscal year in April 2011, albeit from a record high last year. Still, plenty of companies and investors continue to bet on India's longer-term prospects, especially in sectors driven by domestic demand.

## INFORMATION AND CYBER INSECURITY

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
<b># 3</b>	<b># 1</b>	<ul style="list-style-type: none"> <li>➤ Government has taken strong measures to tackle cyber insecurity</li> <li>➤ Its ranking at number three clearly highlights that it is still a major threat</li> </ul>

The advancement of technology is being equally enjoyed by cyber criminals leading to new forms of threats. *Norton Cyber Crime* Report reveals that in 2012, approximately 42 million people became victims of cyber-attacks in India, having a direct financial implication of USD 8 billion. As technology becomes more advanced, mobile and social media platforms will become potential sites for cyber criminals to operate. In addition, in 2013, Indians have been warned against the threats posed by the 'ransom-ware' which has spread scare in much of Europe and the United States in 2012. Experts also predicted that cyber criminals will tend to become more personal by targeting individuals and certain groups in particular.

Cyber criminals have of late, launched several attacks on government websites, particularly those of ministries and other important departments. According to statistics released by the Government of India, nearly 14,000 websites were hacked between January and October 2012. Out of these, 294 websites belonged to different ministries and government departments. As per the information gathered from the Computer Emergency Response Team in India, there has been an increase of 57% in hacking cases in the year 2012 as compared to last year. Bangalore, the IT capital of India, recorded the highest number of cyber crime cases from 26 in 2009 to 268 in 2012. In 2012, India is amongst the top five countries in the world which are most affected by the cyber crime, according to the report by Security and Defence Agenda (SDA) and McAfee.



Image showing the hacked CBI website

Another dimension of 'Information and Cyber Insecurity' is net-banking frauds or e-frauds. According to the Delhi Police, as many as 200 complaints of net-banking frauds are received every year, but a few are actually registered. According to recent media reports, unauthorized transactions totalling nearly INR 30 crore (USD 0.3 billion) have been conducted on credit cards of Indian customers and a global syndicate is said to have been behind these frauds. Since 2009, cyber criminals have defrauded banks in the country of almost INR 130 crore. The Ministry of Finance, Government of India has registered a record 32, 928 cases of frauds pertaining to ATMs, debit and credit cards as well as net-banking involving 50 nationalized and other banks across country. To bring down the cases of net banking and credit card frauds, The Reserve Bank of India has mandated banks to move to chip and pin based credit cards that ask for an additional pin-based authentication for transactions. This move is said to bring control on instances of fraud.

Another factor that is already becoming a major concern is the use of technology to spread rumours and hate messages. In August 2012, mass exodus of people belonging to North-East India from South Indian cities was sparked by a false rumour spread by an SMS from an unknown number about impending attack on people from the North-East.



“

*Business has not yet fully recognized the potential impact of the cyber risks they face. An independent research conducted in the US amongst senior business decision-makers found that 94% of businesses declared themselves 'fairly' or 'very well' protected against cyber attacks. This is completely contradictory to the experiences of security companies providing cyber advice to companies. Leading security firm Mandiant has reported that in the last 50 incidents that the company had responded to in the US, 48 of the victim companies learned they were breached only once it was brought to their notice by the FBI, the DoD, or some other third party. Mandiant estimates that median number of days advanced attackers are on the network before being detected is a staggering 416!*

”

**Dr. Vivek Lall**

*Co-chair FICCI Homeland Security Committee and President & CEO  
(New Ventures), Reliance Industries Limited*

The Indian government have been trying to bridge gaps to respond effectively to the threat of information insecurity. In the winter session of the Parliament, the Minister of Information and Technology stated that since the year 2009, the government has conducted six mock drills to assess organization's preparedness to withstand cyber-attacks. The government has also decided to formulate a five-year programme in association with the private sector, in which at least 500,000 personnel would be trained to help India fight the cyber war. However, the major risk comes not from the increasing number of cyber crime cases, but from the limited awareness in solving such cases. Attention should be given to upgradation of IT knowledge of security personnel.

“*Fraud is the biggest challenge before the national and global economy. Concentrated efforts are required on part of corporate and regulators to tackle this menace. India Risk Survey will go a long way in assessing the quantum of risk our economy face from fraud. To my mind, it will be immensely beneficial to economy as a whole.*”

**Mr. S. K. Bansal**  
President,  
ACFE (India Chapter)

## CORRUPTION, BRIBERY AND CORPORATE FRAUDS

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 4	–	<ul style="list-style-type: none"> <li>➤ India as a country is doing poorly on the global Corruption Perception Index</li> <li>➤ Indian financial regulatory authority has reported the year 2012 as one of most notorious for frauds</li> <li>➤ Private companies prefer not to report frauds externally due to reputation loss</li> </ul>

In 2012, India was ranked 94 among 176 countries on the Corruption Perception Index released by Transparency International. In 2011, India was ranked 95 out of 183 countries on the same Index. Besides, India also secures a low score of 36 on a scale from 0 to 100 where 0 means most corrupt and 100 means less corrupt. India's low score has been attributed to a large number of scams and incidents of corruption in the public as well as private sectors. NDTV's mid-term poll 2012 reveals that the general population in India perceives corruption as the biggest problem followed by unemployment and poverty.

The *Financial Stability Report* of the Reserve Bank of India revealed that losses to Indian banks from financial frauds were the highest in 2012. In 2011-12, the total loss suffered by banks in about 5,569 frauds were to the tune of INR 4,448 crore (approx. USD 820 million). Indian businesses suffered from a total loss of approximately INR 66,000 crore (approx. USD 12.2 billion) from frauds in 2012, as revealed by media reports. In 2012, as many as 44 scams in public sector enterprises involving thousands of crores came to the notice of the general public.

