



GENERATED ON 05/01/2023

RISK EXPOSURE REPORT

PREPARED FOR RAGHNALL



COMPANY PROFILE

Company Name:	M11
Industry Type:	Natural Resources/Environmental
Industry Sub Type:	Conservation Organizations
Estimated Annual Turnover:	400000
Estimated Asset Value:	400000
Number of Employees:	100

INDUSTRY OUTLOOK

India is the world's third largest oil importing and consuming nation behind the US and China. According to IEA (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 million tonnes of oil equivalent, as the country's gross domestic product (GDP) is expected to increase to US\$ 8.6 trillion by 2040. Some of the key market trends to look out for in 2022 and beyond are:



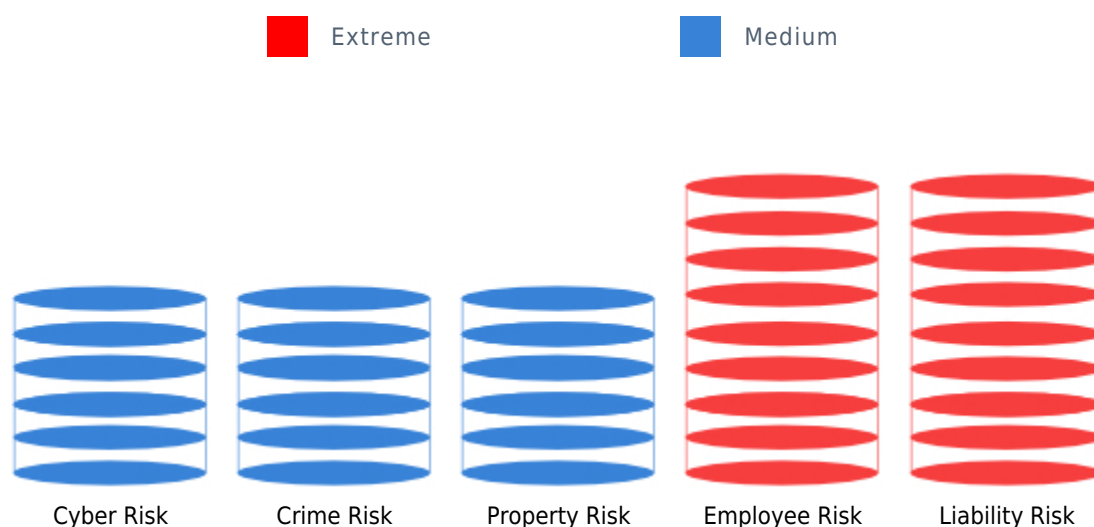
Underground Coal Gasification (UCG) - UCG is currently the only feasible technology available to harness energy from deep unmineable coal seams economically and in an eco-friendly manner. It reduces capital outlay, operating costs and output gas expenses by 25-50% vis-a-vis surface gasification.

Gas hydrates and bio-fuels - The Government initiated the National Gas Hydrate Programme (NGHP), a consortium of national E & P companies and research institutions, to map gas hydrates for use as an alternate source of energy.

Open Acreage Licensing Policy - Open Acreage Licensing Policy (OALP), which allows an explorer to study the data available and bid for blocks of his choice, has been initiated to increase foreign participation by global E & P companies like Shell, BP, Conoco Phillips, etc.

Oil & Gas Pricing - Organisation of the Petroleum Exporting Countries (OPEC) meets 78% of India's crude oil demand, 59% LPG needs and 38% LNG consumption, as of 2020. In November 2021, India announced that it will release 5 million barrels of crude oil from its strategic petroleum reserves in a concerted effort to bring down global crude oil prices. This is roughly equivalent to a day's consumption in the country.

RISK OUTLOOK



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 natural resources industry was 0.04% of their total expenses and 0.04% 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.
- The energy industry saw an attrition rate of 6.3% which was one of the lowest in the country.

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 crime faced by the energy sector was procurement fraud (45%) followed by cybercrime (29%) and supply chain fraud (29%).

Cyber

- Cybersecurity and environmental protection aren't exactly words that are thrown together often. When you hear environmental protection, you might think of forests, clean air, or endangered species. When you hear cybersecurity you might think of hackers, email scams, or identity theft.
- However, this industry also faces similar types of attacks as other industries such as those targeting credentials and leveraging ransomware, and in addition, has a high rate of social engineering attacks like Phishing.
- Between November 2020 and October 2021, there were almost 24 thousand cyber security incidents worldwide, out of which 2337 incidents happened in the mining and oil & gas extraction industry.

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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