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**Industry Report on Integrated Facility Management,
Staffing & Payroll Management, and Private
Security/Manned Guarding Services Business in India**

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ACRONYMS

Title	Abbreviations	Title	Abbreviations
ABRY	Atmanirbhar Bharat Rojgar Yojana	IoT	Internet of Things
AI	Artificial Intelligence	IT	Information Technology
BFSI	Banking, Financial Services and Insurance	ITeS	Information Technology enabled Services
BIM	Building Information Modelling	LEED	Leadership in Energy and Environmental Design
BOOT	Build, Own, Operate, and Transfer	LSEM	Large-Scale Electronics Manufacturing
BOT	Build, Operate, Transfer	MEP	Mechanical, Electrical, Plumbing
BPO	Business Process Outsourcing	MICE	Meetings, Incentive, Conferences, and Exhibitions
BREEAM	Building Research Establishment Environmental Assessment Methodology	MNC	Multi-National Companies
BSNL	Bharat Sanchar Nigam Limited	NABH	NextGen Airports for Bharat
CAGR	Compound Annual Growth Rate	NIP	National Infrastructure Pipeline
CCTV	Closed Circuit Television	NMCG	National Mission for Clean Ganga
CPCB	Central Pollution Control Board	NRI	Non-resident Indian
DESH	Development Enterprise and Services Hub	OECD	Organisation for Economic Co-operation and Development
EPC	Engineering, Procurement & Construction	OEM	Original Equipment Manufacturer
EPF	Employee Provident Fund	PF	Provident Fund
EQUIP	Education Quality Upgradation and Inclusion Programme	PLI	Production Linked Incentives
ESDM	Electronics System Design and Manufacturing	PMAY	Pradhan Mantri Awas Yojana
ESIC	Employees' State Insurance Scheme	PMI	Purchase Managers Index
FDI	Foreign Direct Investment	PPP	Public-Private Partnerships
FICCI	Federation of Indian Chambers of Commerce and Industry	RBI	Reserve Bank of India
FM	Facility Management	RCS	Regional Connectivity Scheme
FMCD	Fast Moving Consumer Durable	RISE	Revitalising Infrastructure and System in Education
FMCG	Fast Moving Consumer Goods	RPO	Recruitment Process Outsourcing

GDP	Gross Domestic Product	SEZ	Special Economic Zones
GPS	Global Positioning System	SIMA	Society of Indian Automobile Manufacturers
GST	Goods and Services Tax	SLA	Service Level Agreements
GVA	Gross Value Add	SOP	Standard Operating Procedures
HAM	Hybrid Annuity Model	UDAN	Ude Desh ka Aam Naagrik
HR	Human Resources	UK	United Kingdom
HVAC	Heating, Ventilation & Air-conditioning	ULB	Urban Local Bodies
ICRA	Investment Information and Credit Rating Agency	USA	United States of America
IFM	Integrated Facilities Management	USD	United States Dollars
IIP	Index of Industrial Production	WCM	Workplace Change Management
INR	Indian Rupees	WTO	World Trade Organisation

DEFINITIONS

IFM services can be broadly classified and defined as below:

Title	Definition
Soft Services	This includes Housekeeping/ Cleaning/ Janitorial, Disinfection & Sanitation, and Landscaping & Gardening services. More than one or all the services are combined in a Soft Services contract.
Hard Services	Pest Control Services, Mechanical, Electrical, Plumbing (MEP) Maintenance & Heating, Ventilation, Air-conditioning (HVAC) Services, Façade Cleaning, and City Maintenance Services (Municipal Sewage Treatment, and Solid Waste Management).
Other Services	This includes Catering, Production Support Services, Warehouse Management, and Airport Management for Multi-level Parking and Airport Traffic Services.

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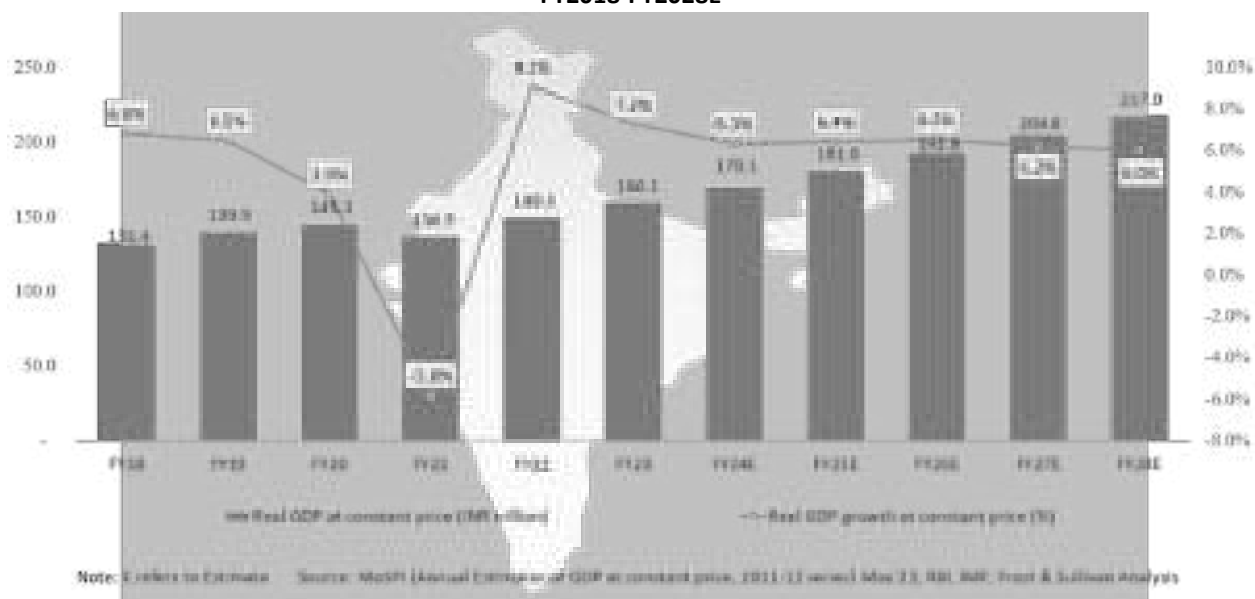
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CHAPTER 1: ASSESSMENT OF THE INDIAN MACROECONOMIC SCENARIO

India’s Economic Growth Trend:

The Indian economy is the fifth largest in the world, with a Gross Domestic Product (GDP) of USD 3.8 trillion in FY2023 (MoSPI estimates). The last decade was a mixed bag for the Indian economy with a see-saw movement in the GDP growth between 2010 and 2020. The economy, which was already slowing down since FY2018, received a massive jolt in FY2021 due to COVID-19 pandemic and shrunk by 5.8% in FY2021. However, the Indian economy showed tremendous resilience and bounced back from Q3 FY2021 on the back of corrective measures taken by the government along with huge pent-up demand and the festive season. FY2022 and FY2023 were strong, and the Indian economy registered 9.1% and 7.2% growth respectively, outperforming many other major economies.

Exhibit 1.1: India - Real GDP and real GDP growth (annual percentage change), value in INR trillion, growth in %, FY2018-FY2028E



The Indian government has been promoting structural reforms, such as a focus on infrastructural development, disinvestment, and higher Foreign Direct Investments (FDI) limits. These reforms have been critical for accelerating the post-pandemic economic recovery. The FY2024 budget has proposed a total capex outlay of INR 10 trillion¹, which is a 33.0% increase y-o-y and 3.3% of the total GDP. In addition, the government has announced seven priorities for the budget, ‘Saptarishi,’ which include inclusive development, reaching the last mile, infrastructure, and investment, unleashing the potential, green growth, youth power, and the financial sector. The outlook for FY2024 looks positive, with an estimated growth of 6.3%.

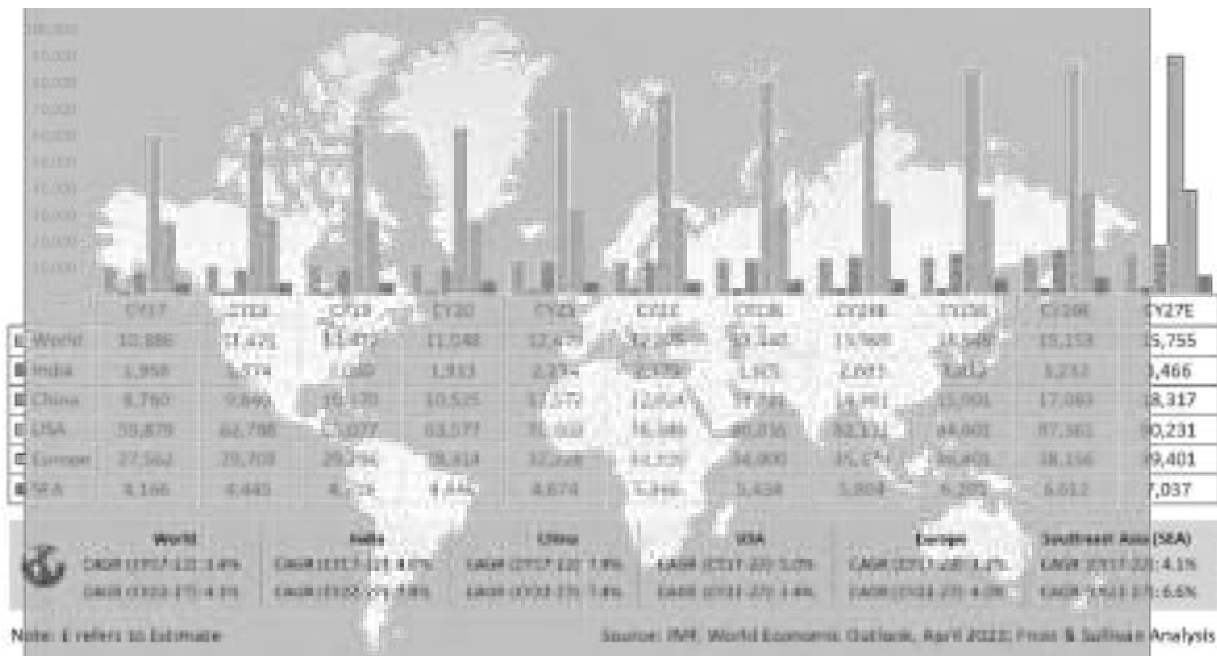
¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=1895279>

Per Capita Income – India vs. Leading Global Economies:

Per capita income is a broad indicator of the prosperity of an economy. Consumer confidence and discretionary consumption both improve with the rising per capita income. India’s per capita income in CY2022 was USD 2,379 and is considered a lower middle-income country. For India to become a middle-income country, its per capita income needs to grow by almost 2.5 times to USD 6,100. Even though India’s per capita income grew by almost 100% since FY2015, wealth distribution among India’s 1.4 billion people remains highly skewed. Equitable access to healthcare, quality education, and jobs would be critical for India to deliver sustained growth in per capita income.

Global average per capita income in CY2022 was 5.4 times higher than India at USD 12,875. CY2022 per capita income of the United States of America (USA), Europe, and China was USD 76,348, USD 32,319, and USD 12,814 respectively.

Exhibit 1.2: India vs. Global – Per capita income of India vs leading economies (USA, China, Europe and Southeast Asia), value in USD, CY2017-CY2027E

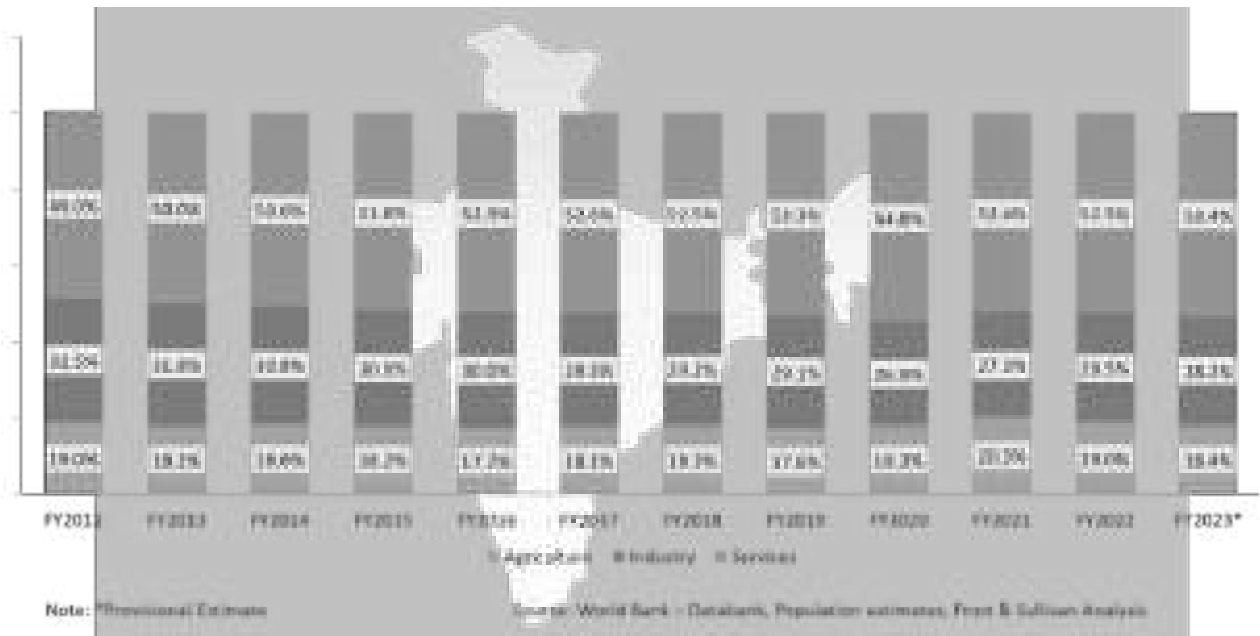


Gross Value Add by Economic Sectors:

Services sector is the key contributor to the growth of the Indian economy in the past decade with a share of 53.4% of the total Gross Value Add (GVA) in FY2023. Industry sector is also gaining momentum, and this sector along with the Services sector are expected to be the key economic enablers for India in the long-term.

Agriculture includes agriculture, forestry, and fishing. Industry includes mining and quarrying, manufacturing, electricity, gas, water supply & other utility services and construction. Services includes trade, repair, hotels & restaurants, transport, storage, communication & services related to broadcasting, financial services, real estate, ownership of dwelling & professional services, public administration (State government entities, municipal bodies and other government offices), defense, and other services.

Exhibit 1.3: Percent Share of GVA by Economic Sectors at Current Prices, India, FY2012 – FY2023

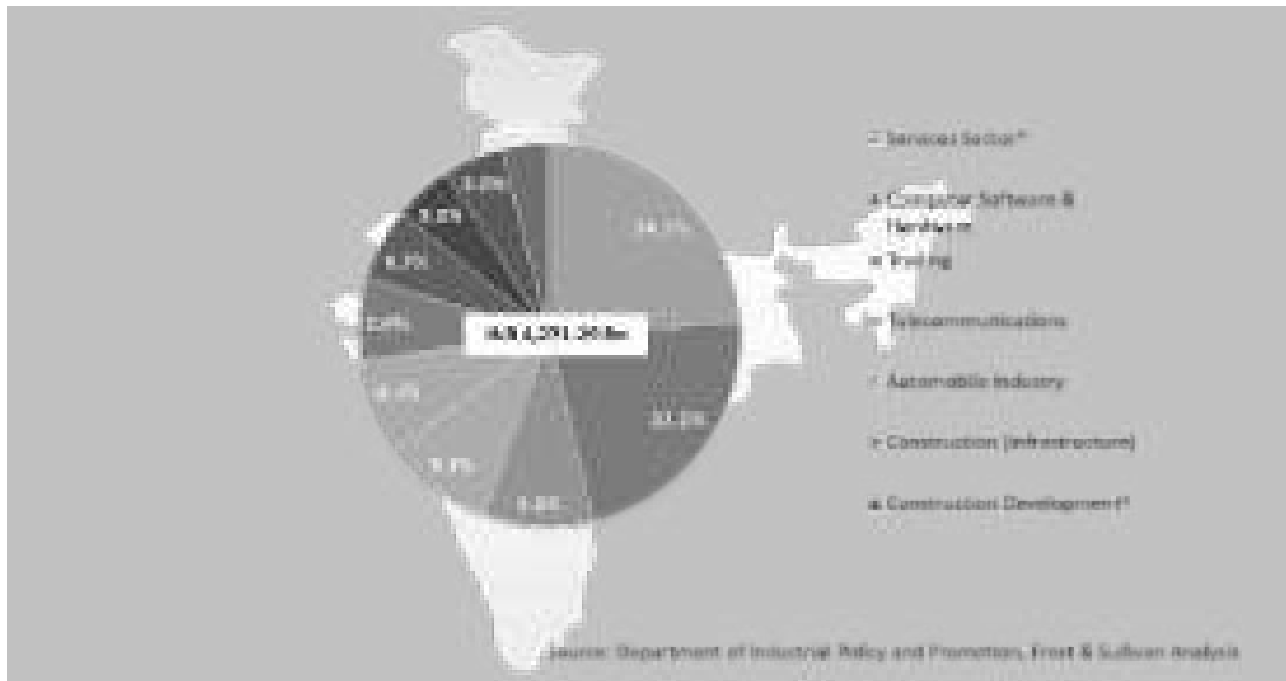


Economic Growth Enablers for India:

The Service sector plays a crucial role in enabling the growth of India's economy. It has emerged as a significant contributor to India's GDP, employment, and overall economic development. The Service sector is the largest contributor to India's GDP, accounting for a major share of the economic output. Services encompass various industries such as Information Technology (IT), finance, banking, telecommunications, healthcare, education, tourism, and professional services. India's Service exports, particularly in IT services, Business Process Outsourcing (BPO), and software development, bring in substantial foreign exchange earnings. These export revenues contribute to the country's foreign exchange reserves, improving its balance of payments and overall financial stability.