Media has been regularly reporting increased incidents of violent attacks and murders to hide possible large scale frauds in governance and administration.

The opportunity to conduct a fraud is more so in companies that have restricted their controls regime to old-day accounting procedures. Adoption of modern day dynamic controls to use a mix of technology and human intervention could have been delayed due to conservative thoughts or low expenditure budgets. Whatever might have been the reason, the cost of bearing a fraud is far more

critical than not adopting new controls mechanism. A survey showed that 88% of companies witnessing economic decline also faced corporate fraud. In fact, the recent recession did witness downsizing of controls and personnel responsible to prevent and/or detect a fraud. Private companies mostly prefer to manage frauds internally without involving external government agencies and are often seen not to take any major punitive action against defaulters. The loss suffered in such frauds are internally absorbed or not reported to safeguard a larger issue of loss of reputation.

There have been some positive developments such as the much awaited Companies Bill, 2012 which was passed by the Lok Sabha on December 18, 2012, replacing the 56-year-old Companies Act, 1956 and strengthening of the Serious Fraud Investigation Office (SFIO).

The Companies Bill 2012 is likely to introduce significant changes in corporate governance standards in India, as it aims to deter corporate crime and related offences. The latest amendment to the Companies Act 1956, was incorporated in the year 2011 by the Parliament of India to give a boost to the country's economy. Clause 36 (c) of the Amendment Bill was introduced to curb sources of corporate delinquency. The clause introduced punishment for falsely inducing a person to enter into an agreement with banks or financial institutions with a view to obtain bank credit. However, a lot needs to be done to make e-commerce and e-trade secure for the prospective clients.

The SFIO is a multi-disciplinary organization under the Ministry of Corporate Affairs, consisting of experts in the field of accountancy, forensic auditing, law, information technology, investigation, company law, capital market and taxation for detecting and prosecuting or recommending for prosecution white-collar crimes/frauds.

## Comparison of top six fraud categories at the global level with India

No.	Type of Fraud	Global 2011 (%)	Global 2010 (%)	India 2011 (%)
1	Management conflict of interest	21	19	19
2	Internal financial fraud	19	13	23
3	Corruption & bribery	19	10	31
4	Vendor procurement	20	15	22
5	Physical theft of assets	25	27	23
6	Information theft	23	27	27

## FIRE

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
<b># 5</b>	<b># 3</b>	<ul style="list-style-type: none"> <li>➤ Noncompliance of standards and regulations seen as a major challenge to slash incidents and losses</li> <li>➤ Electric defaults seen as the largest single reason for cause of fire</li> <li>➤ Envisaged impacts of other risks have lowered ranking of this risk</li> </ul>

Fire tragedies are not new in India. The country has witnessed several devastating fires that have claimed hundreds of innocent lives and damaged property worth billions. Fire also results in the loss of business, of goodwill and effects environment severely. Damages in industrial fires, for instance, is not limited to the industry where the fire occurs, but also effects other adjacent industries around it.

In 2010-11, as many as 22,187 fire related calls were reported resulting in the death of 447 persons and injury to 2,613 persons across India. Building-fires are the most common among fire disasters. Unnecessary accumulation of combustible or inflammable articles or hazardous material adds to the danger of fire. Lack of water or equipment for fire-fighting allows fire to spread fiercely. Hot and dry season from March to June add to the possibility of fire as also the careless use of electrical equipment, naked wires and loose joints. An electric short-circuit or a spark is often responsible for large-scale fire disasters which are reported during summers from many cities in India. Heating systems and air-conditioning plants, especially in large and tall multi-storeyed buildings add to the fire hazard. The air-conditioning ducts offer easy path for fumes, gases and smoke to be conveyed to other parts of the building quickly and false ceilings of inflammable material also add to the hazard. In the summer months from May-August of 2012, as many as 9 major incidents of fire had been reported including the fire at Maharashtra Secretariat building in Mumbai on 21 June in which three people lost their lives.

Intensity of fire related incidents significantly reduces during winter months however, risk from fire remain a major cause of concern for the authorities and corporate houses in India. In Mumbai, the financial capital of India, almost 75% of fire-related incidents occur because of short circuit caused by loose wiring. Data from Mumbai fire department revealed that from 2009-2012, out of 13,185 incidents of fire, as many as 9,711 incidents were caused by defective electric circuits in the city. Further examination of data provided by Mumbai fire department revealed that short circuits which are the main cause of city fire, often take place in old buildings in densely populated areas and crowded markets.

People have little knowledge to prevent such accidents and as such, are vulnerable to losses during these accidents. Although there are enough rules and regulations related to fire safety, these are seldom followed. Laxity in following fire safety measures in Safal Pegasus Complex in Prahladnagar, Ahmedabad caused major fire in the building injuring 11 people, some of them seriously, in November 2012. Ahmedabad Municipal Corporation authorities stated that in the absence of heavy fines and penalties, societies and members of such complexes do not bother to conduct maintenance of their safety systems. This is the case with other Indian states as well.



## CRIME

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 6	# 4	<ul style="list-style-type: none"> <li>➤ The increase in specific crimes such as kidnaping and crime against women have been a concern</li> <li>➤ It is difficult to bridge the gap between supply and demand of security in the country.</li> </ul>

Increasing crime rate acts as a deterrent to the growth of the economy. A safe and secure environment is essential for life and business to grow. However, in recent times, crime has become an integral part of Indian lives and there is an increased propensity to condone and accept the increased crime levels. As crime affects a person in its individual capacity, the psychological impact of crime is much more and widespread. A survey indicated that the effects of crime in workplaces revealed that people affected by crime showed a 65% decrease in productivity. Even when an incident took place away from the workplace, people responded with decrease in concentration and motivation. Another study showed similar results – managers reported high rates of absenteeism after an incident and said staff showed high anxiety and stress, and became sick more frequently.

