ICICI Lombard
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CORPORATE INDIA RISK INDEX
2023

Intelligence partner FROST & SULLIVAN

SECTOR REPORT 2023

NEW AGE & STARTUP

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Preface

Corporate India Risk Index is primarily an academic exercise to understand the level of risk that companies are facing and also assist in developing a successful risk aversion plan, CIRI is a first-of-its-kind risk measurement tool to gauge the level of a company's risk exposure and preparedness.

This Corporate risk comprises of various aspects of the business–spanning customer, competition, regulatory environment, business operations, technology finances, environmental factors etc. The impact of unprecedented events is significantly higher now.

This Index is a comprehensive framework that draws upon global risk management best practices and comprises of 32 risk elements across 6 broad dimensions. The Risk Index is based on the principles of Lean and Six Sigma that qualify business processes by measuring effectiveness and efficiency.

ICICI Lombard's Corporate India Risk Index provides a crucial tool for assessing and addressing risks, fostering resilience and adaptability in the ever-evolving global landscape. In the current climate of increasing macroeconomic uncertainties, it is essential for corporates to prioritize robust risk management. We believe that a proactive approach to risk management not only fortifies individual businesses but also contributes significantly to India's overall economic growth and stability.

Executive Summary

The Indian new age and startup sector of 2023 showcased remarkable resilience and growth, marked by a total funding of Rs. 68,292 crores, reflecting confidence in the entrepreneurial ecosystem. Key sectors like Retail, Fintech, and DeepTech flourished, while cities beyond traditional hubs, like Jaipur, emerged as significant contributors to the ecosystem. However, amidst this growth, the sector encountered multifaceted risks, demanding strategic mitigation and adaptation.

Technology disruptions posed a significant threat, with rapid advancements potentially rendering existing products obsolete. Despite increased spending on digital transformation, startups faced the challenge of keeping pace with emerging trends like AI and DeepTech. Cyber-crimes, including deceptive tactics and DDoS attacks, heightened security concerns, underscoring the need for robust cybersecurity measures.

Natural hazards, such as flooding and earthquakes, alongside the economic fallout of the Covid-19 pandemic, disrupted operations and hindered growth. Strategic risks, including government support fluctuations and funding slowdowns, added to the sector's challenges. Operational and physical risks, encompassing sustainability and portfolio management, underscored the importance of long-term viability.

Market and economic risks, including inflation and taxation complexities, further strained startups' resources and growth prospects. Despite these challenges, opportunities abound, with India poised to become the third-largest economy globally by 2027. The sector's future hinges on navigating risks through strategic foresight, collaborative efforts, and leveraging emerging opportunities. Government support, streamlined regulations, and a focus on sustainability and innovation are imperative for fostering a resilient and thriving startup ecosystem, addressing challenges while unlocking the sector's vast potential for growth and job creation.

Introduction

ICICI Lombard Corporate India Risk Index is a one of its kind, unified, credible, standardized corporate Risk Index that spans over the country level, the industry level, and the company level. The index has a comprehensive sector coverage.

Aerospace and Defence, Agriculture and Food Processing, Automotive and Ancillary, BFSI, Biotech & Life sciences, Chemicals and Petrochemicals, Education Skill Development, Energy, FMCG, Healthcare Delivery, Infra and Realty, IT/ITES, Manufacturing, Media and Gaming, Metals and Mining, New Age & Startup, Pharmaceuticals, Telecom and Communication Technology, Tourism and Hospitality, Transportation and Logistics.

The impact is identified across key business risk (internal and external) under the following 'Strategic Risk Areas', The ICICI Lombard Corporate India Risk Index Framework comprises of 32 risk elements across 6 broad dimensions.

Market and Economic Risk

Corporate Risks arising due to market and economy related factors, such as internal or external political uncertainty, global slowdown, taxation-regulatory changes etc. Market and economy related risks are also identified as 'Systematic Risks', we have further classified the risks into below mentioned categories.

- **Inflation:** Inflation is the general increase in prices within the economy. The rising prices for businesses could result in bigger production spending and a fall in profitability. The companies should be attentive, acute, and responsive to changes in inflation to efficiently manage the prices of final products.
- **Taxation:** In a large democracy like India, complexity of multiple taxes (multiple taxes like GST, custom duties, central excise duty, etc.) is a major concern. The changing legislations, increased scrutiny by tax authorities and increasing public attention are together resulting in tax risks for organizations. There is, thus an increasing urgency for firms to manage their tax affairs efficiently to minimize tax risks.
- **Regulatory Risks:** Regulatory risk is the risk of changes in regulations and laws that might affect an industry or businesses. The regulatory changes can pertain to tariffs and trade policies, business laws pertaining to employment, minimum wage laws, financial regulation, Foreign Direct Investment etc.

- **Foreign Exchange Risk:** The exchange rate plays an important role for firms who export goods and import raw materials. The fluctuations in foreign exchange will have great impacts on the prices of traded goods. For example, if the currency depreciates (devaluation), the exporting firms will benefit. However, the firms importing raw materials will face higher costs on imports. The firms need to hedge their exposure to foreign exchange risks to insulate themselves from the impact from forex changes.
- **Geo-political Tension:** Geopolitical risk means the political and economic risks that are a potential threat to the financial and operational stability of companies.
- **Competitive risk:** Competitive risk is the risk associated with the fact that there are multiple companies competing in the market, each seeking to obtain the highest position and consumer ratings, to gain maximum benefits for themselves. The companies devise different strategies to garner a higher market share and acquire customers from competitors. Any failure in managing the competitive stand could lead to losses in business, thereby making marketing and competition a major risk in market.

Technology Risk

Technology risks are also identified as information technology related risks which may arise due to failure of any installed hardware or software system, spam, viruses or any malicious attack. Also delay/over/under adoption of trending disruptive technologies can lead to technology related risks. We have classified the risks in below mentioned categories.

- **Innovation Risk / Obsolete Technology**: Innovation is the key to success in all the industries. Risk of redundancy and losing out to competition on account of poor R&D is a major concern.
- **Intellectual Property risk:** Dependence on trade secrets and unpatented proprietary know-how.
- **Disruptive Technologies:** These will fundamentally alter the financial prospects of the industry.
- **Data Compromise:** Hardware failure refers to malfunctions within the electronic circuits or electromechanical components (disks, tapes) of a computer system; Software failure refers to an operating system crash. Such failures lead to stoppage of entire computer or operating systems creating substantial losses to business.

Operational and Physical Risk

Risk of losses caused due to faulty or failed processes, systems or human resource related inefficiencies are classified as operational and physical risks. We have classified Operational & Physical risks in below mentioned categories.

- **Critical Infrastructure Failure / Machine Breakdown:** Industries with a heavy dependence on machinery consider any rise in machinery breakdowns a hindrance to their businesses operations. An untimely equipment breakdown can bring businesses to a standstill or be the root cause for fires and explosions. Mostly, human errors and deferred maintenances are the major reasons for such breakdowns. The companies should actively invest in timely maintenance of all machineries.
- **Business Continuity / Sustainability:** Non adoption of Business Continuity/ Sustainability Plans and Lack of Internal Control tools would result in: Failure of businesses, Brand Equity / Loss of reputation, Financial Loss, Business model Failure, Ineffective engagement/communication with stakeholders, Losses in productivity, Lack of opportunity monitoring.
- **Supply chain risk:** Raw Material unavailability and Heavy Dependence on Global Supply Chains / Supplier concentration risk. Unavailability of raw materials owing to disruption in the supply chain or heavy dependency on one source (company/country) which is unable to supply owing to some geo-political tensions, fires, or any other incidents. Transportation is one of the key activities for companies making it an important risk to mitigate. The loss of goods in transit and spillage is one of the major concerns as it accounts for a sizeable loss of revenue to companies.
- **Commodity Price Risk - Volatility in prices of raw materials:** The fluctuations in raw material prices creating a margin pressure / top-line pressure in the scenario of rising input costs.
- **Portfolio Risk:** Loss of key customers, Customer concentration - Key customers accounting for a larger share of revenue, Over-dependence on suppliers, Business Model Risk: Transformative changes in business model, Tail Risks: Ability to overcome or manage extreme worst-case scenarios.
- **Environmental Hazard Risk:** Any environmental hazard having the potential to affect the surrounding environment.
- **Workplace Accident:** Fire and Explosion Hazards, Containment Incidents and Workplace Injuries.
- **Human Resource:** Key person risk: This risk occurs when a business or business unit becomes heavily reliant on a key individual. Talent acquisition and retention - The companies require a highly skilled labor force for R&D as well as continuous production. Accessing skilled resources and expertise on an on-going basis is one of the major challenges; moreover, retention of trained staff is imperative. Labor shortages, Union Strikes & Industrial Actions, Employee health, safety, and security (SHE/Sustainability risk).
- **Financial Risk:** Financial Reporting Risk: Material misstatement of Financial Statements, whether due to fraud or error. Interest rates and equity prices: Interest rate risk arising out of working capital borrowings at variable rates. Equity price fluctuations affect the Company’s income or the value of its holdings of financial instruments. Liquidity Risk (Credit Risk / Receivables).
- **Breaches of law (local/ international):** Voluntary/ involuntary breaches of law can lead to costly lawsuits.