The growth of India's Service sector, particularly in IT and related services, has attracted significant FDI from global companies. Foreign investment not only contributes to the sector's growth but also creates linkages with other sectors of the economy, creating a multiplier effect on overall growth.

Exhibit 1.4: Cumulative FDI Equity Inflows, India, April 2000 – March 2023



* Services Sector includes financial, banking, insurance, non-financial/business, outsourcing, research & development, courier, technology, testing and analysis and others

^ Construction development includes townships, housing, built-up infrastructure, and construction development projects.

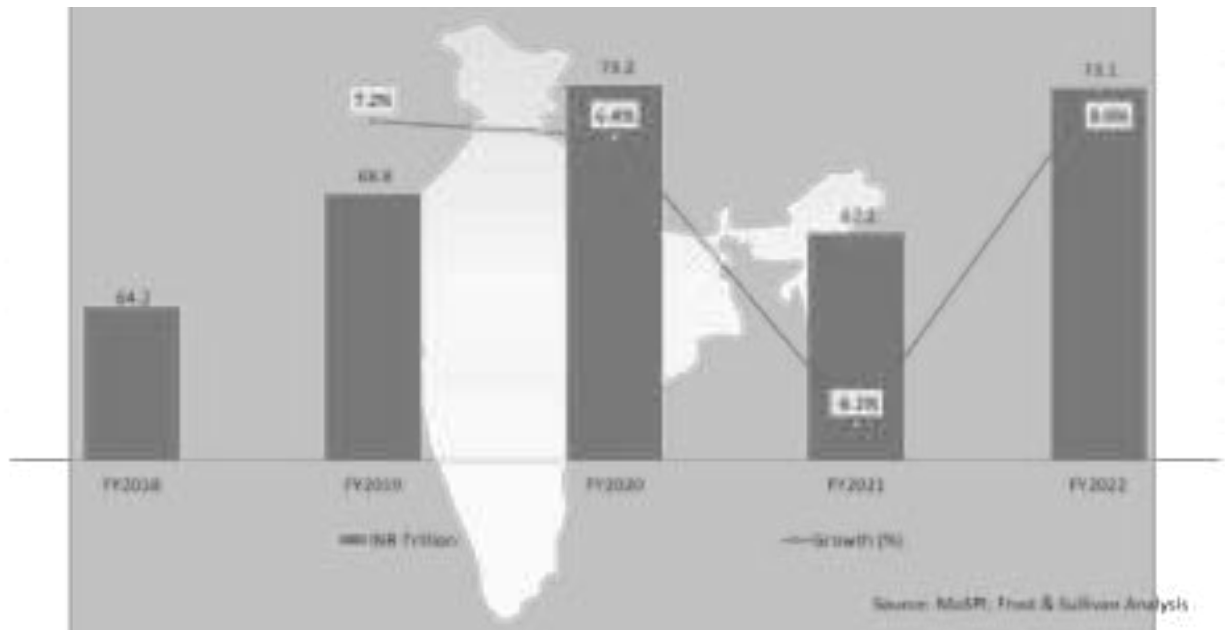
The service sector is a substantial source of employment, absorbing a large portion of India's workforce. It provides employment opportunities across various skill levels, including high-skilled jobs in IT and finance, as well as jobs in hospitality, retail, and other service-oriented fields.

Outlook for Services Sector:

The Services sector is the engine of economic growth for India and contributed to about 53.4% to India's GVA at current prices in FY2023. The Services industry not only accounts for the majority of India's GVA, but it also attracts significant foreign investment, contributes significantly to exports and employment generation. From April 2000 to June 2022, the Indian Services sector attracted FDI inflows worth USD 96.76 billion². The key segments contributing to the growth of the Services sector are IT, E-Commerce, Tourism & Hotel industry, Real Estate, and Digital Financial Services. The Services sector witnessed a strong recovery from the pandemic and recorded a growth rate of 8.4% in FY2022 driven by release of pent-up demand, ease of travel restrictions and near-universal vaccination coverage.

² <https://www.ibef.org/industry/services>

Exhibit 1.5: Services Sector GVA at Basic Prices, India, FY2018 – FY2022

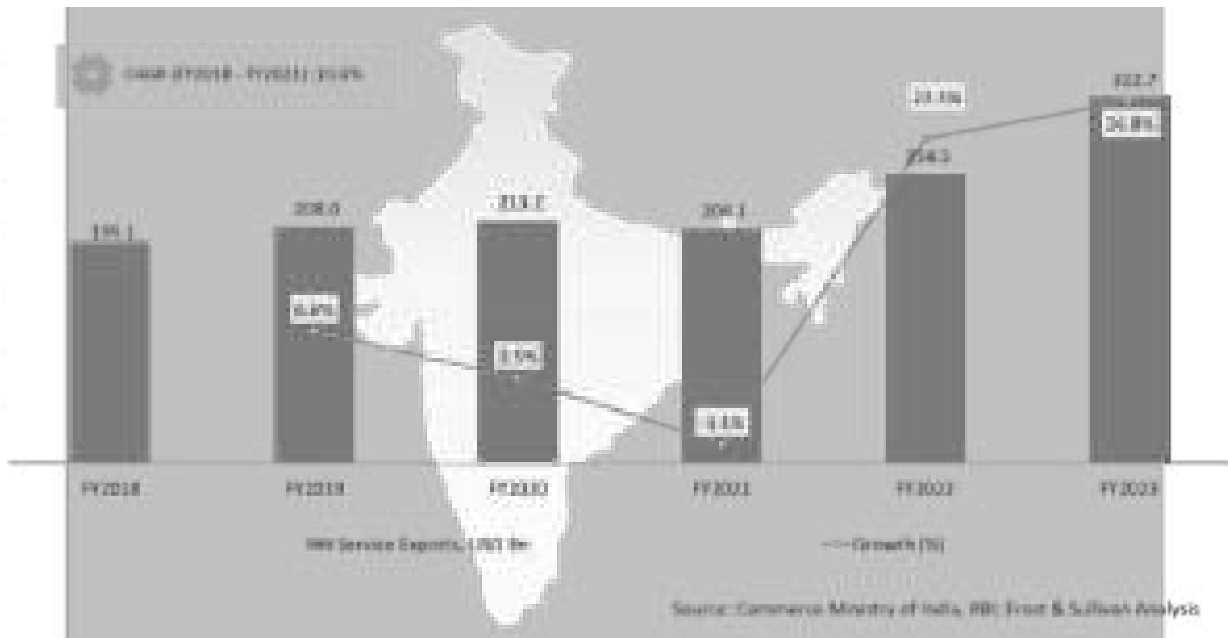


Due to its distinctive talents and competitive advantage produced by knowledge-based services, India is a special emerging market in the world. The Indian Services sector, which is bolstered by several government efforts including Smart Cities, Clean India, and Digital India, is growing thanks to the favourable environment these initiatives are creating.

The exports from Indian Services sector are expected to improve as inflation in advanced economies have increased labour costs and has made local sourcing expensive. This is expected to open up avenues for outsourcing to low-cost emerging economies and India stands to benefit from this situation. Indian economy was one among the top ten services exporting country in CY2021. Services exports grew by 27.7%³ from April to December 2022 as against 20.4% for the corresponding period last year. Despite the present geopolitical unrest, software exports have been reasonably resilient owing to increased demand for cloud services, digital support, and infrastructure modernisation to meet new challenges. The Services sector exports are expected to reach between USD 375.00 – 400.00 billion for FY2024 as per the Services Export Promotion Council of India.

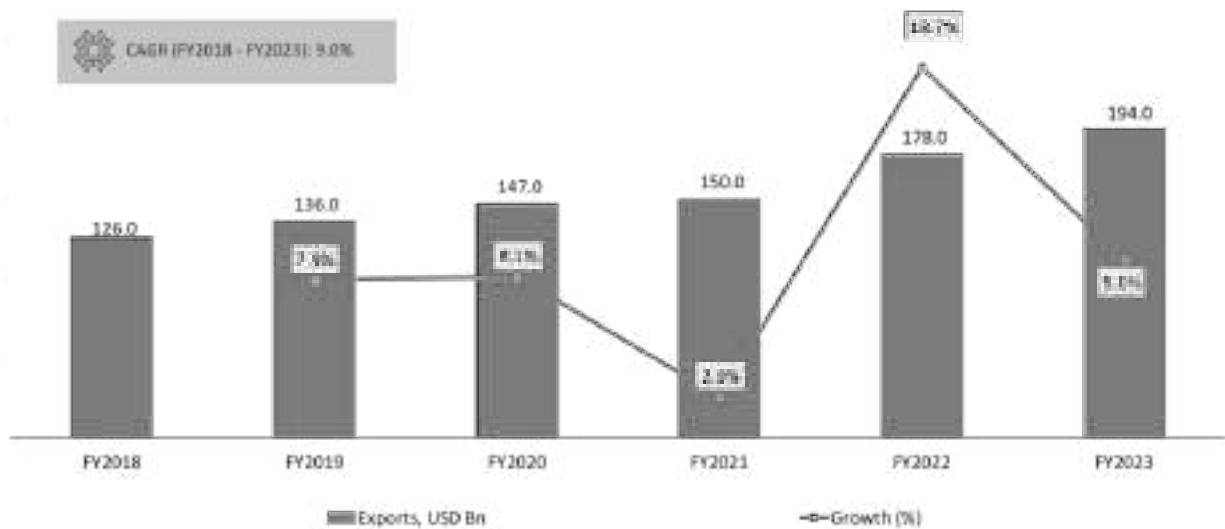
³ [Press Information Bureau \(pib.gov.in\)](http://Press Information Bureau (pib.gov.in))

Exhibit 1.6: Services Sector Exports, India, FY2018 – FY2023



IT and Information Technology enabled Services (ITeS) are the top services exported from India and is anticipated to contribute to the growth momentum in the long-term.

Exhibit 1.7: IT and ITeS Services Export Trend, India, FY2018 – FY2023



Source: Ministry of Electronics and Information Technology; Frost & Sullivan Analysis

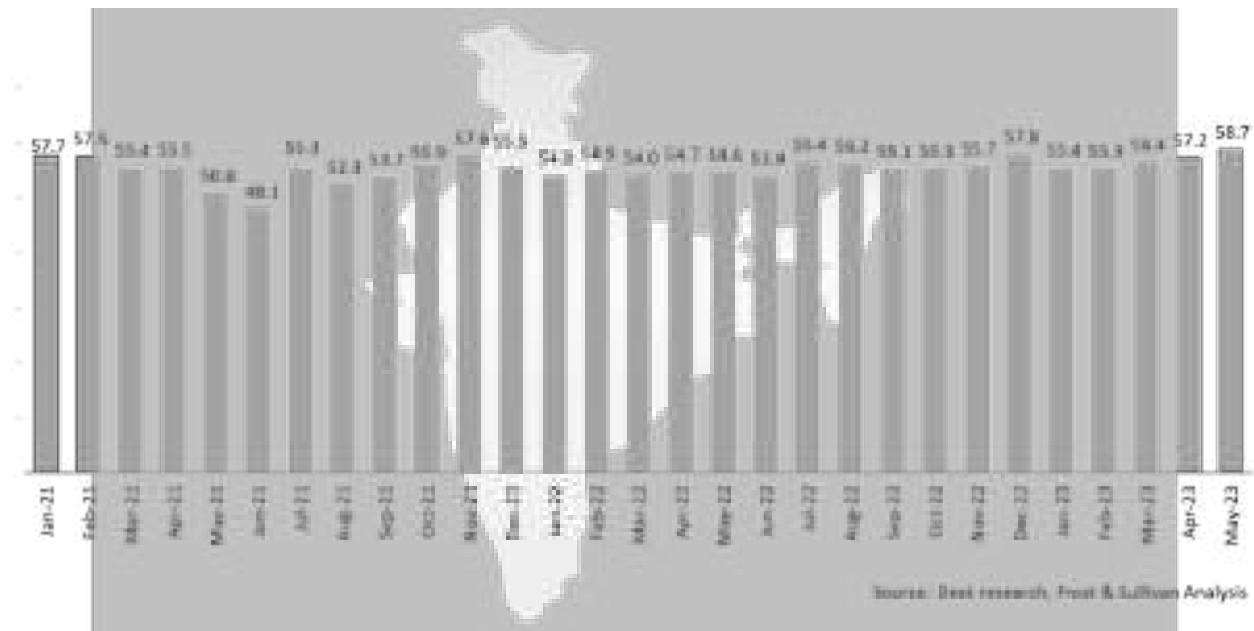
India exports services to many parts of the world – the USA, the United Kingdom (UK), and Japan are the largest importers of Indian services. Large-scale workforce availability, competitive labour costs and English language skills are some of the critical attributes that are contributing to the growth of exports from India. Government initiatives such as the Service Export from India Scheme, Software Technology Park Scheme, and Digital India Internship Scheme are all expected to drive the growth in the long-term.

Outlook for Industrial/ Manufacturing Sector:

India manufacturing Purchase Managers Index (PMI)

India is on its way to becoming a hi-tech manufacturing hub backed by India's market of over a billion consumers and rising purchasing power. The Manufacturing sector recovered from the pandemic in mid-2021 and recorded a strong growth in July 2021, amid improved demand and easing of some local COVID-19 restrictions and has been growing ever since. The Manufacturing PMI Index, which measures the performance of India's Manufacturing sector, increased from 54.0 in January 2022 to 58.7 in May 2023 exceeding market estimations. Resilient demand, competitive pricing and increase in demand for Indian products in global market are expected to sustain this growth in the long term.