In India, increasing crime rate has compelled several companies to take measures to provide security cover to their office staff. City police have often directed companies to adopt certain measures like compulsory registration of cab drivers to ensure foolproof security to their employees. Several call centres and Business Processing Organizations (BPOs) have been asked by various women organizations to ban night shifts for women. In 2007, Karnataka became the first state to ban night shifts for women to curb rising crimes against them.



*Crime and fear of crime are perhaps the most important factors influencing our choice for workplace, living place and behaviour.*



**Dr. Arbind Prasad**  
 Director General  
 FICCI

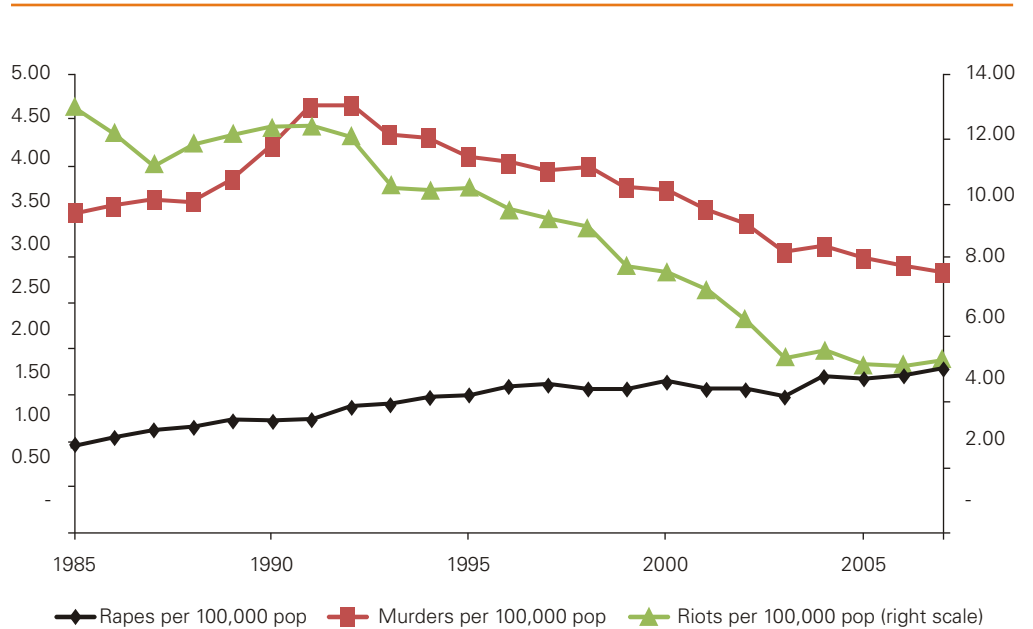




Besides crime against women, kidnapping and abduction has already accounted for 1.7% of the total cognizable crime in India. It has been noted that there is an increase in incidents of kidnapping in India with the government recognizing 700 active "Kidnap for Ransom" gangs operating in the country.

It has been noted that India's crime rate has increased with India's rising economic growth story. Data collected from 1998-2010 revealed that India's registered crime rate has increased to 25% and more in the last decade. Major increase has been recorded in crime against women. While rape cases grew by 47%, molestation and dowry deaths rose by 30% and 21% respectively. Theft cases have also recorded an increase of 15% in the last 12 years. The only silver lining is a decrease in murder and robbery cases which is reduced to 14% and 1% from 1998 to 2010, respectively. Among major economic crimes in India, counterfeiting emerges as the biggest of all. Incidents of counterfeiting increased by 91% in the last 12 years.

### Nationwide Trends in Selected Crime Categories from 1985-2010



“ Stopping crime before it occurs is the most effective crime fighting tool of all.

Blanche Lincoln ”

## TERRORISM AND INSURGENCY

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 7	# 2	<ul style="list-style-type: none"> <li>➤ The selection of targets also includes economic and private targets like companies assets, high net worth individuals etc.</li> <li>➤ The ranks include higher technical personnel improving operational capability and stealth</li> <li>➤ Irregularities in policy formulation and governance</li> <li>➤ Higher number of incidents related to other risks possibly lowered ranking of this risk</li> </ul>

Though there is no agreed definition of terrorism among the scholars across the world but there is no dispute about its existence and the threat posed by it. However, terrorism can be called as premeditated politically motivated violence against military or non-military targets by sub-national groups or agents to intimidate or coerce a government and individuals. India has been hawking with two distinct forms of this setback - international style terrorism and localized insurgency. The international style Terrorism has been more associated with Kashmir and Islamic fundamentalism while Insurgency is generally linked with Naxalism and North-East India. A critical difference between both the styles is while international style terrorism does inflict attacks on all parts of India, Naxals and North-Eastern Insurgents do not go outside their respective area of operations to cause any attacks. However, it must be noted that groups such as Naxals are capable of inflicting attacks in areas outside their operation.

Of late, sleeper cells and Naxal sympathizers have been arrested/identified from a number of metro cities like Delhi, Bangalore etc. Naxals have also been learnt to be playing a critical role for businesses operating in rich mining areas. They are able to raise risk levels through attacks and also influence land acquisition and start of new businesses.