Crime & Security Risk

Cybersecurity risks relate to the loss of confidentiality, integrity, or availability of information, data, or information (or control) systems and reflect the potential adverse impacts to organizational operations. These attacks can cause major financial losses, reputational harm, and a loss of client trust. Regarding cybersecurity, the BFSI industry in India has several difficulties, including difficult-to-secure legacy systems, a shortage of qualified cybersecurity personnel, and the requirement for ongoing system and network monitoring. There is a significant investment in cybersecurity tools like network monitoring, endpoint security, access control, and threat intelligence. Many organizations are also implementing cutting-edge technology like artificial intelligence and machine learning to strengthen their security posture.

We have classified Crime & Security risks in below mentioned categories.

- **Cyber Crimes:** Data Theft, Spam, scams and phishing, Hacking, Malwares and Viruses, Piracy, Fraud, Corruption, Malicious attacks
- **Counterfeiting:** Counterfeiting of goods/services leads to loss of revenues, profits and ultimately affects the brand equity
- Threat to Women Security
- **Terrorism:** Un-lawful use of violence and intimidation, especially against civilians, in the pursuit of political aims.

Natural Hazard Risk

A natural hazard is the threat of an event that will likely have a negative impact. A natural disaster is the negative impact following an actual occurrence of natural hazard if it significantly harms a community. Due to India’s geographical structure, it is one of the most disaster-prone countries in the world. Natural hazards like floods, earthquakes, landslides, and cyclones are common risks faced by India. The situation has worsened due to rise in GHG emissions, loss of biodiversity, deforestation, and degradation of environment. Such natural disasters hamper the day-to-day operations of corporates, and it is important for them to understand that such risks cannot go unheeded. Over the years, Indian corporates have learnt to mitigate such risks by diversifying their supply chains, having multiple logistics partners, diversified geographical presence and multiple vendors.

- **Pandemic and other global epidemic diseases:** Risk to business owing to disruptions caused by COVID-19 pandemic and similar another global epidemic.

Strategic Risk

Strategic risk is the risk that failed business decisions may pose to a company. Strategic risk is often a major factor in determining a company's worth, particularly observable if the company experiences a sharp decline in a short period of time. Several factors, such as unethical or unlawful activities, poor customer service, product recalls, data breaches, or unfavorable media coverage, can lead to strategic risk. An organization's reputation can be severely harmed by a single negative incident, such as a high-profile data breach or fraud scandal, resulting in a loss of clients, income, and market share.

- **Resource scarcity / Misutilization / Overall Utilization:** Difficulties in acquisition of land, water, fuel, or other resources for operations of business.
- **Public Sentiment:** Current events playing out in the public scene can change the public sentiment.
- **Delay in execution of projects:** Delays in execution of projects can surge in the capex.
- **Increased number of recalls and quality audits:** Impacts both the brand equity and increased operational expenses.
- **Failed / Hostile Mergers & Acquisitions:** High dependence on inorganic growth.

Bottom-Up Risk Assessment Approach

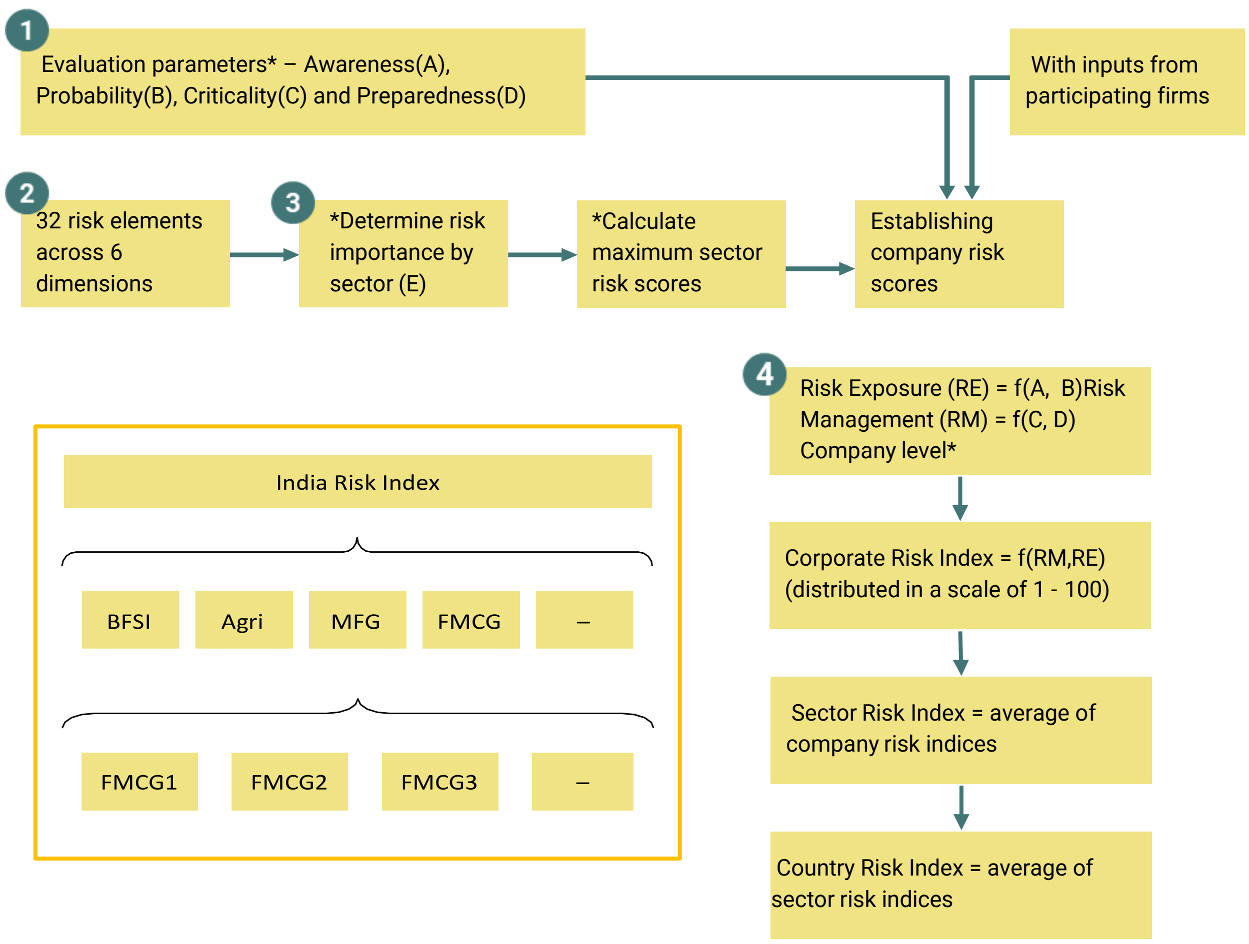


Figure 1: Risk Assessment Approach

1. **Evaluation Parameters*:** The index maps the risks faced by any enterprise basis of Awareness, Probability, Criticality and Preparedness against the defined Risk elements. The evaluation Parameters are defined as:
    - Awareness - Level of awareness of potential risk affecting the firm.
    - Probability - Likelihood of riskto affect the business goals of the firm adversely.
    - Criticality - Level of impact of the identified risk on the success of business goals.
    - Preparedness - Risk handling practices/ mechanisms already in place to handle the risk.

2. **Determining Risk Importance*:** Importance/Impact of individual risk element is established against individual sector based on the published corporate risk reports, in depth sector understanding by F&S team and SMEs.
3. **Calculating Maximum Sector Risk Score**: Weighted Sum of all risk elements based on their importance to the respective sector.
4. **Company Level*:** All the Risk Index scores for companies in a sector are averaged to represent the sector; and sectors average to India. Risk Exposure is defined as the function of corporate's Risk Awareness and Probability of risk occurrence. Risk Management is defined as the function of an enterprise risk preparedness and criticality risk impact assessment.

Defining the Risk Scale

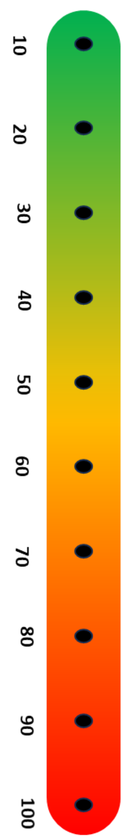
We have selected 20 sectors to understand the current stand of our country today in terms of risk. Risk for various sectors is measured on the risk exposure scale and risk management scale.

A. ICICI Lombard Corporate Risk Exposure – Scale

Risk Exposure: The impact of any internal, external or strategic occurrence on the financial performance of an organization is defined as the corporate risk exposure.

Risk has traditionally been seen as somethingto be avoided – with the belief that if behavior is risky, it's not something a business should pursue. But the very nature of business is to take risks to attain growth. Risk can be a creator of value and can play a unique role in driving business performance.

Let's look at the risk exposure scale.



A score **less than 30** indicates very low risk exposure and the corporate entity has minimal overall risk exposure.

A score **between 30 and 50** indicates low risk exposure and the corporate entity's risk exposure is within acceptable or tolerable limits

A score **between 50 and 60** indicates moderate risk exposure and the corporate entity can balance the impact of overall risk to a certain extent.

A score **between 60 and 80** indicates high risk exposure, and its impact is very high in the industry in which the corporate entity operates.

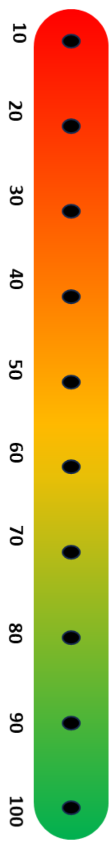
A score **greater than 80** indicates very high Risk Exposure and the corporate entity is unable to foresee risk incidence and the probability of occurrence of these incidents may be extremely high.