Exhibit 1.8: Manufacturing PMI, India, January 2021 – May 2023



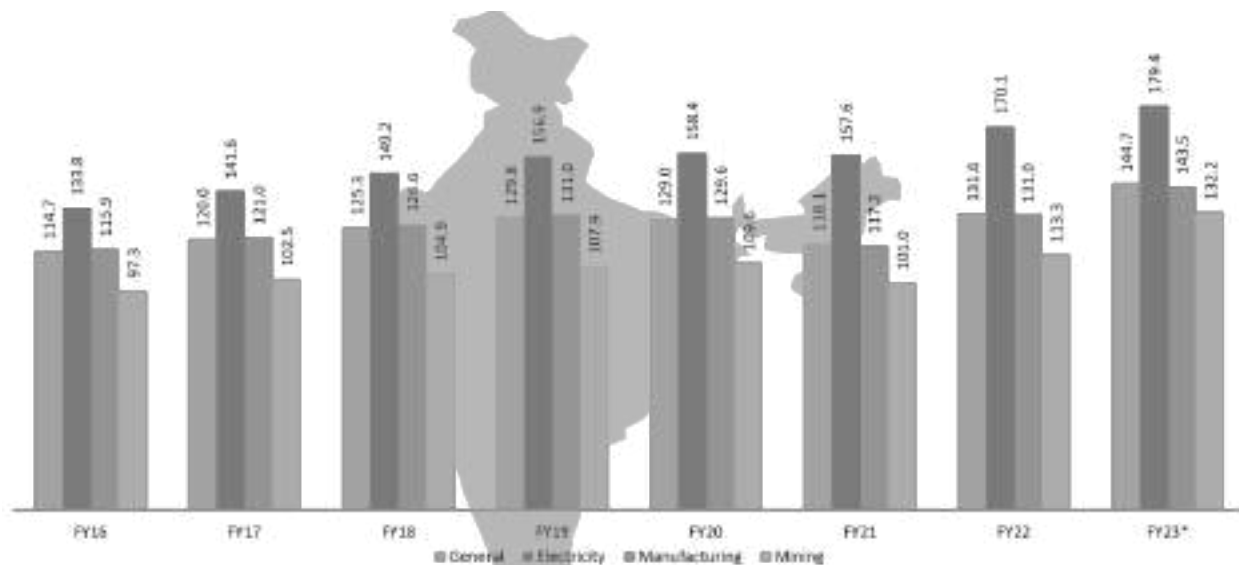
This was the strongest improvement in factory activity since October 2020, boosted by strength of demand. Output growth was at a 28-month high, new orders expanded for the 23rd month running, with the rate of increase the steepest since January 2021, and both overseas orders and employment increased the most in six months.

Index of Industrial Production (IIP)

Investment activity was sluggish in FY2021 due to the pandemic, with project completions being deferred and industrial activity remaining sluggish during this period. However, industrial activity started picking up in June 2021 and continued its momentum in FY2023 with industrial output recording a sharp growth across all the four constituent sectors in two consecutive years. The growth in industrial output is robust and is expected to continue based on the data published by Reserve Bank of India (RBI) till December 2022. Strong consumption base coupled with favourable government policies are expected to boost the industrial output in the near to medium term. Manufacturing firms reported increased output, order books, and employment throughout FY2022 and FY2023.

The availability of finance, internal accruals, and foreign sources also improved during FY2022. The subsequent relaxation of restrictions has also had an impact on growth. As predicted by RBI, business confidence improved from 97 in 2021 to 104 in 2022 and currently stands at 100 in 2023 (Source: Organization for Economic Co-operation and Development).

Exhibit 1.9: India - Index of Industrial Production (IIP) by Sectors, FY16-FY23E



Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series); RBI (Reserve Bank of India); Frost & Sullivan Analysis
 *FY23 values have been captured until December 2022

Government Initiatives to Bolster Growth: With the launch of the Make in India campaign, the Government of India is facilitating investment, fostering innovation, enhancing skill development, protecting intellectual property, and developing best-in-class manufacturing infrastructure in the country. Government of India expects the campaign to play an important role in the economic development of the country by utilising the Indian talent base, creating additional employment opportunities, empowering the secondary and tertiary sector, and encouraging investments from around the world. The Make in India 2.0 program, which succeeds the Make in India, has identified 27 sectors for growth, including aerospace and defense, automotive and auto components, pharmaceuticals and medical devices, biotechnology, capital goods, textiles and apparel, chemicals and petrochemicals, electronics system design and manufacturing (ESDM), leather and footwear, food processing, gems and jewelry, shipping, railways, construction, and new and renewable energy.

Production Linked Incentives (PLI) Scheme was announced in March 2020 and updated in November 2020 to create national manufacturing champions. The schemes’ objectives are to scale up domestic manufacturing facilities, increase import substitution through domestic production, and generate employment opportunities. The PLI scheme provides turnover-linked incentives to investors upon meeting investment, capacity, and turnover criteria. Key highlights of the PLI scheme are:

- PLI scheme outlay is INR 1,970 billion (USD 26 billion) ⁴
- To date, 733 applications have been approved in 14 sectors with an expected investment of INR 3,650 billion.
- Investment of INR 625 billion has been released till March 2023 and this has resulted in incremental production/ sales of over INR 6,750 billion and employment generation of around 325,000.
- Incentive amount of around INR 29 billion has been disbursed in FY2023 under PLI Schemes for 8 Sectors - Large-Scale Electronics Manufacturing (LSEM), IT Hardware, Bulk Drugs, Medical Devices, Pharmaceuticals, Telecom & Networking Products, Food Processing, and Drones & Drone Components.

Key Growth Drivers:

Digital competitiveness, mega public investment in infrastructure, a concerted effort to ensure development of a dominant manufacturing base, steps to reduce dependence on external energy supplies and political stability.

Digital Competitiveness

Skill India Initiative

Smart City Mission

Digital Competitiveness ⁵

The Digital India initiative is a flagship program launched by the Indian government in 2015 to transform India into a digitally empowered society and knowledge economy. The initiative aims to provide digital infrastructure and services to all citizens, including those living in remote areas.

Under this initiative, the government is promoting the adoption of digital technologies in various sectors, including the Facility Management industry. The use of digital technologies, such as the Internet of Things (IoT), Artificial Intelligence (AI), and cloud computing, can improve the efficiency and effectiveness of Facility Management services.

For example, the use of IoT sensors can enable facility managers to monitor the performance of equipment and systems in real time, allowing for proactive maintenance and reducing downtime. AI-powered systems can analyse data and provide insights to help facility managers make informed decisions and optimise operations. Cloud computing can enable facility managers to access and manage data from anywhere, improving collaboration and productivity.

⁴ pib.gov.in/PressReleaselframePage.aspx?PRID=1932051#:~:text=The PLI schemes as envisioned, and help create global champions.

⁵ <https://economictimes.indiatimes.com/news/economy/indicators/unique-factors-at-work-to-ensure-india-becomes-3rd-largest-economy/articleshow/98131860.cms?from=mdr>

Skill India Initiative

The Skill India initiative is a government program launched in 2015 to provide training and skill development to the country's workforce. The initiative aims to improve the employability of the workforce and meet the demands of various sectors, including the Facility Management industry.

Under this initiative, the government is providing funding and technical assistance to training institutions to develop courses and training programs that are relevant to the needs of the industry. The government is also offering incentives to companies that hire and train skilled workers.

The Facility Management industry requires a skilled workforce to provide high-quality services to clients. The Skill India initiative is providing the industry with access to a skilled workforce, improving the quality of Facility Management services offered in the country. The initiative is also promoting the adoption of best practices and the use of new technologies, improving the efficiency and effectiveness of Facility Management services.

Smart Cities Mission

The Smart Cities Mission is another government initiative that is promoting the growth of the Facility Management industry in India. The initiative was launched in 2015 and aims to develop 100 smart cities across the country. Under this initiative, the government is providing funding and technical assistance to cities to develop smart infrastructure and provide better public services. The focus is on developing integrated solutions that use technology to improve the efficiency and sustainability of urban infrastructure and services.

Facility Management plays a crucial role in the development and management of smart cities. Facility Management services are essential for the maintenance and upkeep of public infrastructure, including roads, buildings, parks, and other facilities. With the development of smart cities, the demand for Facility Management services is expected to increase significantly.

Overview of Labour Force in India:

The total labour force in CY2022 was 523.8 million in India. Prior to CY2020, the labor force had recorded a CAGR of 0.7% from 2010 – 2019. The COVID-19 crisis resulted in a decline in the labor force by 0.8% in CY2020. The future growth is expected to be robust as all structural drivers such as education enrolment, population growth rate, labor force participation rate, public and private sector investment across key sectors like infrastructure and industry are projected to remain strong over the long-term.

The creation of jobs is one of the central government's main priorities, and various programs have been started in this regard. The net additions to Employee Provident Fund (EPF) subscriptions during FY2022 were 55.7% greater than those during the pre-pandemic year CY2019 and 58.7% higher than those during FY2021⁶. From 0.88 million in April-November 2021 to 0.13 million in April-November 2022, the net average monthly EPF subscribers are growing steadily in India.

⁶ <https://pib.gov.in/PressReleasePage.aspx?PRID=1894913>

Exhibit 1.10: Total Labour Force, India, CY2010 – CY2022

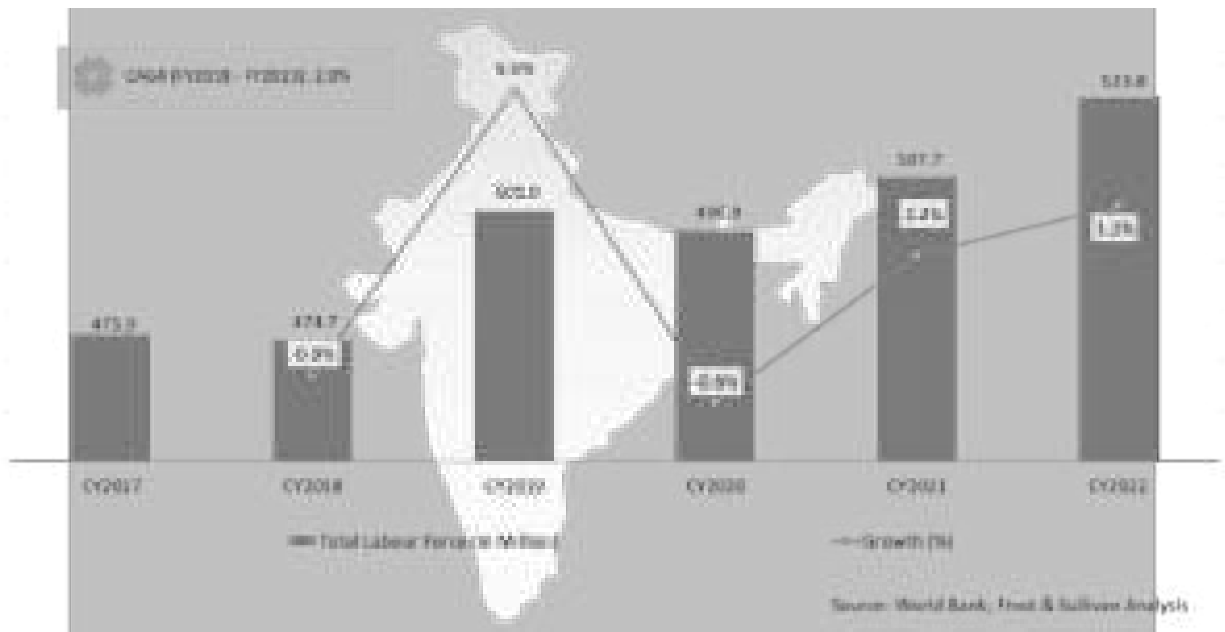
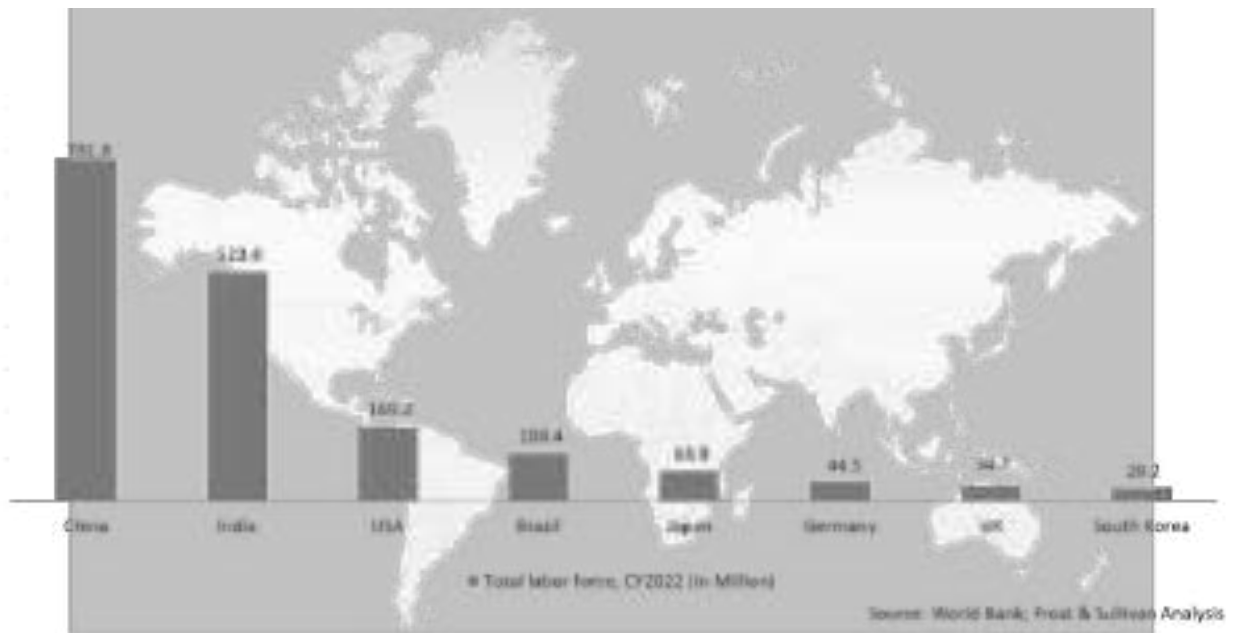


Exhibit 1.11: Total Labour Force, Select Countries, CY2022



The Atmanirbhar Bharat Rojgar Yojana (ABRY), launched in October 2020 to boost the economy, is the major reason for the growth in overall employment, which increased employment generation in the post-COVID-19 recovery phase, incentivized creation of new employment along with social security benefits and restored employment lost during the pandemic. China has the world’s largest work force with a total count of 781.8 million in CY2022 followed by India. But in terms of growth rate India has grown at a higher rate than China with a CAGR of 0.9% from CY2010 – CY2022 while China recorded a CAGR of only 0.1% for the same period.

Governing Labour Laws and Labour Reforms in India:

Labour is part of the concurrent legislative list in India where Central and State Governments have the requisite authority to legislate and enforce the acts related to the same. India currently has over 40 national (federal) labour acts and rules and close to 100 state laws. As per the Ministry of Labour and Employment, there are several laws aimed at promoting labour welfare, industrial peace, social justice, and overall economic development.

Exhibit 1.12: Labour Laws, India

Labour Laws	Number of Acts and Rules
Laws regarding Industrial Relations	8
Laws related to industrial labor & health	8
Laws aimed at Child & women labour	8
Laws focusing on social security	8
Laws focusing on labor welfare	13
Laws related to employment & training	8
Laws regarding wages	7
Total	62

Source: Ministry of Labor and Employment; Frost & Sullivan Analysis

With the objective of simplifying and modernising the labour regulations, the central government is in the process of replacing 29 existing laws with New Labour Codes namely, The Code on Social Security 2020, The Industrial Relations Code 2020 and The Occupational Safety, Health, and Working Conditions Code, 2020. Earlier in 2019, The Code on Wages-2019 was launched, which targets to regulate wages and bonus payments in all employments. The draft rules associated to these codes have been published as below

- The Occupational Safety, Health and Working Conditions (Central) Rules, 2020
- The Industrial Relation (Central) Rules, 2020
- The Code on Social Security (Central) Rules, 2020.
- The Code on Wages (Central Advisory Board) Rules, 2021

Highlights of The Code on Social Security:

- Extends social security benefits to all employees in organised, un-organised or any other sectors. This includes fixed term employees, inter-state migrant workers, film industry workers, construction workers, gig workers and platform workers.
- A minimum of 1% and maximum of 2% cess to be levied and collected for the purpose of social security and welfare of building workers.

- Every employee, unorganized worker, gig worker and platform worker who have completed the age of sixteen years shall be required to be registered with the government and such worker will be assigned a distinguishable number.