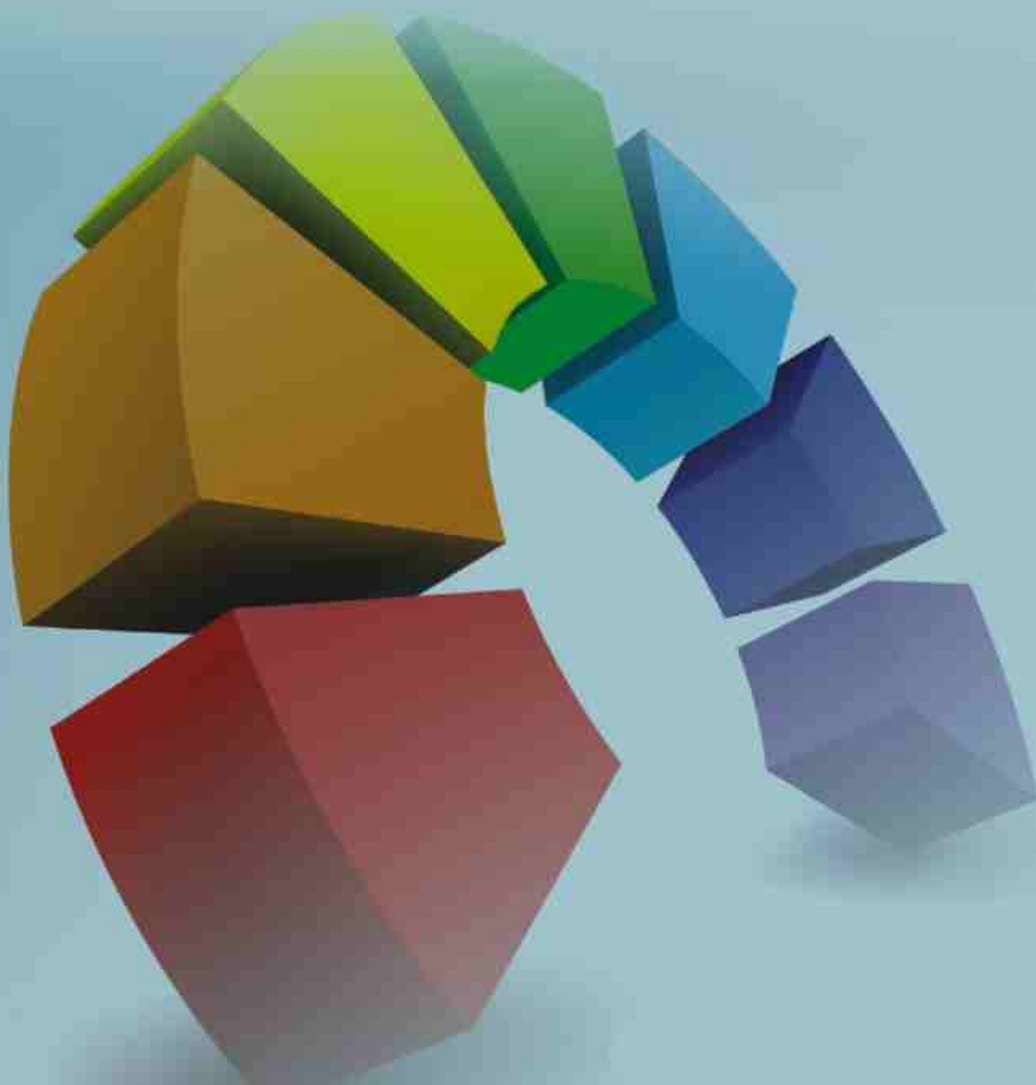
Some of the latest trends analyzed through inputs of intelligence agencies and recent attacks indicate the following:

- There is a revived wave of religious fundamentalism
- Selection of Targets includes strategic, economic and private targets as well rather than the traditional government and military targets
- Enhanced penetration levels among local population through sleeper cells
- Tactics and weaponry used is far more sophisticated than it used to be few years back
- Highly educated and motivated manpower in the ranks of terrorists
- Reduced Fidayeen (suicide) attacks and more attacks with better stealth levels

With the increasing globalization and markets playing a major role, private organizations have started to play a crucial role in the economic development of the nation. This becomes an important reason for terrorists to target business operations.

Post 26/11, government changed its rules allowing the Central Industrial Security Force (CISF) to guard private companies. Realizing the reality of risk to business from terrorism, Infosys became the first private sector company in India to opt for deploying the paramilitary force viz. Central Industrial Security Force (CISF) within the company's premises in July 2009. Now, over 900 CISF personnel guard six private establishments including Infosys campuses, Reliance's Jamnagar refinery and ADAG-promoted Delhi Airport Metro Express Line. Moreover, about 100 private companies now want CISF personnel to be deployed in their campuses to secure their locations. As per media reports the companies that have applied for deployment of CISF personnel include Wipro, Essar, L&T, HDFC Bank, JP Associates, ITC, as well as hotels such as Oberoi and Le Meridien. Being a government agency, the CISF provides special functions such as bomb disposal squads, dog squads and quick-reaction teams (QRTs), which are not available with other agencies. Nevertheless, such facilities entail additional costs to the companies.

Of late, private security agencies are mushrooming across India to cater to the security requirements of corporate India. These agencies specialize in functions like Executive Protection, guarding company's assets, security designing, security consulting etc. to insulate companies from the possibilities of any untoward incidents.



## Energy Security in India

by: Capt. S. B. Tyagi, COAS'CC\*, FISM, CSC

### Threats to Energy Security in India

Country's energy security is directly related to security of its Oil, Gas and Pipeline assets. Every step needs to be taken to ensure uninterrupted production; processing and protection of supply chain in this sector which can be termed is 'Key-infrastructure Sector' for country's steady growth, sound economy and sustainable energy independence.