B. ICICI Lombard Corporate Risk Management – Scale

Risk Management: Identification, Evaluation and Prioritization of corporate risks followed by well-coordinated steps to minimize the occurrence of uncertainties in the foreseeable future is defined as the Corporate Risk Management.

The risk management scale works in the opposite to that of the risk exposure scale.

Let's look at the risk management scale.



A score **less than 40** indicates poor risk management and the corporate entity is unable to understand the concept of risk management.

A score **between 40 and 50** indicates below-par risk management and the corporate entity has inefficient risk management practices that are reactive to newer or unknown risks.

A score **between 50 and 70** indicates acceptable risk management and the corporate entity is prepared to handle known risks and the criticality of its risks is not severe.

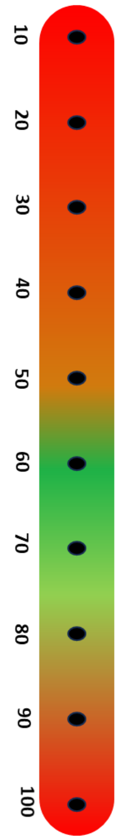
A score **between 70 and 80** indicates superior risk management and the corporate entity has employed top-class risk management practices to manage dynamic and unknown risks.

A score **greater than 80** indicates exemplary risk management and the corporate entity is over-prepared in risk management practices and is proactive in addressing emerging risks.

C. ICICI Lombard Corporate Risk Index – Scale

Risk Index: Risk Index is a measurement tool to gauge the level of Risk Exposure against Risk Preparedness. The score intends to give companies/Sector/Country access to an extensive and quantifiable metrics of risk management.

Let's look at the risk Index scale.



A score **less than 40** indicates an ineffective risk index meaning the corporate entity has very high risk exposure or very poor risk management practices or both.

A score **between 40 and 55** indicates a suboptimal risk index suggesting that not all risks are handled effectively and risk management practices of the corporate entity are likely to be outdated or inefficient.

A score **between 55 and 65** indicates an optimal risk index, indicating that most current risks are being handled effectively by the corporate entity. However, emerging risks associated with strategic initiatives need more diligence.

A score **between 65 and 80** indicates a superior risk index, indicating very effective and efficient risk management practices. The corporate is well-positioned to handle current and future risks across dimensions.

A score **greater than 80** is over preparedness indicating high investment in Risk mitigation practices likely over investment in one or more risk dimensions difficult to justify ROI

India - Emerging Superpower with Optimized Corporate Risk Handling

In 2023, India witnessed a number of developments in various sectors, reflecting changes in consumer preferences, technological advances and regulatory trends. These developments shaped the industry and affected strategic decisions among industry players.

Electric vehicles (EVs) gained traction across sectors, driving investments in infrastructure and incentivized by government policies promoting electric mobility. The Automotive industry witnessed a surge in demand for EVs, while Logistics & Transportation embraced electric fleets to reduce carbon emissions and operational costs. Digital transformation accelerated across sectors, fueled by the COVID-19 pandemic. Telemedicine, online banking, and remote work solutions proliferated in Healthcare, BFSI, and IT/ITES sectors, enhancing operational efficiency and customer experiences.

In 2023, sustainability took center stage as sectors across India embraced eco-friendly practices. The Energy sector witnessed a shift towards renewable energy sources, with significant investments in solar and wind power. Industries like Manufacturing and FMCG prioritized energy efficiency and waste reduction initiatives. Hospitality and Real Estate sectors focused on green building practices, while Agriculture adopted precision farming techniques to conserve resources.

AI integration surged in 2023, revolutionizing business operations across sectors. Manufacturing companies leveraged AI for predictive maintenance and quality control, enhancing efficiency and reducing costs. Healthcare adopted AI-powered diagnostics and personalized treatment plans, improving patient care. Financial institutions utilized AI for fraud detection and risk assessment, bolstering security and compliance.

Social media emerged as a powerful tool for brand building and customer engagement in 2023. FMCG and Retail sectors capitalized on social media platforms to launch targeted marketing campaigns and drive product sales. Hospitality and Tourism industries utilized social media influencers to enhance brand visibility and customer loyalty. By leveraging social media analytics and customer feedback, companies across sectors tailored their strategies to effectively connect with their target audience and build brand reputation.

The "Make in India" initiative drove significant changes in supply chain operations in 2023. Sectors like Automotive, Manufacturing, and Pharmaceuticals emphasized local sourcing to reduce dependency on imports. Companies diversified their supplier base and optimized logistics networks to mitigate supply chain risks. This strategic shift towards domestic production enhanced resilience and competitiveness across industries.

Diversity, Equity, and Inclusion (DE&I) initiatives gained momentum in 2023, fostering inclusive workplaces across sectors. Companies in BFSI and IT/ITES led the way with diversity training programs and gender-neutral policies. Healthcare organizations focused on addressing healthcare disparities among marginalized communities. Manufacturing and Retail sectors prioritized inclusive hiring practices to tap into diverse talent pools, driving innovation and employee engagement.

Leadership risks emerged as a critical concern in 2023, prompting sectors to reassess their leadership strategies. Companies in BFSI and Technology faced challenges in adapting to rapid technological advancements and changing market dynamics. Healthcare organizations navigated leadership transitions amidst the COVID-19 pandemic, emphasizing the need for agile and resilient leadership. Strategic investments in leadership development and succession planning became imperative to mitigate leadership risks effectively.

Disruptive technologies like artificial intelligence, blockchain, 5G, and IoT reshaped traditional business models, offering new avenues for innovation and growth in sectors such as Telecom & Communication, Biotech & Life Sciences, and New Age Industries.

The scenario of the Indian economy in 2023 had a myriad of risks and opportunities in various sectors. Cybersecurity emerged as a pervasive risk, affecting industries from banking and finance to healthcare and IT/ITES. With more than 400 million cyber threats detected in nearly 8.5 million locations by 2023, organizations prioritized strong cybersecurity measures. Advanced threat detection systems, encryption protocols and employee training programs were implemented locally to enhance cyber resilience and protect sensitive data.

Another common risk was supply chain disruption, exacerbated by factors such as geopolitical pressures, natural disasters, and semiconductor chip shortages. To mitigate these risks, companies diversified their supplier base, invested in inventory management systems, and adopted agile supply chain practices to enhance resilience and flexibility.

Regulatory uncertainty was rife in industries such as Pharma, Energy, Telecommunications, which required active engagement with regulators. Furthermore, environmental risks emphasized the importance of sustainability and green technologies, renewable energy and waste management practices to reduce environmental impact around us and compliance with legal standards.

Despite the challenges posed by common risks, several sectors emerged as resilient performers in 2023, whose efforts helped us understand the situation in 2023 better. Noteworthy efforts included the "National COVID-19 Vaccination Drive" in healthcare, "Electric Vehicle Adoption Mission" in automotive, and "Green Freight Movement" in logistics. Additionally, initiatives such as the "Make in India Defence" program in aerospace and "Skill India Mission 2.0" in education underscored the nation's commitment to innovation and development.

The Automotive industry in India showed resilience in the face of supply chain disruption and regulatory uncertainty. Focusing on sustainability and innovation, the sector saw an increase in electric vehicle (EV) adoption, with sales reaching Rs 4.22 lakh crore.

The Aerospace & Defence sector focused on developing indigenous manufacturing capacity and technology to strengthen national defence by investing Rs 1.5 lakh crore.

In the Healthcare sector, India has invested heavily in digital health solutions and infrastructure to combat the lingering effects of the COVID-19 pandemic. With a total investment of more than Rs 50,000 crore, companies have expanded telemedicine and implemented AI-powered diagnostics to improve patient care.

The Manufacturing sector prioritized digitalization and process optimization to enhance productivity and competitiveness amidst supply chain disruptions and inflationary pressures. Companies invested Rs 1.2 lakh crore in automation technologies and smart manufacturing initiatives to streamline operations and reduce costs. The Logistics & Transportation companies invested Rs 800 crore in blockchain-based traceability systems and cyber security protocols to secure supply chains and protect sensitive data from cyberattacks.

The Hospitality industry adapted to customer preferences and regulatory requirements through new service offerings and customer engagement strategies. With an investment of Rs 0.5 lakh crore, companies also focused on using contactless technology to improve health and safety measures, ensuring that guests have satisfaction and compliance.

The Agricultural & Food Processing sector embraced technological initiatives to increase agricultural productivity and ensure food security in the face of climate change and supply disruptions. With an investment of Rs 1 lakh crore, companies focused on precision farming and farm-to-fork traceability solutions to improve crop yield and quality.

The BFSI sector focused on digital transformation and risk management to address cyber threats and regulatory challenges. Banks and financial institutions invested Rs 2,50,000 crore to implement advanced cyber security measures and fraud detection systems to protect customer data and prevent financial fraud.

The Biotech & Life Sciences sector showcased innovation and resilience amidst regulatory complexities and supply chain disruptions. The Chemicals & Petrochemicals sector navigated environmental regulations and market volatility through sustainable practices and operational excellence initiatives. Digital learning and job training were adopted to meet workforce challenges and enhance productivity in the face of technological disruption and demographic changes in the Education & Skill Development sector.

The Energy sector has shifted towards renewable energy and sustainable development policies to mitigate the risks of climate change and reduce dependence on fossil fuels. Moreover, with investments of Rs 1.5 lakh crore in smart grid technologies and demand-side management initiatives to optimize energy consumption and reduce emissions, the sector prioritized grid modernization and energy efficiency.

The IT ITES sector continued to drive digital transformation and innovation to address cybersecurity threats and meet evolving customer demands. With investments of Rs 4 lakh crore, companies focused on cloud computing and cybersecurity solutions to protect data and ensure business continuity.