Such reforms undertaken by the central government is expected to revolutionize the labour market in India and will influence the shift from un-organised to organised business environment

Highlights of The Code on Wages:

- The Code replaces the four laws - the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976.
- Redefined definition for the term “wages”
- Central government would fix a “floor wage” taking into consideration the living standards of workers. Minimum wages set by the central and state governments should be higher than the floor wages
- The central or state government would fix the number of hours that constitute a normal working day. In case employees work in excess of this hours, then they will be entitled to overtime wage, which must be at least twice the normal rate of wages.
- For all employees whose wages do not exceed a certain monthly amount that is notified by the central or state government will be entitled to an annual bonus.
- The Code on Wages also prohibits gender discrimination in terms of wages and recruitment for the same work or work of similar nature.

Minimum Wages in India:

The Indian parliament passed the Minimum Wage Act in 1948. This act fixes the minimum wage for specific ‘scheduled employment’ categories. Under this Act, certain minimum wages have been fixed or revised for employees engaged to do any work whether skilled, unskilled, manual, or clerical (including out-workers) in any employment listed in the schedule to the Minimum Wages Act, wherein no worker is obliged to work for a wage that is less than the minimum prescribed rate. There are several factors that have been taken into consideration while determining the minimum prescribed rate. These include level of income, paying capacity, prices of essential commodities, productivity, and local conditions.

Exhibit 1.13: Minimum Wages by Skill Set (Construction Sector), India, 2021 and 2023 - Rates of wages per day (in Rupees)

Category	2021			2023		
	Class A Towns	Class B Towns	Class C Towns	Class A Towns	Class B Towns	Class C Towns
Un-skilled	711	595	477	736	616	494
Semi-skilled	788	671	557	816	695	577
Skilled	866	788	671	897	816	695
Highly skilled	940	866	788	973	897	816

CHAPTER 2: OVERVIEW OF THE GLOBAL INTEGRATED FACILITY MANAGEMENT MARKET

Market Definitions:

Integrated Facilities Management (IFM) refers to a coordinated effort involving space and people to maintain buildings and properties. In other words, it is the outsourcing of services and functions which are considered as non-core activities for a business. Integrated Facility Management services can be broadly classified and defined as below:

- **Soft Services:** This includes Housekeeping/ Cleaning/ Janitorial, Disinfection & Sanitation, and Landscaping & Gardening services. More than one or all the services are combined in a Soft Services contract.
- **Hard Services:** Pest Control Services, Mechanical, Electrical, Plumbing Maintenance Services, Heating, Ventilation & Air-conditioning Services, Façade Cleaning, and City Maintenance Services (Municipal Sewage Treatment and Solid Waste Management).
- **Other Services:** This includes Catering, Production Support Services, Warehouse Management, Airport Management for Multi-level Parking and Airport Traffic Services.

Service scope not included in the Integrated Facilities Management definitions and segmentations include security and single service contracts, for example cleaning only contracts.

Global Facility Management Market Overview:

The Facility Management (FM) market is undergoing a significant transformation that is being fueled by technological advancement, new business models, emerging value propositions, disruptive competition, and new service offerings. Value propositions are shifting to service outcomes, user experience, and business productivity.

Modern buildings and facilities have become more complex, incorporating advanced technologies, automation, and sophisticated systems. Facility Management services are essential to ensure the efficient operation, maintenance, and optimization of these complex infrastructures.

There is a rising emphasis on sustainability, energy efficiency, and green building practices worldwide. Facility Management plays a crucial role in implementing sustainable practices, managing energy consumption, and achieving environmental certifications, such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM).

The advancement of digital technologies and IoT devices have revolutionised Facility Management. Smart building solutions, data analytics, and predictive maintenance enable facility managers to make data-driven decisions and enhance overall operational efficiency.

The expansion of multinational corporations necessitates standardised Facility Management practices across multiple locations and countries, leading to the growth of global Facility Management service providers.

Exhibit 2.1: Facility Management Market: In-house versus Outsourcing, Global, CY2022



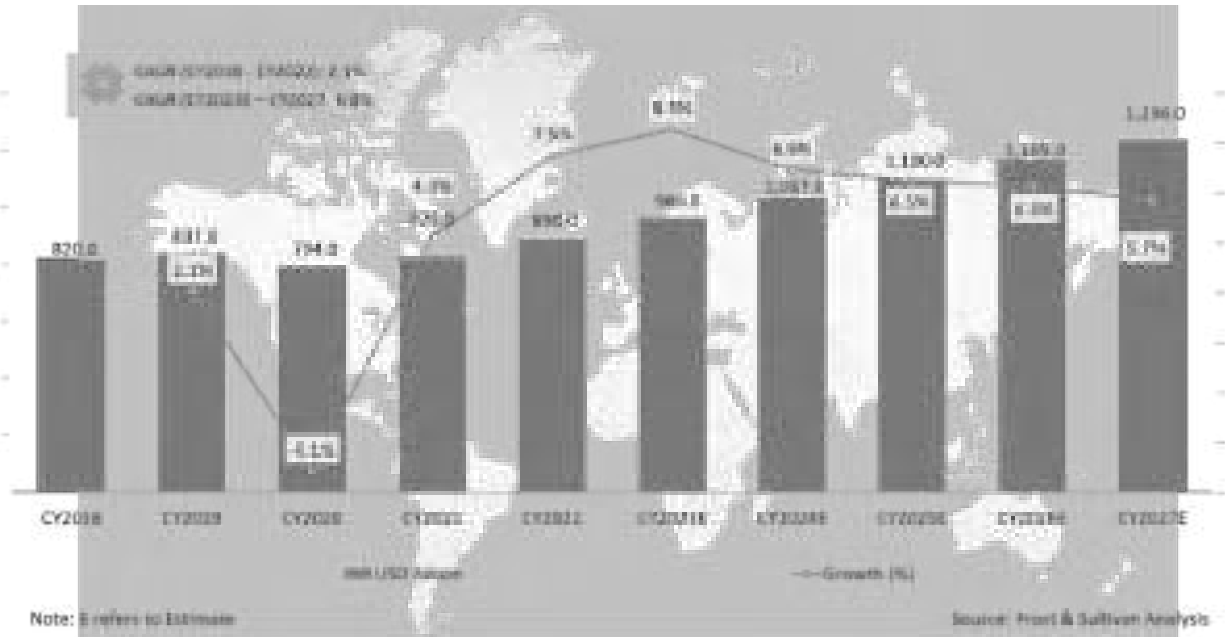
Businesses and corporations are employing the outsourcing of Facility Management services more frequently as a strategy to attain strategic advantages like enhancing their competitive advantage and achieving market preservation or dominance goals. In the last decade, cost optimisation has been the primary goal of outsourcing; however, organisations now seek to outsource Facility Management services to free up internal resources to provide strategic value. They are working to achieve these goals by concentrating on their core business operations and receiving marketable benefits (or cost savings) from strategic partners through outsourcing.

Market Size and Forecasts:

The global outsourced Facility Management Market for CY2022 is valued at USD 890.00 billion and has recorded a CAGR of 2.1% from CY2018 – CY2022. Market performance has stabilised and recovered since the 5.1% drop in revenue in CY2020. The market reached pre-pandemic spending levels by late CY2021. Increasing investments in construction and infrastructural projects, growth in industrialisation, development of smart buildings and penetration of digital solutions are expected to drive the demand for Facility Management services across the globe.

The industry is well placed today to take advantage of infrastructural investments in the global scenario. The market propensity for renovating existing buildings presents a good opportunity for this industry to grow. Governmental bodies across emerging countries are contracting with multiple private contractors, including several international players to keep the infrastructure clean and green, including smart building construction. The outsourced Facility Management Market is expected to reach USD 1,236.00 billion by CY2027, recording a CAGR of 6.0% from CY2023 – CY2027.

Exhibit 2.2: Outsourced Facility Management Market: Historic Revenue Trend and Forecast, Global, CY2018 – CY2027



The global Facilities Management Market is characterised by the presence of single service contracts, bundled contracts and integrated contracts. Integrated contracts are prominent in advanced Facility Management Markets such as the North America, Europe, and Australia. Single service contracts involve providing only one type of service, for example housekeeping or pest control services only. Bundled services includes providing two or more services within Soft Services or Hard Services in a single contract. Integrated contracts are defined as a group of services that combine Soft Services and Hard Services within the framework of an integrated contract.

Market Segmentations by Regions:

The Asian Facility Management Market is the largest globally with a share of 33% of the total outsourced Facility Management Market in CY2022 and is expected to grow rapidly to reach USD 479.6 billion by CY2027 at a 10.6% CAGR, with China and India being the main growth drivers. Outsourcing and service integration trends are granting Asia a strong revenue growth in the integrated contracts within Facility Management Market. The Chinese market is anticipated to double in size during the forecast period to become almost as large as the United States of America market by CY2027.

North America is a leading market in integrated contracts segment because of the local presence of large contract management and real estate firms. This segment in North America is expected to see a robust 7.0% CAGR through 2027. European Facility Management Market has seen accelerated use of digital technologies since the pandemic. The region is expected to remain the leader in service innovation, sustainability, workplace change management, and business productivity. The integrated contracts segment will continue to grow the most, with substantial opportunities for energy management, sustainability, and environmental services.

The more mature markets of North America and Europe will see CAGRs of 4.4% and 4.3% respectively, through 2027. Both regions suffer from the commoditisation of Facility Management services, fierce competition, and high Facility Management outsourcing rates. However, customers are typically more aware and engaged with Facility Management service providers, and technology innovation, sustainability, and customer experience have a better chance to create differentiation in these regions.

Within the Rest of World, it is foreseen that the Middle East is likely to remain the regional market leader which continues to see strong construction activity, healthy outsourcing rates, high penetration of integrated contracts, and increasingly more sophisticated service delivery models. Apart from the Middle East, Brazil, Mexico, South Africa, and Turkey are expected to drive the next wave of Facility Management Market growth.

Exhibit 2.3: Outsourced Facility Management Market: Percent Breakdown by Regions, Global, CY2022



Recent market trends, including the COVID-19 pandemic, have forced the Facility Management companies to move beyond the total cost of ownership and building efficiency.

Exhibit 2.4: Outsourced Facility Management Market: Top 5 Market Developments, Global, CY2022 – CY2027

Category	2022	2027
Service Integration	<ul style="list-style-type: none"> IFM revenue accounted for 11.7% of the global outsourced FM revenue in 2022. North America is the largest established integrated Contract segment market globally and has received growth potential. 	<ul style="list-style-type: none"> IFM will reach a 13.0% penetration of the global FM market. The Asian market will see the fastest integrated contracts segment growth and become the largest market globally by 2027.
Workplace Change Management (WCM)	<ul style="list-style-type: none"> Changing work practices are increasing the importance of workplace design and optimisation. The convergence of IFM with workplace solutions has led to business productivity enhancements for customers. 	<ul style="list-style-type: none"> Service suppliers will converge with integrated office services. Customer's COVID recovery will push them business improvement outcomes directly.
Leverage of Internet of Things	<ul style="list-style-type: none"> Companies are using networked sensors for remote real-time asset monitoring. IoT solutions are enabling asset tracking across facilities from mobile devices. 	<ul style="list-style-type: none"> Every asset/service will have a unique identity and will form part of a networked smart building. Network of buildings systems will enable smart remote management of complex property portfolios.
Data Analytics	<ul style="list-style-type: none"> Digital twin projects demonstrate energy savings and floor space optimisation robotics. Data analytics applications focus on resource optimisation and process improvements. 	<ul style="list-style-type: none"> Data analytics will be an important element for addressing customer concerns regarding energy savings, intelligent buildings, reduction of total life cycle costs, business efficiency and sustainability.
Market Consolidation	<ul style="list-style-type: none"> The top 5 global FM participants account for a market share of 6.3%. European and North American firms dominate the top ten list. 	<ul style="list-style-type: none"> The top 5 global firms are expected to account for 10.0% of the FM market revenue. Chinese and other Asian firms will enter the global top ten list.

Source: Frost & Sullivan Analysis

Next-generation solutions focus on the convergence of digital technology and services to deliver value propositions that enhance total business productivity and user experience with sustainability at the heart. Partnerships, collaboration, and the co-creation of services will be crucial to meeting customers' growth objectives and sustainability visions. The factors defining productivity are unique to each customer, and success depends on the definition, capture, management, and optimisation of core performance data across end users.

The accelerated use of technology and new business models has led to Integrated Facilities Management companies acquiring data analytics capabilities to deliver excellent services. Digital transformation has enabled high growth in connected services, remote asset management and workplace optimisation.

CHAPTER 3: OVERVIEW OF THE INDIAN INTEGRATED FACILITY MANAGEMENT MARKET

Market Overview:

Strong macroeconomic growth fundamentals are contributing to a steady growth in the Integrated Facility Management Market in India. In the past decade the market has witnessed solid growth except for the COVID-19 pandemic; increasing investments in Services and Manufacturing sector is expected to drive the growth momentum over the next five years. Higher FDI over the past decade, driven by liberal economic policies in India has created opportunities for private sector. Since then, the business prospects have burgeoned in industries ranging from banking and aviation to pharmaceuticals and IT, and India has attracted large multinational companies with its business-friendly climate. The IT and ITeS sector have experienced a boom in business opportunities, which has prompted the sector to invest in construction activities to grow the stock of buildings. Additionally, the rise of organised retail developments in India have also contributed to the built environment, thereby driving the demand for Facility Management services.

Real estate in India is one of the fastest growing industries with a record 68.0%⁷ year-on-year growth in CY2022 after the COVID-19 impacted market growth in CY2020 and CY2021. Renewed investment interest among Non-resident Indian (NRIs) and millennials in Indian real estate is a driving factor for the future growth. Private equity investments in real estate sector from January to July 2022 stood at USD3.3 billion⁸. Demand for office and commercial space in Tier 1 and Tier 2 cities are the future growth hot spots and this is expected to drive the demand for Facility Management services in Tier 2 cities in the long-term.

Furthermore, several initiatives by the government to provide housing to all citizens – such as the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs and the development of Smart Cities in India are projected to have a beneficial impact on the Indian Integrated Facility Management industry in the long-term. Asset owners are more inclined to professional Integrated Facility Management since it not only increases the building's lifespan but also makes sure the asset complies with global health and safety requirements.

Historical Growth Trends:

The total Integrated Facility Management Market in India in FY2023 is valued at INR 1,937,058.86 million and around 50.6% of this is outsourced to 3rd party companies. Between FY2018 and FY2023, the outsourced Integrated Facility Management Market grew at a CAGR of 8.1%. In FY2023 the outsourced Integrated Facility Management Market was estimated to be worth INR 980,800.00 million.

⁷ Real Estate Market in India: 2023 and Beyond! - SOBHA Ltd.