The production of Oil and Gas is a major logistical operation from locating and investigating new sites to the movement of personnel and establishment of facilities. It takes an enormous amount of resources to establish such sites and all the operators have to rely on a sound cloak of security to prevent theft of equipment, extortion, sabotage and kidnapping of work force. There are following major areas of security concerns –

- Security of geological survey party, their equipment and explosives
- Land acquisition and establishing camp sites
- Pre-camp armed - static security
- Security during movement of drilling equipment and personnel
- Executive and employees travel protection
- Transportation - armed security (rail, air & sea)
- Commencement of drilling / pipeline laying activities
- Establishing early oil / gas collection centers and security thereof
- Security of off-shore platforms, receiving terminals, dispatch terminals, compressor stations etc.
- Security of larger installations such as refineries, LPG plants and petrochemical complexes
- Security of supply chain – storage / warehouse, rail / road transportation
- Intelligence gathering and disaster planning
- Constitution of Emergency Response Teams





## BUSINESS ESPIONAGE

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
<b># 8</b>	-	<ul style="list-style-type: none"> <li>➤ The incidents of business espionage are sharply increasing</li> <li>➤ The practice of installing bugging devices has been reported to be prevalent</li> </ul>

Business espionage, industrial espionage or information espionage are terms used more or less synonymously. It refers to obtaining secret or confidential information without the permission and knowledge of its holder in order to gain business advantages. With the cutting edge technology and cut throat competition, information espionage provides ample allurements to the companies to create a niche. The target information which a company may aspire for may include client list, proprietary software, new products launch, advertising strategies etc. The monetary loss due to information theft is hard to assess.

As the demand for spying gadgets in the country is continuously rising at the rate of about 30% annually, the market for spying equipments is currently estimated at around INR 4,500 crore (approx. USD 900 million). None of the firms reveal the loss of information or even their own attempts to gain information. Mostly such activities are handled by close confidants of the top management.

The practice of installing bugging devices has been often reported as well. Conduct of Technical Surveillance Counter Measures has been adopted by a large number of companies to ensure that they construct safety measures.

## **Espionage – Its Avatar as a New Age Risk**

by: Mr. S. Ramaswamy, Vice President, JCB India Ltd.

Espionage is not a recent phenomena. It has been existing & practiced for times immemorial world including in India and even finds its reference in the epics Ramayana & Mahabharata.

It was a common practice prevalent when India was ruled by several Kings. Over the period, the definition of espionage has undergone a metamorphosis change since it now prevails in all areas whether consisting national security, industrial security, business, finance, economy etc. To add to it, the social fabric also having undergone a change seems to be getting affected by this phenomena.

With competition increasing and every one vying for a pie in the profit what should have been a moral fabric in terms of healthy competition has taken a turn, which is not very healthy or conducive and to meet short term gains, espionage is being increasingly practiced in various businesses like poaching, planting moles, illegal collection of competitor's business data, stealing intellectual property etc. to name a few.

Thus, one of the New Age Risks which both the country and organizations face today as a challenge is espionage and effective steps should be taken to prevent their misuse to protect national and economic interest.

Organizations which are robust in their Processes, Documentation, Profiling of Human Resources & Exhibit their ethical conduct would be the ultimate beneficiaries and survivors. Needless to add, in today's competitive age to merge technology with business practices is the need of the hour which shall pave the way for strengthening & safeguarding both Organizational & National Wealth.

## ACCIDENTS

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 9	# 10	<ul style="list-style-type: none"> <li>➤ The number of road accidents have risen sharply</li> <li>➤ The industrial accidents continue to surge with less than adequate controls and preventions</li> </ul>

Accidents in India and elsewhere can be divided into two types – commuting accidents and occupational accidents.

As far as first category of commuting accidents is concerned, India faces the highest number of accidents and accidental fatalities in the world. Ministry of Road Transport & Highways report reveals that India witnessed one road accident every minute in the year 2011 which claimed one life in 3 minutes. A total of 497,000 road accidents were reported in the year 2011 in India which was less than the number of accidents reported in 2010. However, the number of deaths at 1,42,485 recorded an increase of nearly 7,000 deaths in 2011 from 2010. Contrary to the popular belief, only 1.5% of the accidents are caused by defective roads. In majority of the cases (77%), driver is at fault. Maximum number of road accidents are reported from Maharashtra (68,438), Tamil Nadu (65,873), Madhya Pradesh (49,406), Karnataka (44,731) and Andhra Pradesh (44,165). In 2011, Mumbai witnessed the largest number of road accidents at 25,471 followed by Delhi (7,281), Bangalore (6,031), Indore (4,995) and Bhopal (3,495). Rural areas accounted for more road accidents as compared to urban areas.

There is a concern as the report reveals that there are a growing number of young road accident victims. Almost 51% of the road accident victims are between economically productive 25-65 age group in India. According to a research done by the World Health Organization representative in India in 2012, India loses approximately \$20bn annually to road accidents.

In a second category, we have accidents taking place at the workplace which poses a serious risk to the safety of employees. Occupational injury means death, any personal injury or disease resulting from an occupational accident.

A report titled *Global Estimates of Occupational Accidents* in the year 2005 revealed that yearly over 48,000 workers die because of occupational accidents in India. Construction industry reported high number of deaths in India. India does not have a reliable data for occupational diseases and workplace accidents as the reporting of such accidents is not very regular.

According to a survey conducted on national basis, a large percentage of workers suffers from various ailments as they have no protection from various pollutions emanating from these industries. In potteries and ceramics industries, for instance, 16% workers suffered from impairment of lungs. In DDT industry, 22.4% workers suffered from Asthma. In insecticide industry also, workers have poor health. This trend is more pronounced in unorganized sector where a worker is not covered by any government-sponsored scheme.



## INTELLECTUAL PROPERTY THEFT

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 10	# 10	<ul style="list-style-type: none"> <li>➤ The number of IPR thefts remained constant since the last two years</li> <li>➤ There is however a possibility that the number of IPR thefts will increase in India</li> </ul>

According to the World Intellectual Property Organization (WIPO), Intellectual Property (IP) refers to ideas which are creations of the mind including inventions, literary and artistic works, and symbols, names, images, and designs used in commerce. Theft of intellectual property is quite easy as it just entails copying other's idea or product. Counterfeit products, drugs, pirated DVDs of movies are all part of violation of intellectual property rights.

