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RISK EXPOSURE REPORT

PREPARED FOR RAGHNALL



COMPANY PROFILE

Company Name:	hnr
Industry Type:	Agriculture & Forestry/Wildlife
Industry Sub Type:	Cattle Feed Mill
Estimated Annual Turnover:	1500
Estimated Asset Value:	151000
Number of Employees:	10

INDUSTRY OUTLOOK

Agriculture and allied activities recorded a growth rate of 3.9% in FY 2021-22 and is projected to register a CAGR of 4.9% during 2022-2027. Some of the key market trends to look out for in 2022 and beyond are:

1. **Changing consumer taste** - Wide array of products, coupled with increasing global connectivity, has led to a change in the taste and preference of domestic consumers.
2. **Rising demand of Indian products in International Market** - In November 2019, Haldiram entered into an agreement for Amazon's global selling program to E tail its delicacies in the United States.
3. **Product Innovations is the key to expansion** - Heritage Foods, a Hyderabad-based company, has plans to add five more milk processing units in the next five years for an investment of US\$ 22.31 million as part of its expansion plan to achieve US\$ 1 billion turnover by 2022.
4. **Emphasis on healthier ingredients** - Food processing companies are serving health and wellness as a new ingredient in processed food because of it being low on carbohydrates and cholesterol, for example, zero-% trans-fat snacks and biscuits, slim milk, and whole wheat products, etc.
5. **Higher consumption of horticulture crops** - There is a surge in demand for fruits and vegetables as a result of shift in consumption. Accordingly, Indian farmers are also shifting production.

RISK OUTLOOK



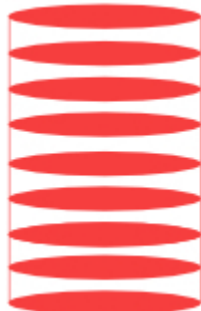
Extreme



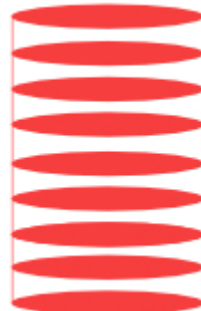
Medium



Cyber Risk



Crime Risk



Property Risk



Liability Risk

RISK INSIGHTS

Liability

- Indian legal environment is changing very fast and the legal expenses of companies are also increasing each year. The legal requirement of industries varies from industry to industry.
- As per the analysis of various costs incurred by different industries over a period of 10 years (2010-2019), the legal cost incurred by the agriculture industry was 0.33% of their total expenses and 0.34% of their 10 year average sales revenue.

Crime

As per PwC's Global Economic Crime and Fraud Survey (GECS) 2022, 52% of Indian organizations experienced fraud or economic crime within the last 24 months:

- Out of these 17% of the companies lost between USD 1Mn - 50Mn.
- 43% of the frauds were caused by external perpetrators, 33% by internal perpetrators and 24% was caused due to a collusion between internal and external actors.

Cyber

- Cyber attacks have been rated the top business risk in 2022 and have become the new norm across public and private sectors.
- The agriculture industry saw a total of 243 cyber attacks during Nov 2020 to Oct 2021 (11th highest in the world).
- This risky industry continues to grow in 2022 as IoT cyber attacks alone are expected to double by 2025.
- Cybercrime will cost companies worldwide an estimated \$10.5 trillion annually by 2025, up from \$3 trillion in 2015.

Property

Property - Crop shortfall, liquidity problems, and unfavorable markets are not just the fear of every producer, these agricultural production risks loom large over all players in the supply chain. Every participant from input suppliers and agricultural machinery manufacturers to grain traders, logistics companies, and the food industry has much at stake in the event of extreme weather that results in crop losses. Agricultural producers might face the risk of drought, hail damage, flooding, frosts, unseasonal weather, crop-destroying pests, and diseases. This has been made worse by the already noticeable effects of climate change: weather events such as drought, hail and torrential rain are likely to become more frequent, depending on the region. In addition, producers might have to contend with possible loss of production due to the failure of agricultural equipment. Managing the inevitable negative cash flows inherent in farming due to regular upfront input costs is vital to profitable operation.

WHY RAGHNALL



We, at Raghnall, build partnerships with your organization that goes beyond pure risk transfer and offer a variety of additional services, like assessing your risk exposure, crisis management support or help with preventative measures. At Raghnall, we have specialized underwriters and product experts who take time to understand your business and procure protection from the most appropriate source according to your needs.

KNOW MORE

THIS REPORT HAS BEEN PREPARED BY

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