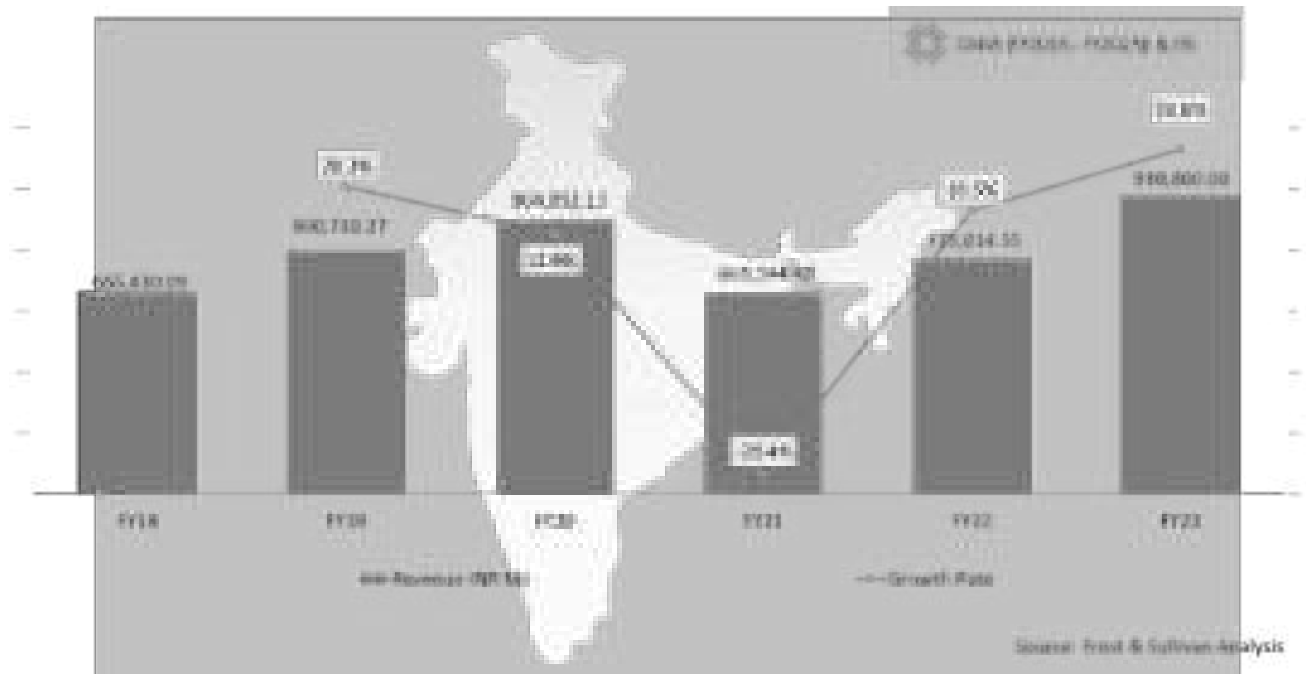
⁸ <https://www.ibef.org/industry/real-estate-india>

Exhibit 3.1: Total Integrated Facility Management Market: In-house versus Outsourcing, India, FY2023



Source: Frost & Sullivan Analysis

Exhibit 3.2: Outsourced Integrated Facility Management Market: Historic Revenue Trend, India, FY2018 – FY2023



Source: Frost & Sullivan Analysis

Outsourcing of Facility Management Services is becoming a well-accepted concept in both the Commercial and the Residential segment. Within the Residential segment, high-rise residential complexes and premium villas/ homes in urban areas are more inclined to outsourcing. Recently, the market has witnessed increase in outsourcing of Facility Management from the government segment. The

government sector has grown at a CAGR of 10.4% during FY2018 – FY2023, higher than the 6.0% recorded by the private sector during the same period. With the increasing choice of outsourcing for safe, clean, secure, and sustainable built environment, the demand for Facility Management Services have been increasing. The market in FY2023 recorded a growth rate of 26.6% from FY2022. The market witnessed a degrowth of 26.4 % in FY2021 due to the global pandemic and recovered in the second half of FY2022.

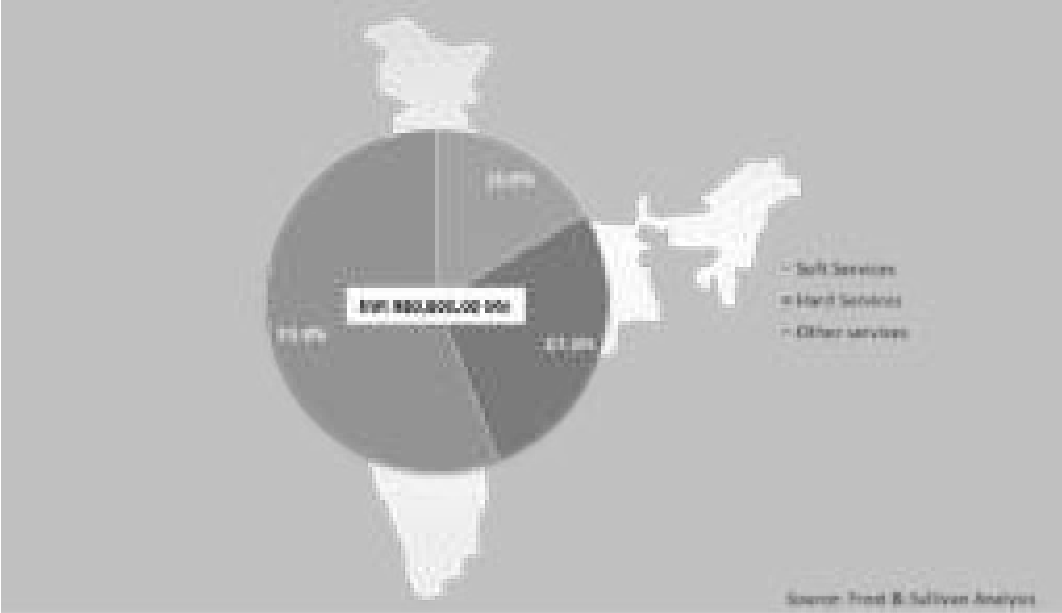
Integrated services models, which combine many or all of the office/building's Facility Management Services under one contract and management team, are replacing single service contract models in the market. This shift is driven by improved building performance while streamlining communication and making day-to-day operations simpler to manage.

Market Segmentations:

Integrated Facility Management Market by Services:

The Integrated Facilities Management Market primarily consists of Soft Services and Hard Services that account for a combined market share of 44.1 % of the total market in FY2023. In terms of market revenues, the Integrated Facilities Management Market is dominated by the Other Services segment. The wide range of services provided under the segment makes it the largest category.

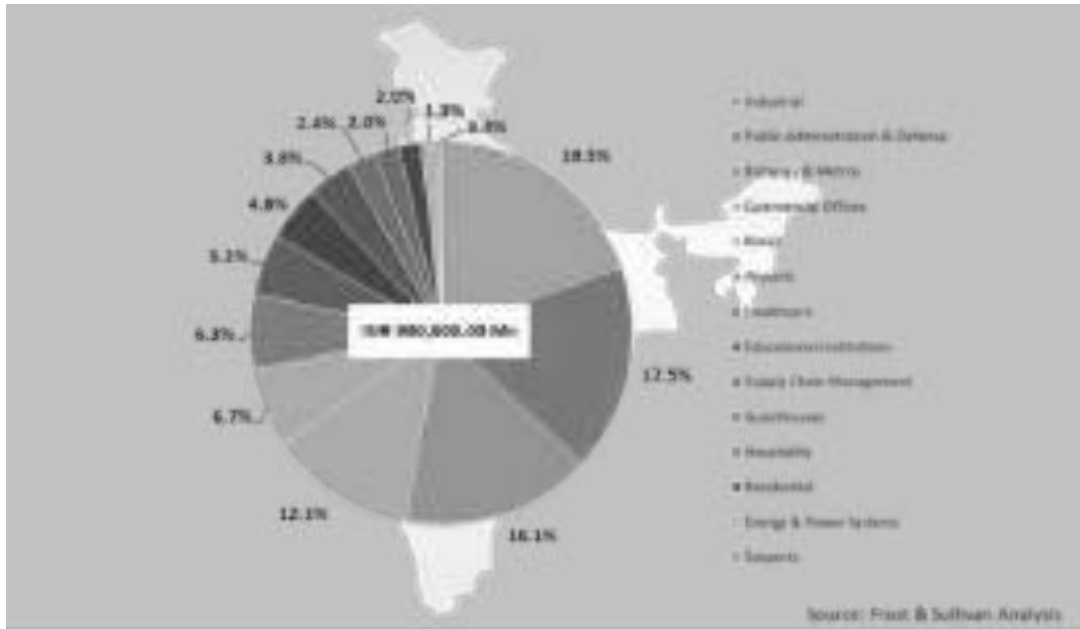
Exhibit 3.3: Outsourced Integrated Facility Management Market: Breakdown by Service Types, India, FY2023



Integrated Facility Management Market by End-user Segments:

Industrial, Public Administration (State government entities, municipal bodies and other government offices), Defense, and Railways & Metros are the top three end user segments for Integrated Facilities Management Market in FY2023 with a combined market share of 53.1 %. Increase in outsourcing by government clients, investments in industrial and commercial real estate are the key factors that are expected to drive the demand from these segments in the forecast period. Other prominent end user segments in Integrated Facilities Management Market are Commercial Offices, Healthcare, Educational Institutions, Airports, Retail, and Residential segments.

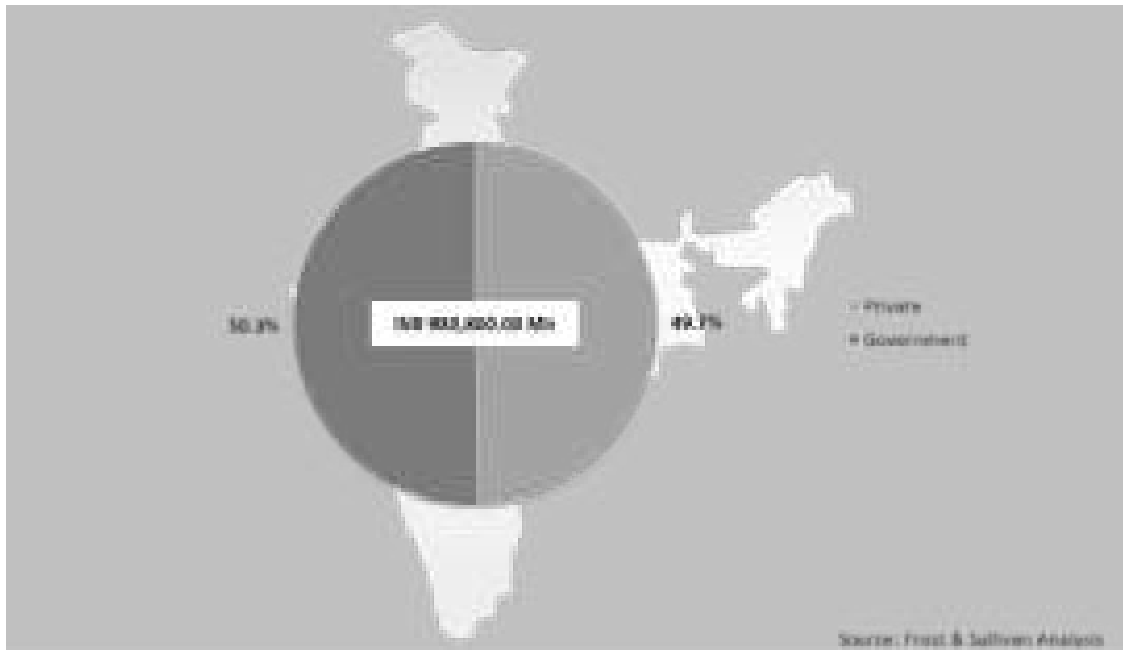
Exhibit 3.4: Outsourced Integrated Facility Management Market: Breakdown by End-user Segments, India, FY2023



Integrated Facility Management Market by Government versus Private:

Government sector has a significant share in the Integrated Facilities Management Market and is driven by the Public Administration (State government entities, municipal bodies and other government offices), City Maintenance Services, Railways & Metros, Healthcare, and Educational Institutions.

Exhibit 3.5: Outsourced Integrated Facility Management Market: Breakdown by Government versus Private, India, FY2023



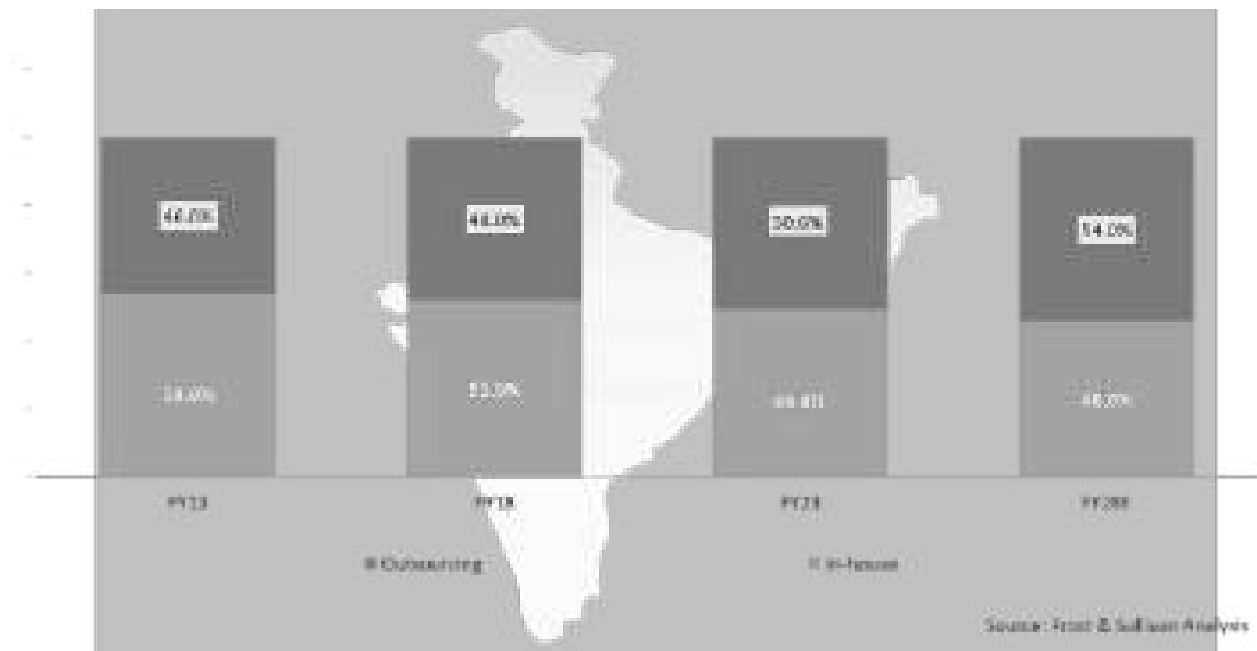
Key Market Characteristics:

Outsourced versus In-house Market:

Outsourcing of Facility Management Services has steadily grown in the past. The Integrated Facility Management outsourcing model, particularly for Soft Services, Mechanical, Electrical & Plumbing and Heating, Ventilation & Air-conditioning Services, has advanced significantly and can currently deliver additional value well beyond mere cost savings.

Today, outsourcing is a critical component of achieving desired performance and is successfully employed by forward-thinking companies to improve employee performance. It is anticipated that infrastructure projects and international organisations investing in India would continue to fuel demand for Facility Management services. Growing awareness among domestic companies, digitalisation of buildings, focus on sustainability and reduction in carbon emissions, and other building maintenance services are expected to widen the scope of Facility Management solutions in the future.

Exhibit 3.6: Total Integrated Facility Management Market: Outsourcing Trends, India, FY2013, FY2018, FY2023 and FY2028



Strategy, Cost, Functions and Environment are the major factors impacting the decision on Facility Management outsourcing.

- Strategic factors include core capabilities, critical knowledge, lack of internal resources/manpower, and impact on quality & flexibility.
- Cost optimisation was the main motivation behind outsourcing Facility Management services a decade ago. But currently, it is about being able to free up in-house resources and allowing them to deliver strategic value associated with the core business services.
- Functional parameters are complexity, degree of integration, structure, and asset specificity.








































- Environmental functions include the internal and external environment faced by companies.

Small businesses need Integrated Facility Management knowledge and assistance to reduce the costs and complexity of hiring an internal team. The ideal outsourcing "partner" will give a local, bespoke service supported by the knowledge and expertise of a professional service provider. Cost control and effectiveness are the priorities for larger organisations that have complicated real estate assets. Customers that are more progressive want the Integrated Facility Management services to assist them in creating a business environment where their service offerings are competitive. Obtaining a steady service benchmarked at the best price for the best result is their objective.

The most critical factors driving service outsourcing are:

- Optimisations and control over operational cost in built environment.
- Greater concentration on company's core business activities/ free internal resources for core business purposes.
- Gain access to greater service quality.
- Risk distribution among stakeholders.