Increasing incidences of intellectual property theft are harming the companies in terms of profits as well as work force in terms of job loss. World Health Organization (WHO) has recently warned that half of the world's drug supply may soon become part of fake pharmaceutical drugs. Piracy of recorded creative works like movies, music and software is also on the rise. Moreover, counterfeiting of auto parts and other vehicle components are rampant in India.



## Compromised assets by percent of branches involving Intellectual Property theft\*

Type	Category	Percent
Database server	Servers	48%
File server	Servers	32%
Finance / Accounting staff	People	29%
Human resources staff	People	29%
Documents	Offline Data	28%
Regular employee/end user	Offline Data	28%
Web/application server	Servers	25%
Mail server	Servers	12%
Directory server (LDAP:AD)	Servers	6%
Executively/Upper Management	People	6%
Desktop/Workstation	User Devices	5%

\*Assets involved in less than 1% of branches are not shown

Courtesy: McAfee Threat Report 2012

The laws at present hardly provide for effective deterrence either by way of monetary penalties, damages or criminal prosecution. The counterfeit market not only affects corporate India but also the government. FICCI study revealed that smuggling and counterfeiting is estimated to cost the government INR 26,190 crore (USD 4.83 billion) annually in the form of revenue loss. Globally, the number of IPR seizures remained somewhat consistent from 24,792 in FY 2011 to 22,848 in 2012.

## NATURAL HAZARDS

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 11	# 5	<ul style="list-style-type: none"> <li>➤ India lies in a geographical zone which makes it prone to earthquakes, floods and cyclones</li> <li>➤ 22 incidents of floods reported from the country in 2012, causing huge loss of life and property</li> <li>➤ Intensity of earthquakes every month is increasing in several parts of the country</li> </ul>

Natural hazards are events occurring in nature having a negative impact on people as well as environment. Gradual change in climatic conditions has aggravated the vulnerability of India to the forces of nature. This trend has been more pronounced in recent years when such natural disasters took a heavy toll of life and property.



In the year 2012, flooding has emerged as the number one natural hazard in India followed by storms, earthquakes and cyclones. Last year, as many as 22 incidents of floods including flash floods occurring across country has been recorded. Next major threat come from earthquakes which are as damaging and severe as flooding. In the year 2012, nearly 36 incidents of low and moderate intensity earthquakes have been reported. In the year 2013, India recorded 14 earthquakes of low and moderate intensity in the month of January. In first fifteen days of February, India witnessed 6 earthquakes of low and medium intensity on Richter Scale. Although no major damage has been reported in these earthquakes, seismologists are of the view that a major earthquake is pending for years in the northern part of India. If that happens, damage will occur at an unprecedented scale for which the country is not prepared. Besides, four incidents of landslides were recorded last year in which several lives were lost. Every year, heat and cold wave along with heavy rainfall also take a heavy toll in terms of men and working days lost.

Disruptions resulting from these types of disasters have created ripples across sectors. These have shaken industries and have also taken their toll on employee, customer and partner relations. A study by Oxfam *Rethinking Disasters* states that climate related disasters resulted in 9 to 13% loss of GDP (Gross Domestic Product) in India in 2010 and will be a key factor in preventing the economic growth of South Asia. Moreover, natural disasters damage infrastructure such as power and communication and prevent businesses from sharing critical information with employees.

“

*More than 250 million people each year are affected by disasters caused by nature. The number of natural disasters has more than doubled since 1980 as a result of climate change, population increase and rapid industrialization. A way to mitigate these risks is to create public-private partnership solutions.*

”

**Dr. A. Didar Singh**  
Secretary General  
FICCI



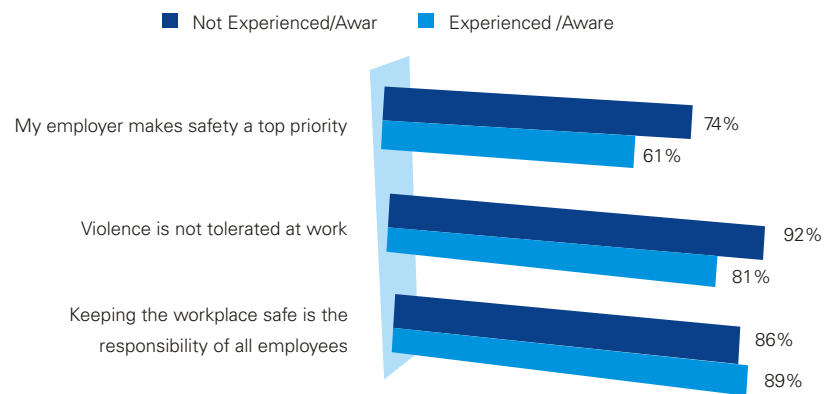
## WORKPLACE VIOLENCE AND SEXUAL HARASSMENT

IRS 2013	IRS 2012	Diagnostic Rationale/Remarks
# 12	# 12	<ul style="list-style-type: none"> <li>➤ Incidents of workplace violence leading to deaths and injuries have been rising in public and private sectors</li> <li>➤ The bill on the Sexual Harassment at the Workplace has been passed by the Parliament on 26 February 2013</li> </ul>

As per the description provided by the International Labour Organization (ILO), workplace violence could be physical or psychological, anything at the place of work that may fall under homicide, rape, kicking, biting, punching, harassment, including sexual, and racial abuse, bullying, mobbing, victimizing, leaving offensive messages, name-calling or deliberate silence.

Workplace violence is not a new phenomenon in India. The incidents of workplace violence have been recorded both from the public and private sectors. On 19 July 2012, one person (HR Manager) was killed and 40 others injured in a violent clash between workers and supervisors in Maruti Suzuki's Manesar plant. In May and August 2012, clashes were reported between officers and soldiers belonging to the prestigious Indian Army in Leh, Jammu and Kashmir. Healthcare services were similarly plagued by several incidents of workplace violence across India in 2012 and 2013. On 31 January 2013, as many as 40 resident doctors of Bhabha hospital in Mumbai, went on strike after one of them was roughed up by the family of the patient who died.