The Metals & Mining sector focused on sustainable practices and community engagement to address environmental concerns and social risks associated with resource extraction. With investments of over Rs 0.8 lakh crore, companies implemented reclamation and rehabilitation projects to restore mined areas and promote biodiversity conservation.

The New Age sector, comprising startups and technology companies, showcased innovation and resilience amidst market uncertainties and funding challenges. Additionally, the sector prioritized talent acquisition and retention, with investments of Rs 0.5 lakh crore in employee benefits and workplace diversity initiatives to attract top talent and foster a culture of innovation.

The Telecommunication sector continued to expand connectivity and digital infrastructure to meet growing demand for broadband services and IoT applications. With investments of over Rs 2 lakh crore, companies deployed 5G networks and fiber-optic cables to enhance network capacity and speed.

In summary, India's diverse sectors demonstrated resilience and innovation in navigating through a challenging operating environment in 2023. As India continues its journey towards economic prosperity, proactive risk management and innovation will remain critical drivers of success across diverse sectors.

India Showcasing an Optimized Risk Handling

Figure 2: Corporate India Risk Index 2023

A score of 64 on the Corporate Risk Index indicates optimal handling of risk by the Indian companies. However, to enter the superior risk handling territory, the Indian companies have scope to improve upon their risk management practices in the areas of crime & security risks and strategic risks. It was observed across sectors that there is an increased focus on cybersecurity and other technological risks.

In the sectorial analysis of risk exposure, it was found that companies were most affected by market & economy and operational & physical risks due to inflation, global volatility and geopolitical events like the Red Sea crisis, Israel Palestine conflict and Russia Ukraine War.

Another common risk was supply chain disruption, exacerbated by factors such as geopolitical pressures, natural disasters, and inflation. To mitigate these risks, companies diversified their supplier base, invested in inventory management systems, focused on localization and adopted agile supply chain practices to enhance resilience and flexibility.

It was observed that risk management is getting an increased focus in the growth strategy of every organization with companies having dedicated risk teams to manage their risk exposure. All the organizations fell either into ‘Superior Risk Management’ or ‘Optimal Risk Management’ category indicating good risk management practices.

Below is a broader categorization of sectors in terms of risk index:

Figure 3: Corporate India Risk Index 2023 Sector Score

Superior Risk Index

Superior risk handling was found in nine industrial sectors: Telecom & Communication, Pharmaceuticals, Healthcare Delivery, Automotive & Ancillary, Manufacturing, FMCG, Media & Gaming, New Age & Startups and Tourism & Hospitality.

Optimal Risk Index

Optimal risk handling was found in 11 industrial sectors: BFSI, Energy, Transportation & Logistics, Agriculture & Food processing, Metals & Mining, Aerospace & Defence, IT ITES, Education & Skill Development, Infrastructure & Realty, Biotech & Lifesciences and Chemicals & Petrochemicals.

New Age & Startup Sector Insights 2023

In 2023, the Indian startup ecosystem experienced a transformative year marked by resilience, growth, and adaptation to evolving market dynamics. With a total funding of Rs. 68,292 crores, the funding landscape showcased encouraging trends, underlining the robustness of India's startup landscape. This significant funding, sourced from both Indian and international investors, reflects the confidence in India's entrepreneurial ecosystem and its potential for innovation-driven growth.

Fueling this growth were several factors contributing to the expansion and diversification of the startup sectors. Increased internet penetration, accelerated digitization across industries, and proactive government initiatives played pivotal roles in fostering an environment conducive to startup innovation and investment. Over the years, key sectors such as Retail, Enterprise Applications, Fintech, Transportation & Logistics tech, Food & Agriculture tech, Auto tech, Travel & Hospitality tech, and Edtech emerged as top-funded sectors, reflecting the diverse opportunities and market demands.

In particular, the Deep Tech sector witnessed steady growth, attracting total funding of Rs. 5,471 crores. This sector, characterized by research and development-driven innovation, underscored India's commitment to technological advancement and scientific research. New emerging sectors such as DeepTech, SpaceTech, Artificial Intelligence, and Electric Vehicles (EVs) expanded the startup landscape, offering innovative solutions to pressing societal and industrial challenges.

The year 2023 also witnessed significant developments in SpaceTech, driven by privatization initiatives. India emerged as the seventh-largest recipient of funding within the International SpaceTech landscape, highlighting the growing interest and investment in space-related innovations. Bengaluru continued to cement its position as the primary startup hub, attracting substantial funding inflows, followed by Delhi-NCR and Mumbai.

Moreover, the startup ecosystem extended beyond traditional metropolitan hubs, with several successful startups emerging from non-metropolitan areas. Cities like Jaipur showcased notable achievements in sectors like FinTech, demonstrating the decentralized nature of India's startup growth. The Economic Survey 2023 highlighted the pivotal role of startups in job creation, with around 10 lakh jobs generated by the sector.

In parallel, investments in startups focused on professional upskilling and ongoing education demonstrated the industry's commitment to human capital development. The Indian economy's outlook remained optimistic, with a projected annual growth rate of 6.3% (as per IMF data) in 2023–24. The government's support for the tech ecosystem was evident in the 2023 budget, which included initiatives like tax breaks and the Drone Shakti Program to incentivize innovation and entrepreneurship.

Looking ahead, the long-term prospects for India's startup ecosystem remain promising. The IMF projects India to become the third-largest economy globally by 2027, underscoring the country's potential for sustained growth and development. An uptick in investment activity is anticipated as the global economy stabilizes, positioning India as a top investment destination for startups and investors alike.

The rise of Indian Unicorns symbolizes the dynamic nature of the economy, with 111 unicorns recorded as of October 2023. These startups are not only driving innovation but also contributing to job creation and economic growth. However, challenges persist, including a slowdown in funding, revenue generation struggles, and limited access to supportive infrastructure and tax structures. The year 2023 presented significant setbacks for the industry, characterized by tech stock collapses, funding winters, and mass layoffs. Despite these challenges, Indian tech companies managed to raise over Rs. 2,07,036 crores in funding in 2022, showcasing resilience and adaptability amid adversity. As the startup ecosystem evolves, investors are recalibrating their strategies, prioritizing sustainable growth models and early-stage players.

Sectors like fintech continue to attract investor interest, despite the funding slowdown. The valuation landscape has seen fluctuations, with startups resorting to convertible notes and flat rounds to navigate uncertainties. The year 2023 witnessed a recalibration in investor focus, with a shift towards a more measured approach and sustainable business models.

Despite the funding slowdown, optimism prevails as high-profile investments and emerging sectors like artificial intelligence and EVs signal potential for growth and innovation. E-commerce remains steady, signaling market resilience, while venture debt emerges as a significant funding avenue. Looking ahead to 2024, sectors like AI, fintech, and EVs are poised for growth, supported by investor interest and government initiatives.

In summary, the Indian startup journey in 2023 reflects adaptability, strategic foresight, and collaborative growth. With an eye on overcoming challenges and seizing opportunities, the ecosystem is poised for strategic growth, paving the way for a more robust and diversified startup economy by the end of 2024. With over Rs. 162,000 crores of dry powder awaiting deployment, the stage is set for a potential revival.

The journey ahead involves navigating through uncertainties, leveraging emerging opportunities, and collectively scripting a story of sustainable growth and innovation.

New Age & Start up Sector Risk Index 2023 Vs 2022

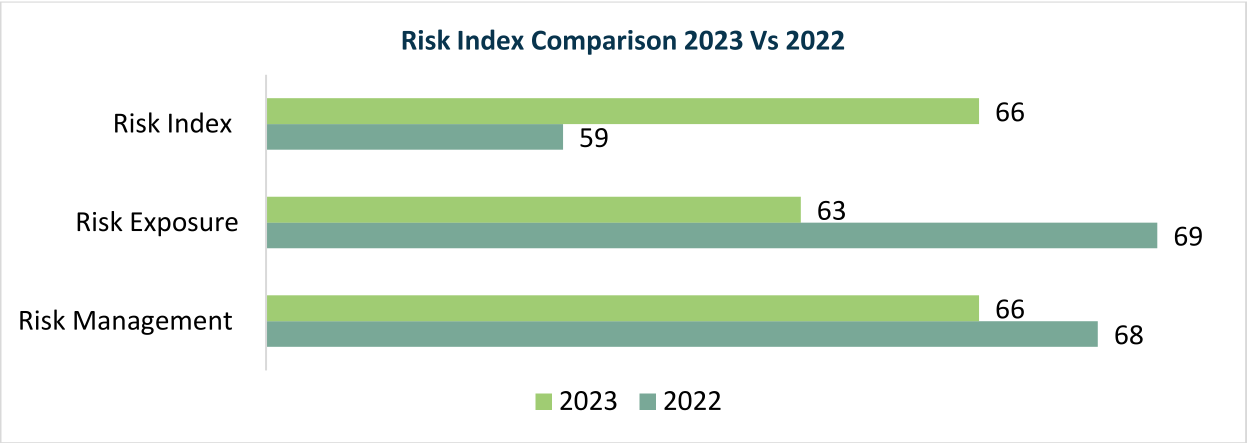


Figure 4: Detailed Comparative Analysis 2023 Vs. 2022

New Age & Start up Sector Risk Index 2023 Vs 2022

The New Age sector in India experienced a notable increase in its risk index from 59 in 2022 to 66 in 2023, driven by a combination of global economic uncertainties, geopolitical tensions, and sector-specific challenges. The ongoing Russia-Ukraine conflict heightened global uncertainties, impacting investor confidence, and disrupting business operations within the sector. Concurrently, the broader global economic slowdown influenced industrial activities and investment, exacerbating challenges faced by New Age startups.