Exhibit 3.7: Total Integrated Facility Management Market: Outsourcing Rates by End User Segments, FY2018 and FY2023

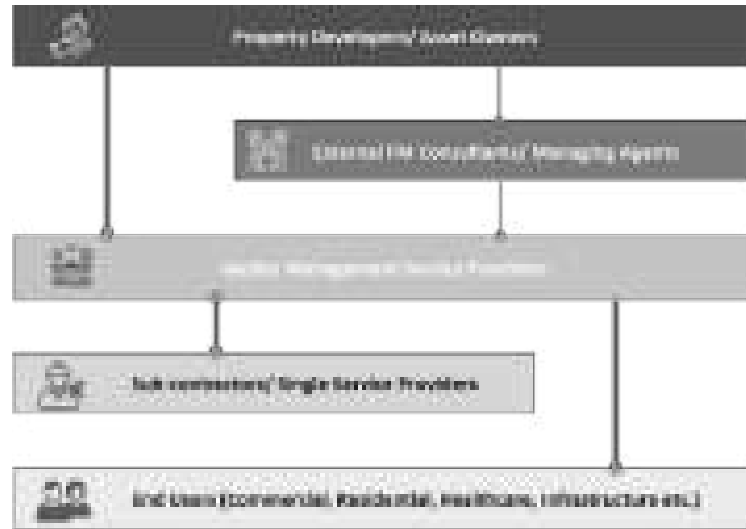
End User Segments	Market Outsourcing Rate FY2018	Market Outsourcing Rate FY2023
 Railways	 92.4%	 87.7%
 Airports	 72.6%	 71.0%
 Public Administration & Defense	 59.3%	 56.5%
 Commercial Offices	 57.8%	 55.4%
 Retail	 50.9%	 49.6%
 Guesthouses	 47.5%	 45.0%
 Educational Institutions	 45.4%	 43.2%
 Healthcare	 44.9%	 42.0%
 Supply Chain Management	 44.0%	 41.7%
 Industrial	 36.7%	 34.8%
 Hospitality	 31.0%	 29.2%
 Residential	 30.0%	 27.5%
 Seaports	 15.0%	 14.5%

Source: Frost & Sullivan Analysis

Value Chain Analysis:

Property Developers, Facility Management Consultants, Service Providers and End users are the major stakeholders in the market and each of the stakeholders have different roles and varied levels of influence in choosing the Facility Management service provider.

Exhibit 3.8: Value Chain Analysis, India, 2023



Source: Frost & Sullivan Analysis

Note: Thickness of the arrow indicates the probability of service contract flow. This service contract flow is applicable for Hard and Soft Services (hard services does not include city maintenance services) only.

Exhibit 3.9: Stakeholder Roles and Responsibilities, India, 2023

Stakeholder	Roles and Responsibilities	Level of Influence on Deciding the Service Provider
Property Developers	<ul style="list-style-type: none"> They are the asset owners and the final decision makers in the selection of service providers. On a case-to-case basis, they work with consultants to procure services or directly work with service providers based on experience. 	High
External Facility Management Consultants	<ul style="list-style-type: none"> They are also called Managing Agents. The consultant assists the developer or the owner of a facility in choosing the right kind of Facility Management services and the service provider. They help in preparation of Request for Quotations, evaluate bids and service provider capabilities. 	Medium
Facility Management	<ul style="list-style-type: none"> Integrated Facility Management companies in most cases bundle the services based on the client's need. Some 	Low

Service Providers	<p>companies have all the resources and capabilities internally to provide these services.</p> <ul style="list-style-type: none"> • But widely, the Integrated Facility Management service providers take help of one or more single service providers who have expertise in the specific area of operation. 	
Sub-contractors/ Single Service Providers	<ul style="list-style-type: none"> • The single service providers provide expert services in their area of focus. • In most cases, they join hands with the integrated service providers to provide services as a single package. • In smaller contracts, single service providers directly serve the developer / owner. 	Low
End Users	<ul style="list-style-type: none"> • They are the end users of the services provided and are across Commercial, Residential, Healthcare and Government segments. 	Medium

Note: The above table is applicable for Hard and Soft Services (hard services does not include city maintenance services) only.

SWOT Analysis:

Exhibit 3.10: SWOT Analysis, India, 2023

Attribute	Insights
Strengths	<ul style="list-style-type: none"> • Operational efficiency • Preventive maintenance leads to greater built environment experience • Large availability of manpower • Decades of industry experience • Access to technology • Ability to build partnerships with different stakeholders to customise client solutions • Cost optimisation and budget control
Weakness	<ul style="list-style-type: none"> • Budget constraints • Small scale of business operations leads to in-housing facility services • Presence of a large unorganised market
Opportunities	<ul style="list-style-type: none"> • Increasing investments in commercial real estate sector • Growing awareness on the benefits of outsourcing from government sector • Investments in infrastructure and industrial segments • Increase in sophistication of buildings leads to the higher need for professional companies to operate and maintain buildings • Anticipated investments in public infrastructure and government initiatives for smart and sustainable economic growth
Threats	<ul style="list-style-type: none"> • Original Equipment Manufacturer (OEM) companies providing operation and maintenance services. • Price as a preceding factor in vendor selection

Technology Trends:

Technology is evolving at a rapid pace, and it is important for Integrated Facility Management companies to keep up to the evolving requirements. From wearables to artificial intelligence, new tools are emerging every day to help facility managers manage their responsibilities more effectively. The increase in internet and cloud connected devices has led to tools like mobile apps that enable facility managers to see what is happening with different systems in a building from anywhere (on- or off-site) and take actions or make changes with the press of a button.

Increased connectivity is also providing facility managers the ability to quickly collect and analyse all sorts of building data. This data can be used to show which equipment will need proactive maintenance and when, or to predict and manage energy consumption in various parts of a facility. Some of the key technology trends which will have high impact on organised players include the following:

A. IoT and Big Data Analytics:

- IoT is used to connect all the sensors and devices, through building automation and to exchange and analyse information and optimise controls automatically. This would help in visibility and control over their assets.
- Installations could benefit from up to 25% energy savings through proactive energy management programs.
- Big Data analytics have evolved to assist the building technologies industry in providing personalised analytics to end users.
- IoT creates opportunities for service providers to offer improved support to end users.

B. Remote Monitoring:

- Building Information Modelling (BIM) is typically used in conjunction with cloud architecture for remote monitoring.
- This approach allows contractor participants to access and review building information remotely, further increasing the collaborative potential and efficiency gains.

C. Cloud Solutions:

- Facility Management Software which are cloud-based, brings in opportunities for the remote servicing of equipment and systems enabled by connectivity and helps to access from any location/any device.
- This trend is depicting a growing shift to meet the mobile needs of Facilities Management.
- Workers are on the move and in order to access systems and information online, facility managers are increasingly depending on mobile applications.

D. Deployment of Artificial Intelligence and Robots in Integrated Facilities Management:

- Assigning robots to complete complex cleaning and simple repair task helps to free up time.
- This shall enable to focus on strategic aspects of Integrated Facilities Management such as workplace management ensuring compliance, etc.

- Still at a nascent phase, implementation of Robotic solutions on smart cleaning and security & surveillance is yet to be explored fully in India.

E. Enterprise Asset Management Systems:

- These systems have all core asset management features to efficiently manage the buildings. This includes applications to schedule and monitor maintenance, leasing, capex planning, and overall customer experience.

F. Computerised Maintenance Management Systems:

- This is a software that centralises maintenance information of assets/ facilities. This helps in optimising the utilisation of resources.

G. Automated Facility Maintenance:

- Unorganised work environment leads to complex situations leads to poor management and underutilisation of resources.
- Automation of the process makes everything easy to manage.
- These systems also help in automatically assigning tasks to employee and monitor his activities.
- Automation also helps in maintaining an organised work environment.

Industry Risks and Challenges:

Despite its high growth prospects, the Indian Integrated Facility Management services market is facing a few challenges. One of the main issues the market is now dealing with is a lack of skilled and non-skilled manpower. After a project has been successfully contracted, the lead times for mobilising resources and workers have increased due to a lack of skilled personnel. Customers have been compelled to switch out long-term contracts for medium-term ones due to rising inflation and manpower costs. Medium- and short-term contracts are easier for many clients to keep up than long-term ones because the latter will result in price increases.

Exhibit 3.11: Industry Challenges, India, FY2023 – FY2028

Industry Challenge	Description	Impact on Growth FY2023 – FY2028
Stiff competition	The market is highly competitive with the presence of large number of domestic and few international companies. It is also noted that some big domestic companies having principal business in real estate are entering into this market by forming a subsidiary, thereby increasing competition.	Medium to High
Retention of workforce	High attrition rate mainly because of high demand for quality manpower and competitive remuneration, is making it difficult to retain skilled workforce, especially in Soft Services segment.	Medium to High
Lack of market maturity	The Indian Integrated Facility Management Market lags in areas such as market maturity and appreciation for high standards of service delivery.	Medium

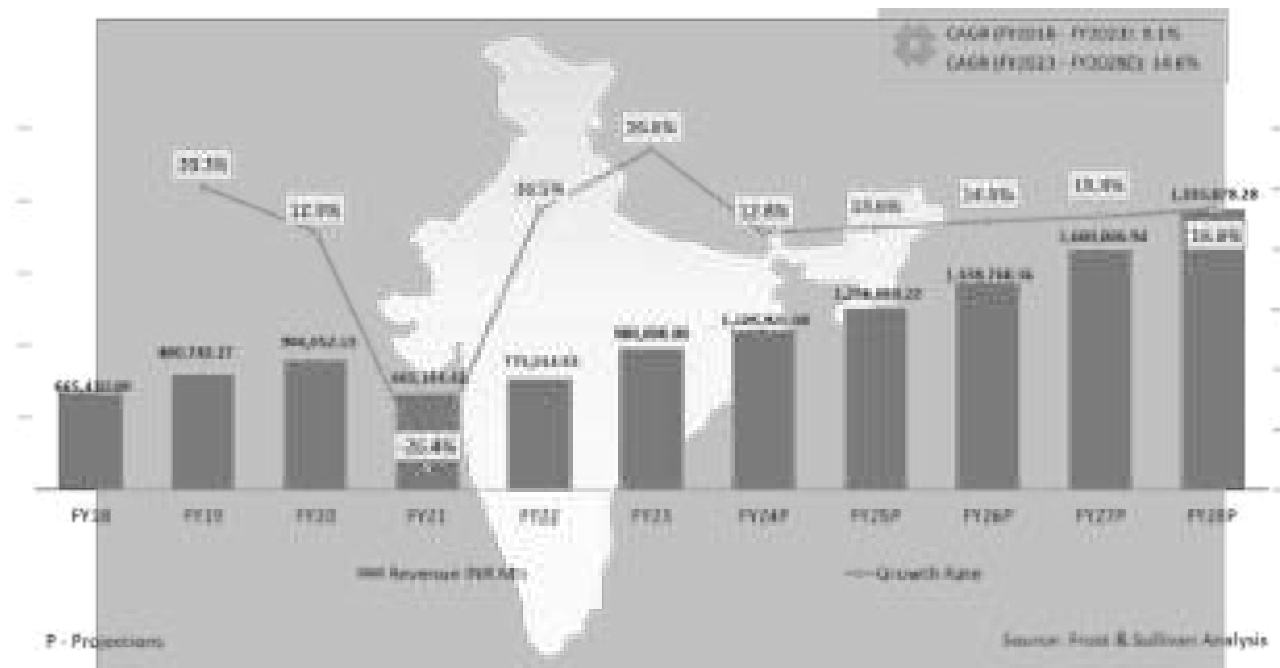
Price sensitivity Customers are highly price sensitive, and this has resulted in increasing preference for companies who are non-compliant with regulations related to Provident Fund (PF), Employees' State Insurance Scheme (ESIC) etc. Medium to High

Note: The above table is applicable for Hard and Soft Services (hard services does not include city maintenance services) only.

Outlook of the Outsourced Integrated Facility Management Services Market:

Growing investments in end user segments such as Industrial, Commercial Offices, Airports, Railways, Healthcare, Education, Retail etc. are expected to drive the growth in the Outsourced Integrated Facility Management Market at a CAGR of 14.6% from FY2023 – FY2028 to reach INR 1,935,878.28 million.

Exhibit 3.12: Outsourced Integrated Facility Management Market: Historic and Forecast Revenue Trend, India, FY2018 – FY2028



Market Drivers:

Exhibit 3.13: Market Drivers and Impact, India, FY2023 – FY2028

Market Drivers	Impact	Impact		
		1-2 Years	3-4 Years	5-7 Years
Growth in real estate sector	Increase in real estate stock has a direct implication on the growth of the Integrated Facilities Management Market. Regular investments in office, residential and retail segments lead to the rapid addition to India’s real estate stock across	High	High	High

commercial, residential, retail, industrial and warehousing.

Demand for coworking spaces is increasing in India and the global pandemic has contributed to the growth of coworking/ flexible spaces in the past two years. With hybrid working models gaining prominence, the demand for flexible and coworking spaces is expected to increase as companies are uncertain about investing in permanent offices spaces. Flexible office spaces also allow companies to expand into smaller cities, adapt and stay competitive in a dynamic business environment.

Operational benefits due to outsourcing Facility Management services	Integrated Facilities Management outsourcing saves the cost of operating and training staff, which is much higher compared to hiring a professional agency. It enhances flexibility in terms of availing the services as per the changing specifications. Outsourcing also helps in better utilization of time for other business activities.	High	High	High
Health and safety issues	Due to the recent COVID -19 situation, companies are getting even more cautious and preparing themselves for similar situations in the future, in terms of maintaining the health and hygiene of the facility. Companies are increasingly engaging professional Facility Management experts, majorly for integrated services. Increased awareness on maintaining indoor air quality, safety aspects related to fire audits, regular maintenance of fire safety systems, electrical equipment, and security devices are driving the need for outsourcing Integrated Facilities Management Services to experts.	Medium	High	High
Focus of Government initiatives such as Swachh Bharat Mission, Clean Cities, etc.	Government of India is expected to spend more on the maintenance of public infrastructure, such as municipal parks and government-run schools, increasing impetus provided to cleanliness in these facilities in the form of government initiatives. The key enabler for the growth of Facility Management Market would be the main objectives of the Swachh Bharat Mission – to clean the streets, to clean the roads and infrastructure of the statutory towns of the country. Facility Management players are capitalising on the opportunity and considering including waste management as one of the top offerings. Along with public infrastructure and government-run schools,	Medium	Medium	High

	railways, metros, and government hospitals are also expected to increase their outsourcing of Facility Management Services in the long-term, creating growth opportunities for service providers			
Government focus on tourism industry, due to demand from hospitality industry	Travel and tourism are the segments that is receiving major boost in India. It is a necessity for the hospitality segment to provide the best services to visitors and guests to ensure a pleasant stay. Cleanliness and hygiene are necessary in hotels. This will open more business opportunities for Facility Management companies in the coming years. One of the key programs, Incredible India 2.0 is an international marketing tourism campaign run by India's Ministry of Tourism to promote tourism in the country.	Low	Medium	High
Increasing complexity of commercial buildings	Increasing complexity of commercial buildings is encouraging the involvement of professional maintenance services to increase the building's life span. Growth from the commercial segment is expected to be replicated in the growth of outsourced Integrated Facilities Management Services market revenue. With the emergence of innovative technology, engineering, administrative and regulatory compliances, the demand for professional Facility Management in commercial spaces will continue to grow.	Low	Medium	Medium
Energy conservation and optimum usage of building solutions	The significance of conserving energy is gradually picking up momentum due to rising energy costs, encouraging companies to hire professional Integrated Facilities Management Services for maintenance of energy intensive equipment. Integrated Facilities Management service providers are expected to play a key role in building sustainability as energy efficiency strategies gain prominence. Sustainability in Facility Management includes reduction of energy consumption. All the supporting services offered should be aimed at improving the sustainability of the customer.	Low	Low	Medium

Market Restraints:

Exhibit 3.14: Market Restraints and Impact, India, FY2023 – FY2028

Market Restraints

Impact

1-2 Years	3-4 Years	5-7 Years
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Inflation leading to increase in management costs	Short-term contracts lead to competition and impact business continuity for Facility Management companies. High inflation costs and other critical factors are forcing customers to replace long-term contracts with medium-term ones. Many customers find it easier to maintain medium and short-term contracts than to maintain long-term ones, as the latter are prone to price increases because of surging inflation and labour costs.	High	High	High
Presence of large unorganised segment	Currently, the large, organised Facility Management comprises contributing to a small portion of the market. Ease of market entry led to huge chunk of unorganised competition. Many facilities are still not ready to hire a professional agency for cleaning. They either do it in-house or get it done through local agencies to provide housekeeping services. However, push for organised Facility Management services are also emerging from across business verticals, both in terms of demand and supply.	Medium	Medium	High
Adoption of technology still at nascent stage in India	In India there is a huge gap between understanding and adopting technologies. Many businesses have in-house cloud computing and IoT systems; however, it is not incorporated into the Integrated Facilities Management ecosystem. Transition from conventional office layouts to a modern set up is still in infancy stage. Despite Facility Management playing a key role in operations, enterprises are unaware of the various evolving solutions. Also, there is a challenge in integration of Facility Management with the existing Enterprise Resource Planning (ERP) system. When failures occur, prompt actions are required to maintain access and ensure security which is possible only through remote monitoring and other technology tools.	Low	Medium	Medium
Safety Equipment cost and hygienic cost exceeding the initial cost of services	Facility Management workers need to be provided with proper protective equipment, temporary accommodation, and hygiene support and their safety must be taken care of as well. Similarly, there is risk of sending back employees to their houses. Integrated Facilities Management companies are forced to arrange for temporary	Low	Medium	Medium

accommodation for the employees. Also, there is a need for contactless cleaning and involvement of other technological intervention which will eventually increase the overall cost of services.