## Experiencing Workplace Violence Diminishes Perception of Workplace



Source : *Potential Workplace Violence Prevention and your Organizational Success* (Highpoint Execustive Publishing, 2011)

Since 2009, at least 30 police personnel from the rank of Assistant Police Commissioner to Constable were booked by Delhi Police on charges of sexual harassment. In August 2012, air hostess of MDLR Airlines committed suicide citing sexual harassment at workplace. According to the survey, *Sexual Harassment at Workplaces in India 2011-2012*, conducted by Oxfam India and Social and Rural Research Institute, 17% of working women admitted that sexual harassment at workplace is rampant but no one talks about it. Moreover, the survey revealed that top 3 areas of employment that are extremely unsafe for women are casual labourers (29%), domestic help (23%) and small-scale manufacturing workers (16%). A majority of respondents (both general population and working women) perceived women working in unorganized sectors to be more susceptible to sexual harassment due to lack of legislative awareness.

The bill on the Sexual Harassment at the Workplace has recently been passed by the Parliament (26 February 2013). The law while providing protection to women workers including domestic helps and agricultural labourers against sexual harassment at workplace, makes it mandatory to dispose off such cases by in-house committees within 90 days, failing which the organization would invite penalty of INR 50,000. Repeated non-compliance would even lead to higher penalties and cancellation of license to conduct business. Earlier in the absence of any guidelines for sexual harassment at workplace, the Supreme Court of India in 1997, in the case known as Vishakha Vs. State of Rajasthan issued some guidelines. In this case, the Supreme Court noted that since the enactment of such legislation will take considerable time, it is necessary for employers to observe certain guidelines to ensure the prevention of sexual harassment of women. As these guidelines are not followed religiously, Supreme Court in October 2012, made it mandatory for all the States, Union Territories and the regulatory bodies to put in place a legal mechanism to implement the 'guidelines in the Vishaka case'.

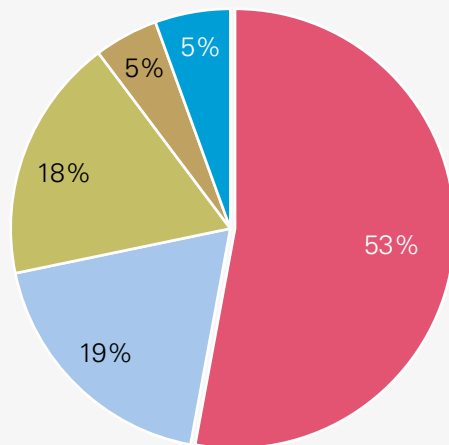
# Methodology and Respondents

The aim of the *IRS 2013* is to quantify twelve prominent risks and rank them as per their criticality to the respective businesses approached by the IRS team. The methodology adopted was simple. A risk survey was conducted across various industrial sectors in and outside of India cutting its territorial boundaries and regions, to collect responses from lower, middle and high end professionals. The results that were gathered through this process are represented in the form of graphs along with the detailed explanation of each risk in the report. The highest risk is ranked as number one and the lowest risk is ranked as number twelve.

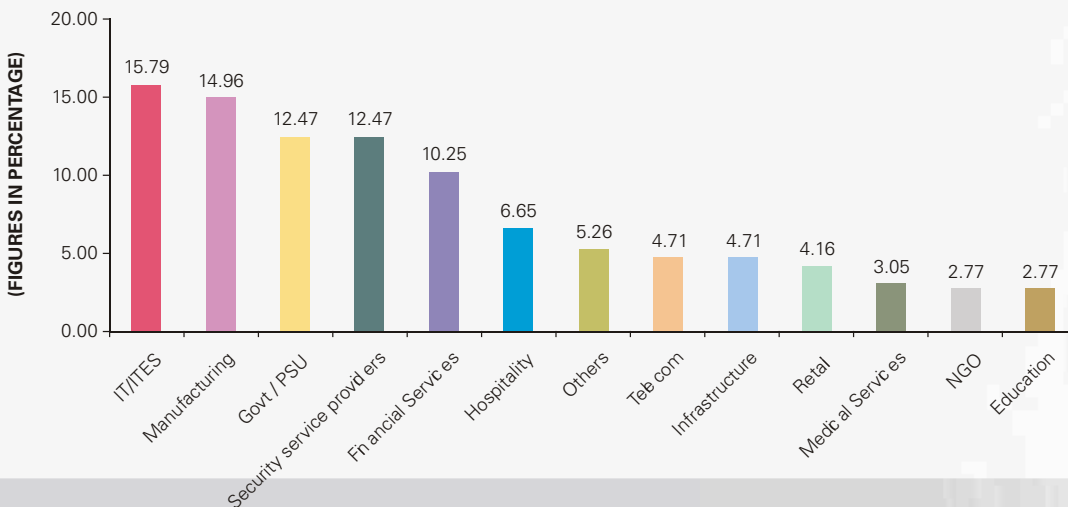
The contribution of each region and industry is highlighted in the pie diagram below –