Additionally, the depreciation of the Indian rupee against major currencies and elevated CPI inflation strained profitability and heightened exchange rate risks, further amplifying overall risk exposure. These factors, coupled with the sector's unique vulnerabilities amidst geopolitical tensions, contributed to the increased risk index. The uptick underscores the sector's susceptibility to external shocks and underscores the need for robust risk management strategies to navigate volatile environments effectively.

New Age & Start up Sector Risk Exposure 2023 Vs 2022

The decrease in the risk exposure index for India's New Age sector from 69 in 2022 to 63 in 2023 can be attributed to sector-specific strengths and proactive risk management strategies. The robust growth and technological advancements in the e-commerce and fintech sectors have bolstered resilience, driving down overall risk exposure. Additionally, the proactive approach of Indian business leaders in identifying and managing risks while seeking opportunities within them has contributed to the decrease. With a focus on leveraging cybersecurity measures and emerging technologies for risk mitigation and value creation, the New Age sector demonstrates a more favorable risk outlook, leading to a lower risk exposure index.

New Age & Start up Sector Risk Management 2023 Vs 2022

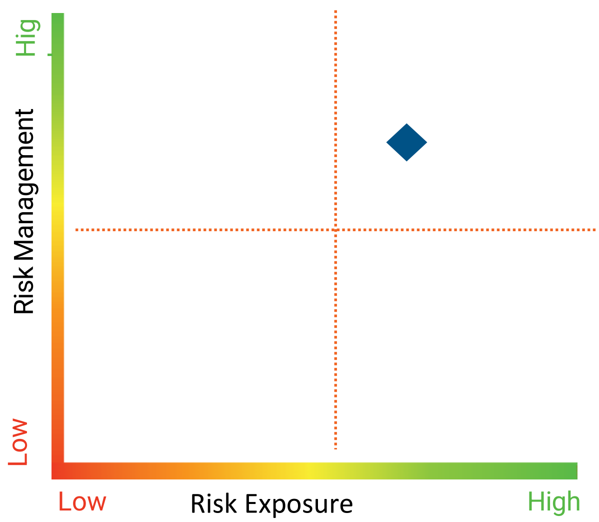
The decrease in the risk management index for India's New Age sector from 68 in 2022 to 66 in 2023 can be attributed to a combination of proactive risk-taking by Indian business leaders and sector-specific dynamics. While 62% of organizations exhibit a proactive approach to risk, seeking opportunities within risks, the sector's overall risk management index declined. This decrease stems from evolving challenges and complexities within the e-commerce and fintech sectors despite their robust growth and technological advancements. Nonetheless, the sector maintains a positive outlook, leveraging cybersecurity measures and innovative technologies for risk mitigation and opportunity identification.

Key Highlights

Risk Dimension Analysis: Market and Economy

Risk Exposure Score: 65

Risk Management Score: 67



Inflation

- The surge in global inflation rates has led to central banks worldwide increasing interest rates to combat rising prices. This has a cascading effect on the cost of borrowing for startups and businesses. In India, this trend is contributing to higher interest rates on loans, impacting the cost of capital for startups.
- New-economy companies laid off more than 28,000 employees in the first three quarters of 2023, as startups went ahead with major restructuring to conserve cash and prioritize verticals essential for continued operations, amid a persistent funding winter.
- In India, startup funding has declined to a five-year low figure in 2023 — $7 billion as compared to $25 billion received in the previous year, a nearly 73% decline from funding recorded in 2022 amid a worsening global macroeconomic environment tossed by geopolitical tensions.

Taxation

- A survey by the Confederation of Indian Industry (CII) found that 38% of startups considered complex tax regulations as a major challenge.
- Economic Survey 2023 suggests tax simplification to accelerate 'reverse flipping' of Indian startups. With easy access to capital, changes in rules regarding round tripping, and the growing maturity of India's capital markets, startups operating in India are exploring "reverse flipping", or shifting domicile from abroad back to India.
- Indian startups are currently concerned about a recent proposal that has surfaced. The proposal

suggests that new-age companies, which extend their shares to foreign investors, might now be subject to the 'angel tax.' Previously, this tax was applicable only to investments obtained from resident Indian investors, as outlined in the Finance Bill, 2023.

- Sugar cooperatives can claim payments prior to 2016-17 made to sugarcane farmers as expenditure and new cooperatives that commence manufacturing activity till March 2024 would also attract a lower tax rate of 15%.
- Startups are eligible for 100% exemption of tax excluding the Minimum Alternate Tax (MAT) which will follow the 18.5% of the profit as stated in the books, on earnings for the first three years.

Regulatory Risks

- A report by the Federation of Indian Chambers of Commerce and Industry (FICCI) found that 62% of startups consider cumbersome regulations as a major barrier to growth.
- Data from the World Bank's Doing Business report suggests that it takes an average of 22 days to start a business in India. While this might not directly reflect new-age companies, it indicates the potential bureaucratic hurdles startups can face.
- While India's overall Ease of Doing Business ranking sits at 77th out of 190 countries, according to the World Bank, starting a business there proves to be a particular hurdle, with the country ranking a much lower 137th in the Starting a Business sub-index. This suggests significant room for improvement in streamlining the process of launching new ventures in India.

Foreign Exchange Rates

- In Indian importers and exporters left a bigger portion of their foreign currency exposures unhedged in 2023, relying on the Reserve Bank of India (RBI) holding the rupee in a narrow range.
- Forward contracts purchased by importers to hedge future foreign currency payments dropped 14.5% on-year in 2023, while hedging by exporters declined 12.5%, according to Reuters' calculations based on data from Clearing Corp of India.
- Many startups in India raise funds from foreign investors. Fluctuations in exchange rates can impact the value of these investments, making it difficult for startups to predict and manage their cash flow.
- The Indian rupee has experienced depreciation against the US dollar in recent years. For instance, shows the rupee depreciated by over 7% in 2022 compared to the dollar.

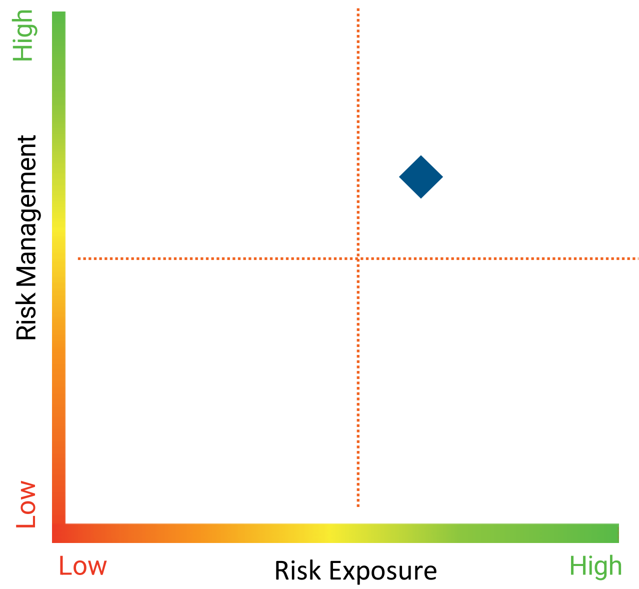
Geopolitical Risks

- 2023 will be a difficult year for growth across most regions. Global economies are confronted by a range of geopolitical challenges, including: the ongoing Russia-Ukraine War, China's Covid crisis, climate-related events, unpredictable and increasingly protectionist trade policies, and ongoing pandemic-related economic distortions.
- There was already a huge shortage of semiconductors across the globe and after Russia's invasion of Ukraine, the situation worsened as Russia is a key supplier of essential raw materials used in manufacturing semiconductor chips.
- The Indian government's response to geopolitical events can also impact startups. For example, policies restricting foreign investment from certain countries could limit funding opportunities for some startups.

Risk Dimension Analysis: Technology

Risk Exposure Score: 67

Risk Management Score: 68



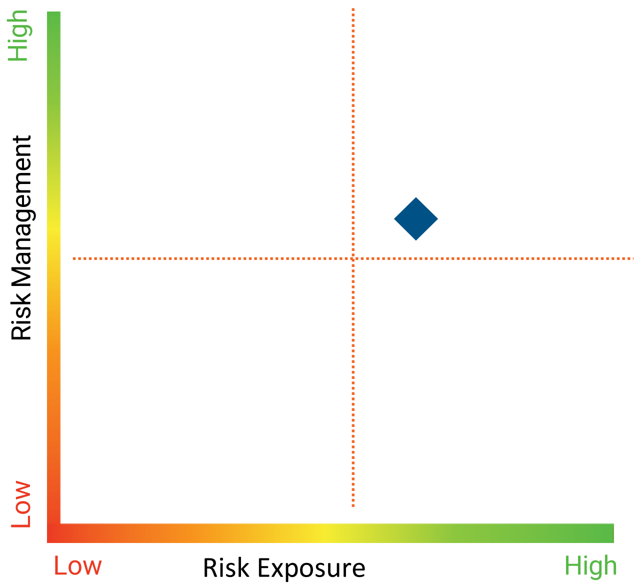
Disruptive Technology

- Disruptive technologies can quickly render existing products and services obsolete. This can be a threat to established startups if they are unable to adapt and innovate quickly enough.
- According to a survey, a majority of businesses across 13 countries plan to increase their spending on digital transformation in 2023 vs. 2022.
- The year 2023 is set to be revolutionary for technology, with many disruptive trends expected to reshape how businesses function and how people interact with each other. From metaverse-based virtual workspaces, advancements in quantum computing and green energy sources to innovations in robots and satellite connectivity.
- Investments in DeepTech will continue an upward trend in 2024. With Gen AI acceleration, 70% of startup founders are embedding Artificial Intelligence in their solutions.
- India remains the third-largest tech startup ecosystem globally, with over 950 tech startups founded in 2023, contributing to a total of more than 31,000 tech startups in the last 10 years. The cumulative funding for these tech startups from 2019 to 2023 has exceeded INR 5.8 Lakh Crore.