Heavy workload and difficulty in managing client expectation	Workers must undertake deep cleaning of complexes almost every second or third day, in addition to the regular hygiene measures, resulting in their work almost doubling. Similarly, the manpower requirement is backed by increased demand for disinfection and cleaning services in the corporate environment. The Facility Management companies are witnessing a 20% surge in fresh hires every month.	Low	Low	Medium
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Source: Frost & Sullivan Analysis

Outlook of Key End User Segments:

Industrial, Public Administration (State government entities, municipal bodies and other government offices), Railways & Metros, Commercial Offices, Retail, Airports, Healthcare, and Educational Institutions are the top end user segments that are anticipated to drive the demand for Integrated Facility Management during the forecast period. These eight segments account for 88.1% of the total Outsourced Integrated Facility Management Market in FY2023.

Industrial/Manufacturing Segment: Special Economic Zones (SEZ) are a key element expected to fuel India's economic expansion. Special economic zones are regions that have been geographically designated to encourage investments, export-oriented industry, and to make doing business easier. Businesses in these regions benefit from unique regulatory and financial advantages, including tax exemptions, duty-free exports, and investments in infrastructure, among others. The Indian government is shifting its attention to domestic markets and manufacturing with the passage of the Development Enterprise and Services Hub (DESH) Bill 2022 and by upgrading the special economic zones to become World Trade Organisation (WTO) compliant. By incorporating several economic zone types, such as special economic zones, coastal economic zones, and food and agriculture economic zones, the law is anticipated to bring about a paradigm change. Investments in this segment and shifting focus towards operational efficiency and compliance are expected to lead to high outsourcing of maintenance activities from the segment. This would create growth opportunities for Facility Management service providers in the long-term.

Commercial Offices Segment: Rapid urbanisation, growth in tourism and service sectors are driving the demand for commercial spaces in India. Increasing high-rise buildings and shared spaces are the current trends in the Commercial Office segment and these are expected to drive the demand for Facility Management services in this segment. New project completions in CY2022 were 58.3 million square feet⁹,

⁹<https://www.jll.co.in/content/dam/jll-com/documents/pdf/research/apac/india/jll-q4-2022-office-market.pdf>

recording a year-on-year growth of 27.9%. The institutional investments in office assets were USD 1,927 million in January – June 2023, up by 82.5 % from the same period last year¹⁰.

Railways: India has the fourth-largest railway system in the world, followed by the USA, Russia, and China. As of January 2023, the Indian Railways had 13,523 passenger trains and 9,146 freight trains. Under the Union Budget 2023-24, a capital outlay of INR 2,400 billion¹¹ (USD 29 billion) has been allocated to the Ministry of Railways. Exponential rise in passenger and freight traffic is expected to be a key driver for investments in assets in the Railways segment. Railway passenger traffic is projected to reach around 12 billion per year by 2031 and freight traffic is expected to cross 8,220 million tons by 2031.¹² Six high-speed and high-capacity freight corridors are expected to be development over the next ten years. Government initiatives such as the railway electrification and diamond quadrilateral network of high-speed rail to connect major metros and business centers in India are expected to drive the growth opportunities for Facility Management services. Metro Rails are also playing a pivotal role in enhancing quality of life and economic growth of the cities in India. Around 874 kilometers of metro railway network was operational across 15 cities in India as of 2022.¹³ Metro Rail projects in Bengaluru, Chennai, Delhi, Mumbai, Kanpur, Pune, Noida, Lucknow, Kolkata, Kochi, Jaipur, Hyderabad etc., are under development and once completed would provide growth opportunities for Facility Management service providers. Manpower shortages, specialized skill sets required to maintain these systems and government’s focus to enhance operational efficiency and customer experience are expected to drive the outsourcing of Facility Management services in Railways and Metro segment, which would create tremendous growth potential for Integrated Facility Management solution providers.

Healthcare Segment: This consists of hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance and medical equipment. The Indian Healthcare sector is one of the key contributors to the economy and is growing at a steady rate due to its strong coverage, diverse services, and increasing expenditure by public as well private players.

The Healthcare market in India is being driven by the rising prevalence of lifestyle diseases, increasing demand for affordable healthcare delivery systems due to rising healthcare costs, technological advancements, the emergence of telemedicine, rapid health insurance penetration, government initiatives like e-health, along with tax benefits and incentives.

The low cost of healthcare has led to an increase in medical tourism in the nation, drawing people from all over the world. Further, due to its relatively low cost of clinical research, India has become a centre for research & development activity for foreign businesses.

Favorable investment policies such as the 100% FDI in construction of hospitals under the automatic route and 100% FDI in greenfield projects under the automatic route have attracted significant investments. Around USD 8.7 billion¹⁴ investments have been received in hospitals and diagnostic centers from April

¹⁰<https://www.outlookindia.com/business/institutional-investment-in-real-estate-up-slightly-to-2-93-billion-in-jan-jun-jll-india-news-298687>

¹¹ <https://www.ibef.org/industry/railways-presentation>

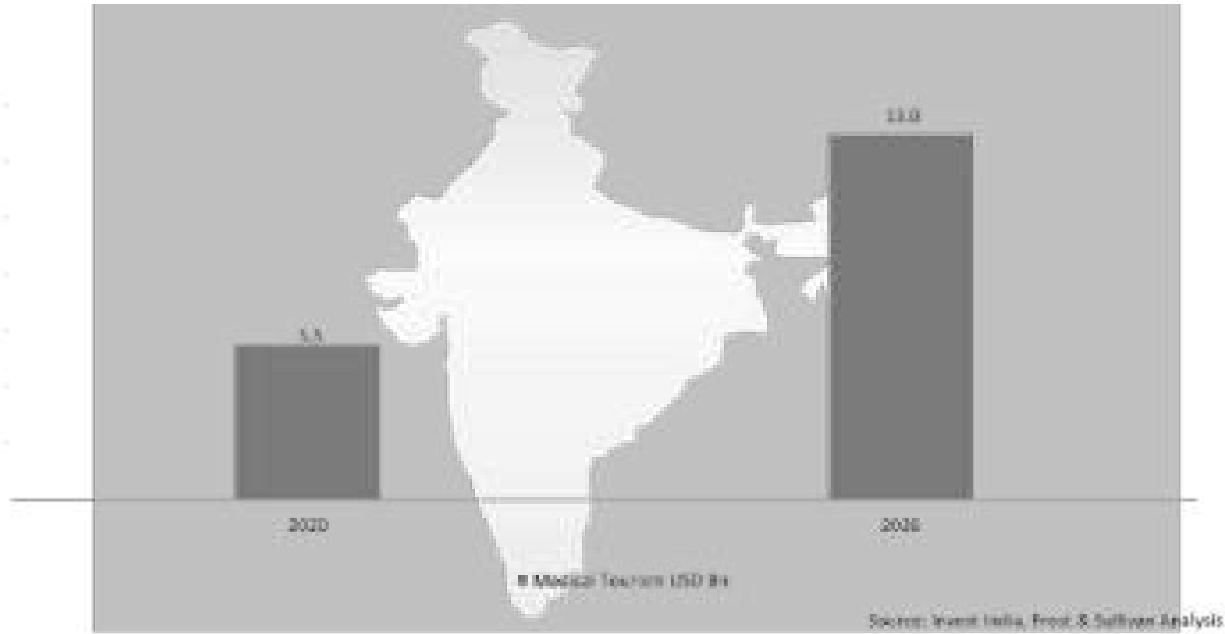
¹² <https://www.investindia.gov.in/sector/railways>

¹³ <https://www.mobilityoutlook.com/commentary/metro-railways-transforming-indias-urban-transportation/>

¹⁴ <https://www.investindia.gov.in/sector/healthcare>

2000 to March 2023. Investments in healthcare infrastructure are anticipated to drive the demand for Integrated Facility Management services over the forecast period. Outsourcing rates are also expected to improve in this segment driven by the need for specialized skills, compliance and to ensure high-quality environment for patient care.

Exhibit 3.15: Medical Tourism Market, 2020 & 2026, India



Educational Institutions Segment: India’s Education industry is among the largest in the world and plays a significant role in balancing the socio-economic attribute of the nation. India’s Educational industry is vast and diverse, with institutions established to service the educational needs of each age band, covering the preschool period, the K-12 school years, and higher education and research. E-learning is an emerging segment that witnessed exponential growth in the past couple of years due to the COVID-19 pandemic. Between April 2000 and March 2023, the industry received equity FDI of USD 9.2 billion¹⁵. Government initiative such as the 100% foreign investments in Educational segment, Revitalising Infrastructure and System in Education (RISE), Education Quality Upgradation and Inclusion Programme (EQUIP) and National Educational Policy 2020 are all expected to bridge the gap in infrastructural demand, particularly in the government sector. With the increase in infrastructure assets and technology adoption in the Education segment, the demand for Facility Management services would increase in the long-term. Sophistication of assets in the segment is expected to drive the outsourcing of Facility Management, creating opportunities for service providers.

Airport Segment: The government of India announced that 100 additional airports would be developed in the country by 2024 under the Ude Desh ka Aam Naagrik (UDAN) program.

Ude Desh ka Aam Naagrik (UDAN) or Regional Connectivity Scheme (RCS): UDAN-RCS is a regional airport development program of the Government of India, with the goal of letting the common citizen of the

¹⁵ <https://www.ibef.org/industry/education-sector-india>

country fly, to boost inclusive national economic development, job growth, and air transport infrastructure development of all regions and states of the country.

The UDAN program aims to provide connectivity to the country's under-served and un-served airports by revitalising existing airstrips and airports. It would result in a win-win result for all stakeholders involved by improving affordability, increasing connectivity, and providing more jobs. Under the program, Government intends to create additional routes and more passengers for incumbent airlines, while there was the possibility of fresh, scalable business for start-up airlines.

According to rating agency Investment Information and Credit Rating Agency (ICRA), the number of new RCS routes that began operations grew at a healthy rate, reaching 395 and 425 routes in FY2021 and FY2022¹⁶, respectively. The central government spent a total of INR 26.1 billion¹⁷ on the UDAN scheme up to June 2022.

NextGen Airports for Bharat (NABH): The government unveiled a new initiative in February 2018, called Nextgen Airports for Bharat Nirman, under which it plans to increase airport capacity in the country by more than fivefold to handle a billion trips each year. The three most important features of NABH Nirman are:

- Land acquisition that is fair and equitable
- A long-term master plan for airport and regional development
- Economics that is balanced for all stakeholders.

Exhibit 3.16: Upcoming Domestic Airport Projects, India, FY2023

Name of the Airport	Area	Project Cost	Probable Date of Completion
Patna Airport	Construction of New Domestic Terminal Building and other structures (Phase I and II)	INR 12.17 billion	2024
Dholera, Gujarat	Development of New Greenfield Airport	INR 13.05 billion	2025
Chennai International Airport, Chennai	Modernisation of Chennai Airport, Phase II	INR 24.67 billion	Part 1: 2023 Part 2: 2025

Source: Annual Report of MoCA 2022-2023 (civilaviation.gov.in)

Privatisation of Airports: Government of India is privatising airports in India to improve their operational efficiency, boost infrastructure development and to provide world-class services on par with international

¹⁶ <https://www.aai.aero/en/rcs-udan>

¹⁷ https://www.business-standard.com/article/economy-policy/over-10-mn-air-passengers-availed-benefit-of-udan-scheme-govt-122072101064_1.html

standards. The government is expected to privatise 20 - 25 airports in India between 2022 and 2025 under the National Monetisation Pipeline, across Tier 1, Tier 2 and Tier 3 cities across India. This privatisation effort is expected to increase the outsourcing of airport management services and drive the business potential for Integrated Facilities Management Market during the forecast period.

Government Sector Outsourcing: The government sector is expected to provide high growth opportunities for Facilities Management in the long-term. The Outsourced Integrated Facilities Management Market opportunity from the government sector in FY2023 stood at INR 492,948.80 million and is expected to grow at a CAGR of 16.3% from FY2023 – FY2028 to reach INR 1,047,310.15 million. The key segments contributing to this opportunity are Industrial, Public Administration (State government entities, municipal bodies and other government offices), Airports, Educational Institutions, Healthcare, and Railways & Metros.

Competitive Landscape:

Competitive Structure:

Indian Integrated Facilities Management Market is highly fragmented with close to 400 - 500 companies operating across the country. There are around 6 large companies comprising of Tier 1 category and have their presence across geographies and control about 9.4% of the total market. Tier 1 companies have country-wide presence and serve almost all the end-user segments and have a vast client base. Around 60 - 70 companies belong to Tier 2 and have regional presence while more than 400 companies belong to Tier 3 category and operate in a small geographic zone, for example a single city or town. The market also witnesses the presence of both international and domestic companies. International companies subcontract majority of their services to gain access to various markets, manpower and customers in the region.

Exhibit 3.17: Integrated Facility Management Market: Key Competitive Insights, India, FY2023

Attributes	Integrated Facilities Management Market
Number of Companies	<ul style="list-style-type: none"> • Close to 500
Major Market Participants	<ul style="list-style-type: none"> • Sodexo Facilities Management Services • SIS Limited • Qness Corp • BVG • Updater Services India Limited (UDS) • Re Sustainability
Other Notable Market Participants	<ul style="list-style-type: none"> • Krystal • Compass India Support Services • ISS Facility Services • Rentokil Initial • Anthony Waste

Facility Management Consultants/ Managing Agents

- JLL
- CBRE
- Knight Frank
- Cushman & Wakefield
- Others
- The above companies sub-contract Facility Management projects to companies like BVG etc.

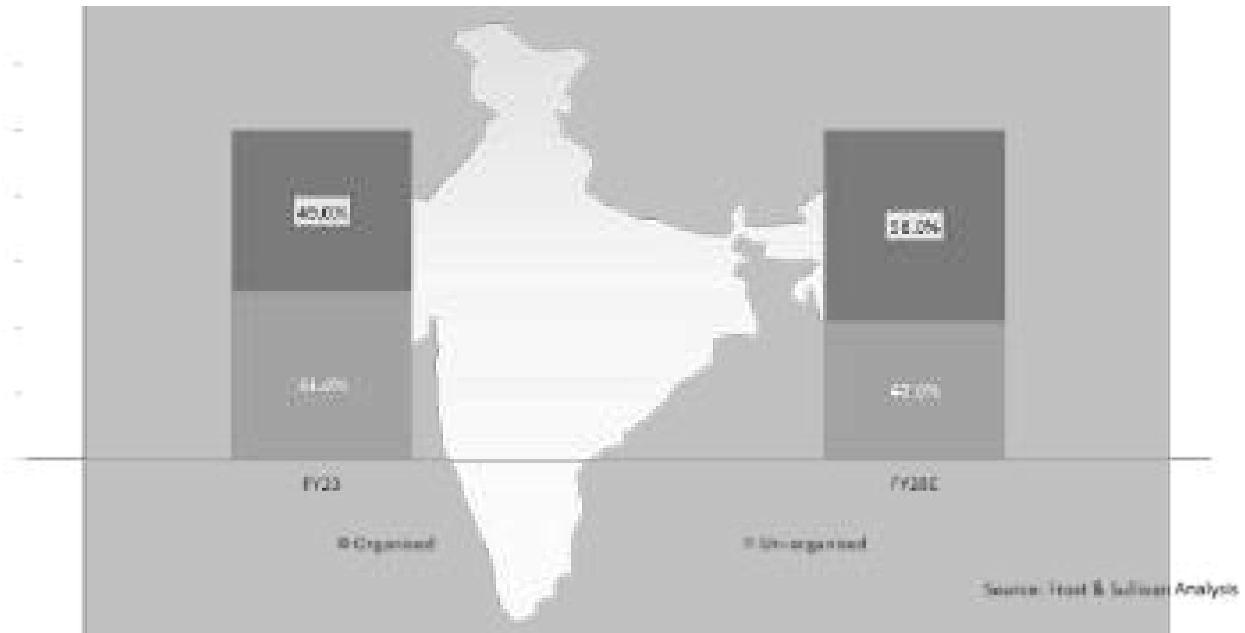
Key Competitive Factors

- Local market knowledge.
- Retention of skilled workforce.
- Statutory compliance.
- Brand reputation.
- Financial strength.
- Ability to adopt advanced technologies.
- Preventive maintenance techniques.
- Ability to integrate end-to-end manpower & business services bouquet catering to entire range of customer's requirements.
- Value-added services.
- Customer retention: In Integrated Facilities Management business, the most common form of contract is annual and therefore companies with the ability to retain clients have a competitive advantage.