## Region-wise Contribution

■ North ■ South ■ West ■ East ■ Outside India



## Industrywise Contribution





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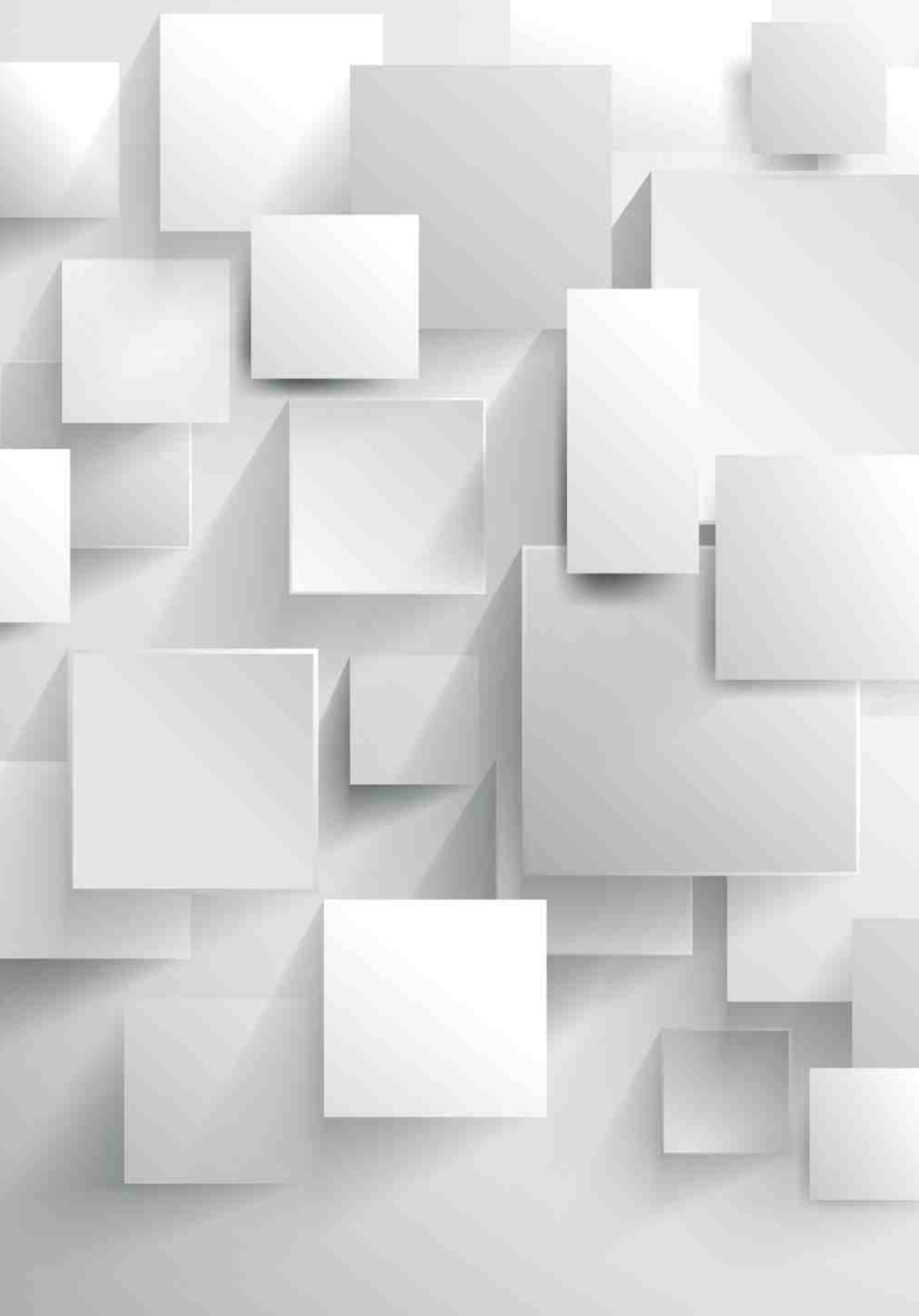
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## About Pinkerton

Pinkerton is the industry's leading provider of risk management services and solutions for organizations throughout the world.

### The Industry Leader Since 1850

Pinkerton Corporate Risk Management offers national and global organizations a vast selection of reliable risk management services and solutions, including: Investigations; Protective Services; Crisis Management & Emergency Services; Employment Screening; Security Management & Consulting; Intelligence & Information Services; and Brand Protection & Intellectual Property.

Pinkerton traces its roots to 1850 when Allan Pinkerton founded The Pinkerton National Detective Agency. Throughout its rich history, Pinkerton created forerunner to the Secret Service, hired the country's first woman detective, and has remained the industry leader in developing innovative security and risk management solutions for national and international corporations.

With employees and offices around the world, Pinkerton has the resources to provide reliable and scalable protection for clients and their assets around the globe.

**Our Values** – Our values create the foundation of our corporate culture. They help shape our behavior and create measurable expectations for clients, employees and stakeholders. Our key values can be summarized in three words: Integrity, Vigilance and Excellence.

**Integrity** – The overriding principles of our firm are honesty and ethical conduct. To uphold our reputation for reliability and accuracy, Pinkerton places utmost importance on integrity. It has allowed us to sustain our commitment throughout our 160 year history.

**Vigilance** – Unparalleled protection requires the tenacity to continually see, hear, evaluate and analyze...over and over. The vigilance instilled in the Pinkerton culture means that our agents, analysts and consultants offer clients a level of attentiveness and alertness that – we believe – cannot be equaled by anyone.

**Excellence** – It's crucial to get the job done and get it done right. This is how we earn the privilege of retaining our long-term client relationships.

## 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 industrialization, and its emergence as one of the most rapidly growing global economies. FICCI has contributed to this historical process by encouraging debate, articulating the private sector's views and influencing policy.

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry.

FICCI draws its membership from the corporate sector, both private and public, including SMEs and MNCs; FICCI enjoys an indirect membership of over 2,50,000 companies from various regional chambers of commerce.

FICCI provides a platform for sector specific consensus building and networking and as the first port of call for Indian industry and the international business community.

**Our Vision:** To be the thought leader for industry, its voice for policy change and its guardian for effective implementation.

**Our Mission:** To carry forward our initiatives in support of rapid, inclusive and sustainable growth that encompass health, education, livelihood, governance and skill development.

To enhance efficiency and global competitiveness of Indian industry and to expand business opportunities both in domestic and foreign markets through a range of specialised services and global linkages.



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