Risk Dimension Analysis: Operational and Physical

Risk Exposure Score: 61

Risk Management Score: 68



Sustainability/ Business Continuity

- Many startups prioritize rapid growth and user acquisition in the initial stages, potentially neglecting long-term sustainability practices like environmental responsibility or ethical sourcing. This can damage brand reputation and lead to consumer backlash.
- India has established a goal of reducing greenhouse gas emissions intensity by 33-35% by 2030 in comparison to 2005 levels. The startup sector holds significant potential in contributing to this objective by introducing innovative solutions to combat climate change.
- Neglecting sustainability and business continuity planning can expose new-age and startup companies in India to significant risks. By prioritizing long-term environmental and social responsibility, while also building resilience against disruptions, startups can create a more sustainable and successful future.

Portfolio Risk

- Investors also recognized the necessity for a more active role in their portfolio companies. This involved providing support for growth decisions and exercising supervision over corporate governance. In essence, founders and investors alike grasped the importance of a thoughtful and sustainable approach, acknowledging that a balanced strategy is essential for the long-term success of businesses in the dynamic ecosystem.
- In the past five years, we have become accustomed to receiving positive news, often breaking records. However, 2023 represented a departure from this trend, with a record of a different nature. Startups in the country managed to raise only $7 billion, marking the lowest amount in the past five years. This decline is mainly attributed to a significant reduction in late-stage funding, which fell from $15.6 billion in 2022 to just $4.6 billion in 2023.
- Initiatives such as the Fund of Funds for Startups (FFS) scheme, Startup India Seed Fund Scheme (SISFS), and Credit Guarantee Scheme for Startups (CGSS) were implemented under the Startup India initiative to provide capital at various stages of a startup's business cycle.

- In 2023, the new-age platform businesses have the potential to surprise as dark horses. Despite significant corrections since their IPOs, their fundamentals have been consistently improving quarter after quarter.
- These companies are strategically pivoting towards profitability, thereby enhancing the likelihood of unexpected earnings growth and outperforming the market.

Human Resource Risk

- As per a report, there is a growing gap between industry requirements and the skills available in the Indian workforce. This is a challenge not just for startups but reflects a broader issue in the Indian job market.
- In 2023, startups are noticing a disparity between the knowledge imparted to students in colleges and the skills required for jobs, particularly in sectors characterized by rapid technological advancements. Acquiring talent has become increasingly challenging in India in 2023 due to heightened demand for skilled workers across various industries.
- Venture capital funds backing fewer women startups than men-led ones in 2023 is one of the challenges faced today by the world.

Financial Risk

- In India, startup funding hit a five-year low in 2023, taking a significant drop from previous year. This decline of nearly 73% from the funding recorded in 2022 coincides with a deteriorating global macroeconomic environment exacerbated by geopolitical tensions.
- Indian startups raised Rs. 12,100 crores between July and September this year, A report said, adding that the number was about Rs. 900 crores in October and November 2023.
- In 2023, India, which previously held the 4th position among the highest-funded geographies globally in both 2022 and 2021, has now slipped to 5th place, as stated in the report.

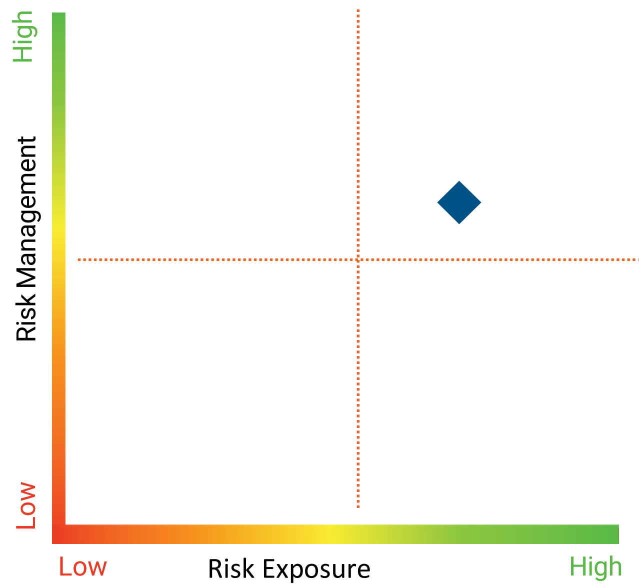
Breaches of Law

- Non-compliance with various laws and regulations can lead to hefty fines and penalties for startups. These financial burdens can strain limited resources and hinder growth.
- The World Health Organization has banned the sale and promotion of infant formula, such as Nestle, which has faced widespread criticism globally for allegedly breaching ethical marketing standards and misleading consumers with false nutritional assertions regarding its baby milk products by likening them to breast milk.
- Many early-stage startups might not have the resources to hire dedicated legal counsel. This can lead to inadvertent breaches of law due to a lack of awareness or understanding of complex regulations.

Risk Dimension Analysis: Crime and Security

Risk Exposure Score: 63

Risk Management Score: 61



Cyber-crimes

- Cybercriminals are expected to become even more adept at infiltrating supply chains to target businesses (High Risk). This means traditional security measures might not be enough, and startups need to be extra vigilant.
- Cybercriminals use deceptive emails or messages to trick employees into revealing sensitive information. Startups with less security awareness training for employees might be more susceptible to these attacks.
- As these attacks overwhelm a website with traffic, making it inaccessible. While disruptive, DDoS attacks typically don't steal data. However, startups with limited resources might struggle to defend against them.
- State-sponsored cyber-attacks against India increased by 278% between 2021 and September 2023, with services companies, including information technology (IT) and business process outsourcing (BPO) firms, seeing the highest share of attacks, a new report has found.

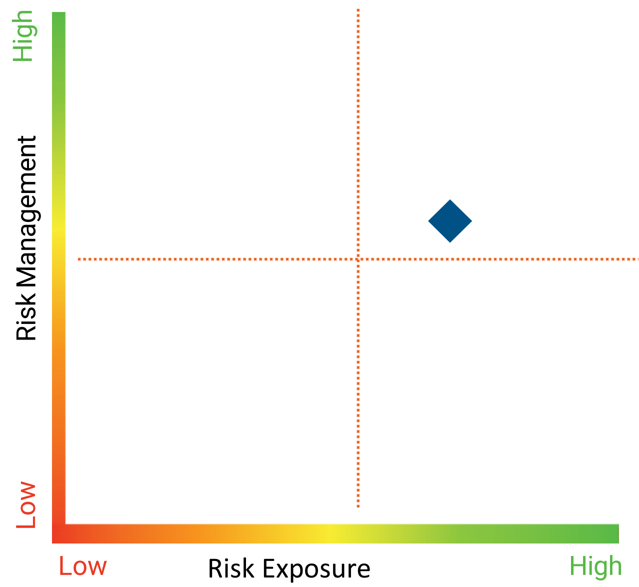
Terrorism

- A major terrorist attack can disrupt the overall economy, impacting investor confidence and potentially hindering access to funding, crucial for startups.
- If a startup is associated with a terrorist attack (e.g., being used by a terror group), it can severely damage its reputation and hinder its ability to attract customers and investors.
- Startups in certain sectors, like tourism or hospitality, might be more vulnerable to the economic fallout of a terrorist attack.
- The bigger concern might be the indirect consequences of terrorist activities that could disrupt the overall business environment and pose challenges for startups.

Risk Dimension Analysis: Natural Hazard and Event

Risk Exposure Score: 57

Risk Management Score: 63



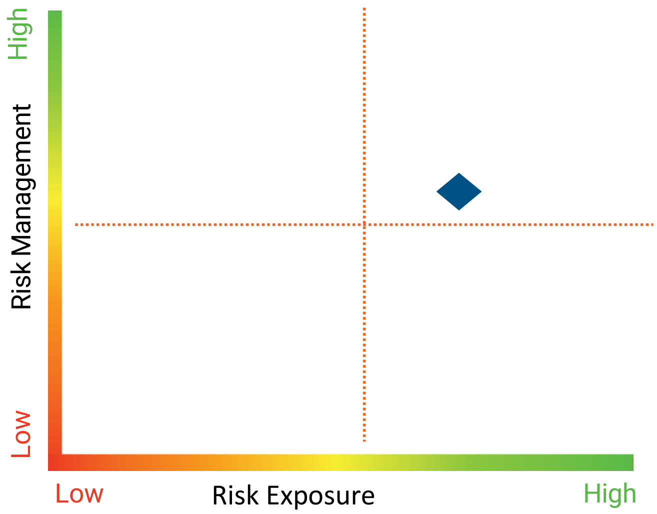
Natural Hazards:

- India experiences frequent monsoon seasons, leading to flooding in many regions. This can damage infrastructure, disrupt transportation networks, and cause power outages, impacting businesses of all sizes, including startups.
- Certain parts of India are located in earthquake-prone zones. While major earthquakes are less frequent, they can cause severe damage to buildings and disrupt essential services, impacting startups across various sectors.
- Parts of India experience periodic droughts, impacting water availability and agricultural production. This can disrupt supply chains and affect startups that rely on agricultural inputs or operate in water-intensive industries.
- The Covid-19 pandemic caused a global economic slowdown, leading to a decline in investor confidence and a decrease in startup funding. Many startups struggled to raise capital, hindering growth plans.
- A survey by NASSCOM in India reported that around 40% of startups had to halt or significantly reduce operations during the pandemic.

