

GENERATED ON **13/12/2022**

# RISK EXPOSURE REPORT

Prepared for  
**Ragnall**



# Company Profile

Company Name: **Raghnall**

Industry Type: **Manufacturing**

Industry Sub Type: **Carpenters, Wood Wool Manufacturing, Furniture Manufacturing And Other Wood Worker Shops (Excluding Saw Mill)**

Estimated Annual Turnover: **6767777**

Estimated Asset Value: **2345**

Number of Employees: **222**

# Industry Outlook

Organised manufacturing is the biggest private sector employer in India. Overall, more than 30 million people are employed in the sector (organised and unorganised) and will become the engine of growth as it tries to incorporate the huge available workforce in India, most of who are semi-skilled. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025.

Some of the key market trends to look out for in 2022 and beyond are:

1. **Export driven expansion** - Going forward, business leaders expect global demand to play a major role in expansion of India's manufacturing industry.

2. **Motherboard manufacturing** - Electronic motherboards demand in India is expected to grow by over six folds to reach ~ US\$ 81.5 billion by 2026, according to Manufacturers' Association for Information Technology report. Between FY21 and FY26, India is expected to generate cumulative export revenue of US\$ 101 billion.

3. **Industrial Internet of Things (IIOT) And Industry 4.0** - According to Ericsson's Capturing Business Opportunities Beyond Mobile Broadband Report, 5G industry revenue in India is anticipated at US\$ 17 billion by 2030, with the manufacturing sector being one of the key contributors (US\$ 3.74 billion). Smart manufacturing is expected to boost the 'Make in India' initiative.

4. **Six Technology Innovation Platforms** - On July 02, 2021, the government introduced six technology innovation platforms to boost the domestic manufacturing sector and develop innovative, indigenous technologies to put India at par with the global counterparts. The six platforms launched are as follows:

- ASPIRE (Automotive Solutions Portal for Industry Research & Education): Developed by the International Centre for Automotive Technology (ICAT)
- SanRachna: Bharat Heavy Electricals Limited (BHEL)
- TechNovuus: Automotive Research Association of India (ARAI)
- HMT TechPort: Hindustan Machine Tools Limited (HMT)
- KITE (Knowledge Integration for Technology Enrichment): IIT-Madras
- DRISHTI (Design, Research and Innovation by Harvesting Science and Technology for Industries) Central Manufacturing Technology Institute (CMTI)

## Risk Outlook



Extreme Risk



Medium Risk



## Risk Insights

- **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. The major fraud faced by the manufacturing industry was related to cybercrime (32%) followed by asset misappropriation (28%) and accounting fraud (24%).
- **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 manufacturing industry was 0.54% of their total expenses and 0.53% of their 10 year average sales revenue.
- **Employee** - 2021 has been unparalleled when it comes to the talent exchange we are witnessing across sectors. The overall annualized attrition number for 2021 stands at an astounding 20% which is a record high since 2011. Engineering and manufacturing sector saw an attrition rate of 8% which was towards the lower side, however 84% of the manufacturing firms are still facing a talent shortage. According to data collected by global workers' union, industrial sectors such as manufacturing, chemicals and construction report the most fatalities in India. In 2021 alone, it said an average of seven accidents were reported every month in Indian manufacturing industries, killing more than 162 workers.
- **Cyber** - Manufacturing, with its hum of machinery churning out the key components that make our modern life possible, continues to be a valued target for espionage. However, it has also become a lucrative target for financially motivated criminals looking to make quick money. Between November 2020 and October 2021, there were almost 24 thousand cyber security incidents worldwide, wherein manufacturing was ranked 6th with more than 9.5% of the cases.

# Why Ragnall

We, at Ragnall, 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 Ragnall, 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.

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