Risk Dimension Analysis: Strategic Risk

Risk Exposure Score: 64

Risk Management Score: 64



Government Support

- India has emerged as the third largest ecosystem for startups globally with more than 1,16,679 DPIIT-recognized ventures across the country, according to data available on the Startup India portal. Since the announcement of the Startup India Initiative in 2016 multiple schemes and initiatives have been introduced to boost the growth of India's startup ecosystem.
- Startup funding in India has declined to a five-year low figure in 2023 — $7 billion as compared to $25 billion received in the previous year, a nearly 73% decline from funding recorded in 2022 amid a worsening global macroeconomic environment tossed by geopolitical tensions.
- It is emphasized that the most significant government initiative has been the establishment of SIDBI's 'Fund of Funds' for startups. This scheme has invigorated the Indian venture capital industry, enabling startups to mature with domestic capital, a crucial development.
- According to SIDBI's latest impact assessment report, the scheme has facilitated investments of approximately Rs 17,534 crore in 938 startups as of November 30, 2023. Overall, the scheme has played a vital role in fostering the growth of the startup ecosystem in India.

Funding

- With a total funding of Rs. 68,292 crores, the funding landscape showcased encouraging trends, underlining the robustness of India's startup landscape. This significant funding, sourced from both Indian and international investors, reflects the confidence in India's entrepreneurial ecosystem and its potential for innovation-driven growth.
- Global startup investment in 2023 reached approximately Rs. 2,317,050 crores. This marks a significant decline year-over-year compared to the Rs. 3,756,060 crores invested in 2022.
- In the 'Indian Economy: A Review January 2024' report by the Department of Economic Affairs, it was revealed that the 1.14 lakh startups identified by the government through the 'Startup India initiative' had generated over 12 lakh jobs as of October 2023.
- The government said that INR 611.36 Cr was approved for 160 incubators by the EAC under the Startup India Seed Fund Scheme as of April 30, 2023
- The approved incubators selected 1,039 startups for providing support of INR 176.63 Cr, with Vel Tech - Technology Incubator selecting 29 startups.

ICICI LOMBARD: Key Solution Offerings

Property

Evaluation of various risks to understand areas for improvement, such as fire preparedness, electrical safety, safety & emergency preparedness, maintenance and house-keeping, etc. By evaluating risks, we can identify potential hazards and advise on mitigating risks.

- **Property Loss Prevention:** We believe users should carry out detail risk visit followed by benchmarking of the industry good practices (Industry Risk Profiling). For instance, industries such as chemicals & petrochemicals impose a major challenge in manufacturing due to inherent risk. We recommend solutions for "Low Focus - High Loss Areas. This can help in minimizing severity losses. All the risk recommendations are grouped into four different segments based on cost-impact matrix and the priority is decided accordingly. Key decision makers at user's end can ensure to get recommendations implemented.

- **Comprehensive Risk Assessment (CRA):** A Comprehensive Risk Assessment is a systematic approach to electrical safety specially designed for industries to evaluate potential hazards and recommend improvements, coupled with savings. It is an important tool for identifying risks, severity of hazards and avoid incidents arising out of electrical faults.

- **Electrical Risk Assessment (ERA):** An Electrical Risk Assessment is a basic solutions focused towards electrical safety designed to evaluate potential hazards and recommend improvements. Majority of fires in India are caused due to electrical installations. Ensuring safety of electrical installations of industrial unit or organization is critical to reduce risk and ensure safety compliance with Safety Standards and Regulation. ERA is an important tool which have 6 inbuilt activities such as Electrical Audit & Thermography built in with other such solutions.

- **Fire Hydrant IoT:** Fire hydrant monitoring is an automated solution that monitors key parameters such as Hydrant and Sprinkler line pressure, Main and Jockey pump on-off status. These can be interpreted to provide intelligence on unauthorized usage of water and leakage. This information pertaining to breach of above mentioned parameters is notified through dashboard & email alerts. Monitoring of such system is essential as these fire fighting systems are lifeline during any emergency.

- **Temperature & Humidity IoT:** Provides end to end plug & play ambient temperature and humidity monitoring Solution to manage temperature and humidity-controlled environment more efficiently. It generates - Automated reports (historical trends for different locations etc.). Intelligent Alerts - SMS & emails is sent to the concerned (one or multiple) stakeholders in case any anomaly.

- **Electrical IoT:** Electrical IoT is a patented solution (ILGIC Patented Solution) to avoid any instances of short circuiting due to abnormal voltage & current conditions. These are mainly built for application in warehouses. This solution has been created as these locations are having huge stocks with lesser manpower during emergencies mainly during non-business hours. The device automatically cuts off power in case of abnormality & restarts back when situation is normal.

- **Ultrasound technology for Gas Leak Detection:** Use of ultrasound technology for leak detection in process lines. The methodology recommends a non-destructive way of avoiding losses with no downtime. The main objective is to identify the leakages in all pressurized systems including pipelines by using ultrasound technology and tag them for rectification. It also includes listing leaks with individual CFM losses and cost savings possible. The outcome of the exercise will help the plant maintenance team to rectify the leaks and reduce the energy cost. This will also improve the process parameters and production quality.

- **Fire Mitigation Solutions:** Solutions have been designed based on their specific needs, keeping in mind the level of awareness and complexity of the location. These best in class solutions which are installed at correct places by risk assessors.

- **Renewable Solutions:** In line with our philosophy for recommending business solutions, we recommend advise on efficiency measurements for wind and solar power generating assets. Drones are used to provide high accuracy and the quick reach which is not possible through any traditional methodology. User get to know about the low performing module and ways to improve the same within the entire solar plant with latlong identification. We recommend advanced drone-based technology for inspection of wind turbines and solar PV modules.

Marine

In the dynamic realm of marine insurance, cargo faces a myriad of risks, from unpredictable weather conditions to unforeseen accidents, safeguarding against potential challenges at sea is paramount.

- **MLCE (Marine loss control engineering):** Frequent occurring losses due to Peril such as accident, wet damage, theft, non-delivery, pilferage, hijack of consignments, mishandling shall be examined with ground inspections, root cause analysis with MIS, claim assessment reports.

- **Technical engagements:** Uncertainty of the risk associated with the transit can be concluded with marine experts. Risk assessment of cargo from packing, handling, lifting, securing, transit and final delivery methodology shall be discussed with the logistics team. Vessel selection, stowage and securing methods can be jointly discussed with the User's logistics team for a safe transit, dispatch and delivery coverage after assessing the risk on desktop with a virtual or F2F engagement and / or a ground visit.

- **Transit Telematics:** With the government’s constant agenda of upgrading to digitalized operations by introducing ULIP and NITI Aayog mode of operations, not having a visibility of transit will hamper your logistics operations. IOT and SAAS based products incorporating the design of a cost efficiency and loss mitigation system can help enhance delivery with safe operation. Additionally, a 24*7 risk control station and detailed post hijack recovery case studies is recommended to effectively monitor and mitigate theft / pilferage prone dispatches and ensure a safe transit delivery. Be it a temperature-controlled cargo, expensive cargo in transit or liquid bulk cargo in lorry tankers, it is essential to mitigate the risk and losses that might occur due to accidents caused by fatigue, unexplained conditions, or theft.

Liability

The growing adoption of technology in organizations has not only led to crucial data being stored and processed on digital platforms but also facilitated the automation of operations, thereby enhancing business efficiency. However, this shift also amplifies cyber risk, exposing sensitive information to potential threats and rendering organizations vulnerable to financial losses, reputational damage, and legal liabilities. As organizations delve deeper into the digital realm, fortifying cybersecurity measures becomes imperative to safeguard operational integrity and protect critical data from unauthorized access or breaches.

- **Phishing Simulation:** Experience cutting-edge phishing simulation tests to fortify your organization's defenses against cyber threats. You can enable phishing attack simulations to educate your employees on identifying and handling potential risks. Through engaging and interactive scenarios, you can raise awareness and equip your team with the necessary skills to detect and thwart phishing attempts.

- **Awareness Campaigns:** With Cyber Awareness Campaigns, you can go beyond just educating organizations about cybersecurity. The campaigns are meticulously designed to empower your team with essential best practices, insights into global incident trends and a comprehensive understanding of potential risks. Interactive designs help you captivate and engage your employees, fostering a cyber-aware culture within your organization. Customized campaigns can perfectly align with your unique needs and requirements and stay informed and vigilant.

- **Incident Response and Readiness:** A bespoke service that fortifies organizations with robust processes and clear communication channels for proficient cyber-incident management. This recommendation not only trims down the incident response time but also facilitates prompt, accurate action within the crucial initial hours. By meticulously assessing your organization's incident response policies and sculpting response systems in alignment with global industry benchmarks, this ensures you are thoroughly prepared to tackle the evolving digital threat landscape.

- **CXO's Session:** CXO’s Session service provides immersive training sessions, personalized coaching & interactive discussions to empower your CXOs with cybersecurity knowledge that aligns with your business objectives. The subject matter experts recommend strategic guidance and in-depth insights into the ever-evolving threat landscape, translating technical jargon into practical language. Regular cybersecurity forums facilitate peer-to-peer learning and benchmarking against industry standards. CXO- focused approach ensures a cyber-aware leadership team that drives your organization’s success securely into the future.

- **Weekly Threat Intelligence Bulletin:** Stay ahead of cyber threats with the Weekly Threat Intelligence Bulletin. We meticulously curate this comprehensive bulletin, providing timely insights on emerging threats, vulnerabilities, and attack trends. Delivered directly to your inbox, it recommends proactive advantage by promptly identifying potential risks. With continuous updates and ongoing support, you can confidently adapt your Defence strategies to combat the most sophisticated threats. It enables you to make informed decisions and protect your organization from emerging threats with Weekly Threat Intelligence Bulletin.

- **Email Security:** Safeguard your organization's communication channels with the Email Security solutions. We recommend robust measures to protect against phishing, malware & other email-borne threats. The advanced email filtering and authentication technologies prevent malicious emails from reaching your users inbox. Implementing encryption protocols to ensure the confidentiality of sensitive data in transit is a good idea. With real-time monitoring and threat intelligence, email security measures provide proactive Defence, detecting and blocking suspicious activities promptly. You can protect your organization's reputation and sensitive information with comprehensive Email Security measures, ensuring a secure and reliable email environment.

- **Agent-less Patching:** Agent-less patching platform for companies and MSMEs who want a rapid solution to distribute critical security updates and vulnerability fixes without causing system downtime. The patching platform not only assists with patch deployment, but it also enables your system administrator in understanding the patches, Adjustments & impact of the patches on the system. Before applying the patch, the software generates a warning if the system requires downtime or a reboot. You can experience a hassle-free patching process with the platform recommending enhanced security for your organization.

- **EDR/MDR Services:** Elevate your organization's cybersecurity capabilities with the Endpoint Detection and Response (EDR) and Managed Detection and Response (MDR) services. These advanced solutions provide continuous monitoring, rapid threat detection & effective incident response, safeguarding your digital assets in real-time. With EDR, proactively detect and respond to threats at the endpoint level, while MDR service offers 24/7 monitoring and expert support. You can strengthen defenses against the most sophisticated cyber-attacks with EDR/MDR services, ensuring a resilient and secure digital environment.

- **All-in-one Operating System:** All-in-One Operating System is a true game-changing platform that provides a fortified desktop environment to foster secure collaboration and centrally managed cybersecurity resilience. Inbuilt endpoint security serves as a vigilant guard, blocking potential dangers. Effortless IT management provides with a user-friendly interface, leading to significant cost savings in IT infrastructure. It provides in-built end-point security, automated updates and patches along with extensive device reports. Organizations can unlock a secure and prosperous future by embracing the All-in-One Operating System in their IT infrastructure.

- **Cyber Risk Management & Compliance Dashboard:** Gain a clear understanding of your organization's cyber risk exposure with Cyber Risk Management & Compliance Dashboard. This powerful tool assesses your risk posture, quantifies potential financial Impact & evaluates compliance with industry standards and regulations. Armed with this information you can make informed decisions to prioritize cybersecurity investments and ensure compliance with relevant laws and regulations. The intuitive dashboard provides a comprehensive view of your cybersecurity performance enabling data-driven decision-making. This solution enables organizations to stay ahead of threats and ensure a resilient cybersecurity posture.

- **Security Score Card:** Track your organization's cybersecurity performance with a dynamic Security Score Card solution. This comprehensive rating provides a clear overview of your security posture, highlighting areas that require attention and improvement. It empowers data-driven decisions, allowing you to focus on strengthening key areas. Identify potential risks and compliance gaps with industry standards and regulations. With actionable insights, you can prioritize cybersecurity investments effectively, ensuring a robust and resilient Defence against cyber threats. This Security Score Card solution can be your strategic tool to proactively elevate your cybersecurity posture.

- **VAPT:** Enhance your organization's cybersecurity defenses with the Vulnerability Assessment and Penetration Testing (VAPT) service. Skilled professionals conduct rigorous assessments, simulating real-world attacks to identify potential vulnerabilities in your digital infrastructure. With detailed insights, you can fortify your defenses and proactively address weak points before malicious actors exploit them. This service goes beyond identifying vulnerabilities, you also get actionable recommendations to mitigate risks effectively. Organizations can be one step ahead of cyber threats, ensuring the security and resilience of your critical assets with the comprehensive VAPT service.

Engineering

In engineering risk management, it's vital to adopt a holistic approach that extends beyond immediate concerns to proactively tackle potential risks and uncertainties. Drawing upon considerable expertise in claims handling and risk evaluation, a robust and customized protection strategy can be ensured. Construction endeavors face a myriad of risks such as floods, cyclones, impact damage, fires, theft, and collapse. However, the adverse effects of these risks can be mitigated through the implementation of extensive loss prevention measures specifically tailored for engineering projects.

- **Engineering Loss Prevention Exercise (ELP):** To effectively manage losses in Engineering Risk, fostering a culture of loss prevention is crucial. It's widely acknowledged that each construction project is distinct, presenting specific challenges related to geography, geology, occupancy, and construction methodology, which in turn result in unique associated risks. To cater this challenge a specific risk management framework which deals about the unique requirement of each project could be created for the loss minimization with reference to some parameters of distinctive research and industries best practices.

- **Drone Solutions:** In recent years, the construction industry has undergone significant changes due to the introduction of drone-based construction solutions. These cutting-edge technologies are transforming the planning, design, and execution of construction projects. A major benefit of drone technology in construction is its capacity to conduct aerial surveys, providing extensive coverage and detail. Drones, equipped with advanced cameras and sensors, can rapidly capture precise images and data, offering project managers valuable insights into site conditions. This data can facilitate project planning, cost estimation and design optimization by providing a comprehensive understanding of the project's parameters.

- **CPM - Fleet & Fuel Management:** An advanced GPS-equipped sensor is available to precisely measure direct fuel consumption, evaluate engine efficiency, and detect potential tampering of diesel engines in both mobile vehicles and stationary machinery. This solution enables real-time alerts for service reminders and critical health issues, facilitating prompt resolutions and enhanced utilization. Additionally, it offers valuable insights into machinery and equipment performance through comprehensive analyses, resulting in optimized inventory usage and increased efficiency.

Health

We highly recommend exploring proactive and preventive healthcare solutions, which can make a significant difference in maintaining good health. Recognizing that majority of in-patient department (IPD) admissions could be prevented with timely interventions and regular healthcare, it is important to focus on health, not just during illness.

- **Pioneering Digital Platform:** We recommend exploring digital health innovations offered by industry leaders, which provide cutting edge health solutions through the IL TakeCare (ILTC) app. Our platform has transformed the way health services are delivered by introducing a fully digital and cashless Outpatient Department (OPD) and Wellness Program.
- **Health Advisory Services:** We recommend a suite of health advisory services on the IL TakeCare app. Users can access health risk assessments, diet and exercise trackers, health parameter tracking and trends and sleep, meditation & hydration reminders. In addition, the platform recommends a feature to upload health records up to 1GB, and provides informative health blogs.
- **IL TakeCare App:** IL TakeCare app is a One-Stop-Solution for users with insurance needs. This robust user engagement is a testament to the high-value features that the app provides. Unique to the app is the innovative self-health assessment feature, which includes Face scan technology that can measure blood pressure, heart rate, cardiac variance, and SpO2 levels. The platform provides seamless teleconsultations with medical practitioners and specialists, and even recommends access to mental wellness experts to the insured. The facility for cashless OPD services and the efficient claim settlement process further enhance user experience. By encapsulating a wide range of state-of-the-art health services and solutions, the IL TakeCare platform revolutionizes corporate health management and serves as a comprehensive digital health solution.

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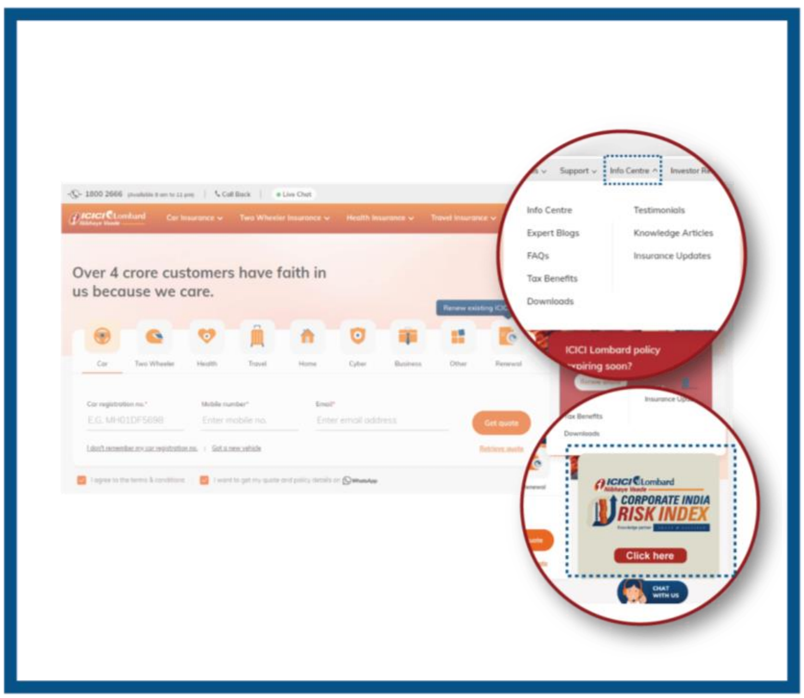

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