Integrated Facilities Management Market in India is highly fragmented and unorganized. Small and medium-sized companies dominate majority of the market. Driven by the need for an organised approach and demand for professional Integrated Facilities Management Services, there is an on-going shift in the market towards consolidation. This is also an outcome of increase in customer awareness about the risks associated with unorganized service providers that are not compliant with the quality and safety standards.

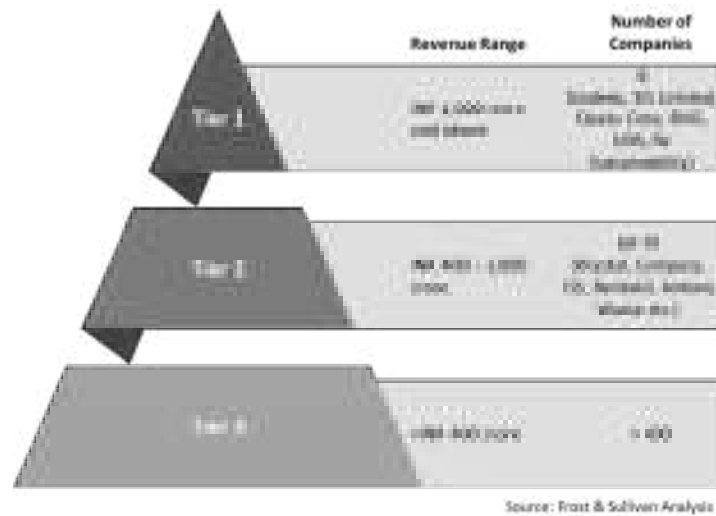
The competitive structure within the government segment is more organised than the total market. Major service providers to the government sector for Integrated Facilities Management Services in India are Sodexo, BVG, SIS Limited and Krystal. The government sector is prioritizing quality and service delivery for their clients and in order to achieve higher customer satisfaction, the sector is seeking out professional companies for Facilities Management. There is growing awareness about service level agreements (SLA) among the large customers since service level agreements are output-based in which their purpose is specifically defined on what the customer will receive. Key selection criteria for shortlisting companies in the government sector are industry experience, ability to serve large government contracts, capability to service multiple client locations under a single contract, and service quality among others.

Exhibit 3.18 Outsourced Integrated Facilities Management Market: Segmentation by Organised versus Unorganised Segment, India, FY2023 & FY2028 (Percentage)



Note: Organised segment consists of companies that are regulatory and tax compliant. Unorganised segment companies are not compliant with regulatory and tax requirements.

Exhibit 3.19: Outsourced Integrated Facility Management Market: Competitive Structure, India, FY2023

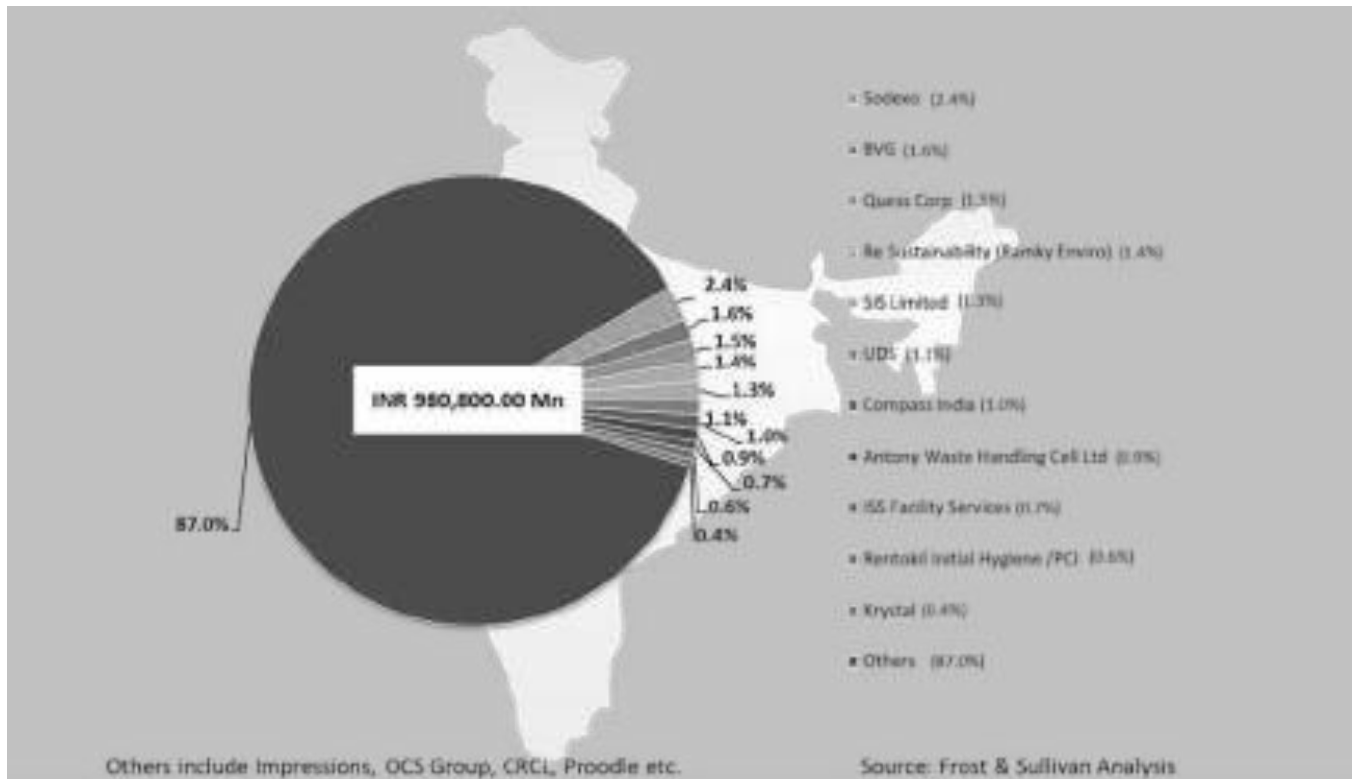


Capital expenditure, compliance, capability expansion etc. are some of the critical challenges faced by small and regional companies to scale up their businesses. The introduction of Goods and Services Tax (GST) in India is expected to bring in transparency, where clients are expected to use formal banking channels to pay for their services and manpower requirements, which would again enable growth of the organised segment.

In addition to this, the growing demand for integrated and single contact for all facility maintenance services, energy efficiency, stringent quality and compliance standards, and the increased need for mechanised cleaning, is anticipated to drive demand for organised Integrated Facilities Management, which is expected to result in market consolidation. This would amplify the growth opportunities for organised service providers such as Sodexo, Quess Corp, SIS Limited, BVG, UDS, ISS, Krystal etc.

Market Share Analysis:

Exhibit 3.20: Outsourced Integrated Facilities Management Market: Market Share Analysis, FY2023, India



The top four companies in the Integrated Facilities Management Market are Sodexo, BVG, Quess Corp, and SIS Limited¹⁸. They have a combined market share of 6.8% of the total market in FY2023.

Sodexo is the market leader in India with a share of 2.4% of the total market in FY2023. Their major service offerings are food related solutions and Facilities Management. Their focus segments are corporates, healthcare organisations, manufacturing locations, and educational institutions. Service innovations, technology adoption, industry experience, global service knowledge, customer-focused solutions are some of the unique competitive advantages of Sodexo.

BVG, the second largest Integrated Facility Management company, was founded in 1993 and is the leading Integrated Facility Management Solutions provider in India. Their other business lines include Emergency Response Services, Solid Waste Management and Special Projects. The company focuses on a wide range

¹⁸ Re Sustainability, is not included in the above positioning analysis, as they are predominantly waste management solutions provider/ single service solution providers and do not offer soft services and hard services.

of end user segments such as automotive, healthcare, banks, chemicals, pharmaceuticals, educational, and government. BVG is a key service provider to government facilities such as Rashtrapati Bhavan, Parliament House, income tax offices, residences of key constitutional functionaries, supreme court among others. Their key strengths include quality, technology, training, and sustainability focus.

Quess Corp is the third largest player in the Integrated Facilities Management Market in India. Quess Corp is a leading business services provider focusing on Facilities Management, Workforce Management, Technology Solutions and Product Businesses. They have diversified business offerings under Facilities Management, similar to all the major companies in this market. Industry experience, technology driven solutions, designing bespoke solutions for their clients, employee training and skill enhancements are some of the competitive advantages of Quess Corp.

SIS Limited is the fourth largest Integrated Facilities Management company in India providing cleaning, housekeeping, technical and pest control services under Integrated Facility Management contracts. The Integrated Facility Management services are provided through Dusters Total Solutions Services, SMC Integrated Facility Management Solutions Limited, RARE Hospitality, Adis and TerminixSIS. The company provides best-in-class technology solutions, have developed robust processes, Standard Operating Procedures (SOP) guidelines and compliance, and is led by an experienced management team. They are prominent in healthcare, education, manufacturing, IT/ ITeS, retail, pharmaceutical, and data center segments.

Krsytl is the eighth largest player in the Integrated Facilities Management Market in FY2023 in terms of revenues as on March 2023.¹⁹ The company has a diversified business offering ranging from Integrated Facilities Management such as Soft Services, Hard Services, City Maintenance Services, Warehouse Management Services, Airport Management Services etc., to Staffing Services and Manned Guarding Services. It is one of the leading Integrated Facilities Management Services companies, with a focus on Healthcare, Education, Public Administration (State government entities, municipal bodies and other government offices), Airports, Railways & Metro Infrastructure and Retail sectors. They provide a comprehensive range of Integrated Facility Management service offerings across multiple sectors and consequently are among the select companies in India that have a wide geographic presence and customer base, catering to almost all end user segments, as on March 31, 2023. Krystal is among the few integrated services companies that provide Facility Management services to commercial complexes and shopping malls across the country. Krystal's strengths in the market include their ability to provide bespoke solutions for Integrated Facility Management requirements, sourcing from OEMs at competitive prices due to excellent long-term relations, best-in-class products, and adoption of smart technology. They are a key solutions provider to the government sector and have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. They also have a strong track record of high employee satisfaction and improving retention rates. Krystal is also among the league of the fastest growing Integrated Facility Management companies in India, registering a CAGR of 22.5% in terms of revenue growth during FY2021 – FY2023. Krystal's financial performance in FY2022 was better than most of their peers, who had been impacted by COVID-19.

¹⁹ Re Sustainability, Anthony Waste, and Rentokil are not included in the above positioning analysis, as they are predominantly water and wastewater treatment solutions provider/ waste management solutions provider/ single service solution providers and do not offer soft services and hard services.

Growing investments in end user segments, increasing outsourcing from government sector, widening scope of facility services are all expected to favour the business growth of the organised companies in Integrated Facilities Management Market in the long-term. All major companies are equipping themselves to capitalise on this growth opportunity by adopting technology, enhancing skills and service delivery, focusing on customer experience among others.

Key Financial Metrics:

Exhibit 3.21: Outsourced Integrated Facilities Management Market: Financial Information of Major Companies, India, FY2022

Company Name	Revenues from Operations, INR Mn, FY2022	EBITDA Margin, FY2022	Return on Capital Employed, FY2022	Return on Equity, FY2022	Working Capital Days, FY2022	Net Debt/EBITDA, FY2022
Sodexo	20,087.67	3.17%	12.95%	15.45%	40.51	5.54
SIS Limited	100,590.76	4.98 %	14.85%	15.71%	23.66	4.22
Quess Corp	136,917.80	4.59%	14.31%	9.77%	19.38	3.80
BVG	20,309.19	14.25%	26.88%	13.37%	116.94	3.18
UDS	14,835.52	5.27%	15.40%	16.59%	30.60	5.10
Compass India [^]	3,711.00	-1.05%	-1.89%	-0.08%	101.14	61.33
ISS Facility Services	8,884.35	2.90 %	10.06%	9.30%	90.05	0.82
Krystal	5,526.76	8.22 %	25.03%	17.37%	51.0	0.85

[^]Compass financial ratios represent Compass Group's Facility Management business only, managed under the name Compass India Support Services.

Re Sustainability, Anthony Waste, and Rentokil are not included in the above financial analysis, as they are predominantly water and wastewater treatment solutions provider/ waste management solutions provider/ single service solution providers and do not offer soft services and hard services.

For financial ratios, FY2022 is used as this was the latest common year for which financial statements were available for all companies.

EBITDA margin is calculated as profit before tax + finance cost + depreciation & amortisation – other income /revenue from operations.

Return on capital employed is calculated as earnings before income and tax (EBIT)/ (total assets - current liabilities).

Return on equity is calculated as net income or PAT/shareholders' fund.

Working capital days is calculated as (current assets – current liabilities) * 365/ revenue from operations.

Net Debt is calculated as Total Liabilities – Cash and Cash Equivalents

EBITDA is profit before tax + finance cost + depreciation & amortisation

EBITDA, ROCE, ROE, and Working Capital Days are calculated based on overall company revenues and not from segmental revenues.

Companies are listed in the order of revenues from Integrated Facilities Management business for FY2023

Source: Company Annual Reports

Exhibit 3.22: Outsourced Integrated Facilities Management Market: Financial Information of Major Companies, India, FY2023

Company Name	Revenue from Operations, IN Mn, FY2023	Revenue CAGR, FY21 – FY23	PAT CAGR, FY21 – FY23	EBITDA Margin, FY2023	Return on Capital Employed, FY2023	Return on Equity, FY2023	Working Capital Days, FY2023	Net Debt/EBITDA, FY2023
Sodexo	24,607.43	21.39%	NA	NA	NA	NA	NA	NA
SIS Limited	113,457.80	11.49%	-2.86%	4.42%	11.58%	14.85%	31.64	5.08
Qess Corp	171,583.87	25.83%	73.93%	3.73%	11.66%	8.16%	15.82	4.43
BVG	23,097.03	17.85%	17.92%	12.78%	23.15%	12.37%	124.58	2.81
UDS	21,300.00	32.68%	NA	4.41%	7.07%	8.92%	41.42	11.68
Compass India [^]	4,267.65	12.90%	NA	NA	NA	NA	NA	NA
ISS Facility Services	9,994.95	6.29%	NA	NA	NA	NA	NA	NA
Krystal	7,076.36	22.54%	51.17%	7.70%	28.82%	23.18%	25.0	0.00

[^]Compass financial ratios represent Compass Group's Facility Management business only, managed under the name Compass India Support Services

Re Sustainability, Anthony Waste, and Rentokil are not included in the above financial analysis, as they are predominantly water and wastewater treatment solutions provider/ waste management solutions provider/ single service solution providers and do not offer soft services and hard services.

EBITDA, ROCE, ROE, and Working Capital Days are calculated based on overall company revenues and not from segmental revenues.

Companies are listed in the order of revenues from Integrated Facilities Management business for FY2023

NA – Not Available

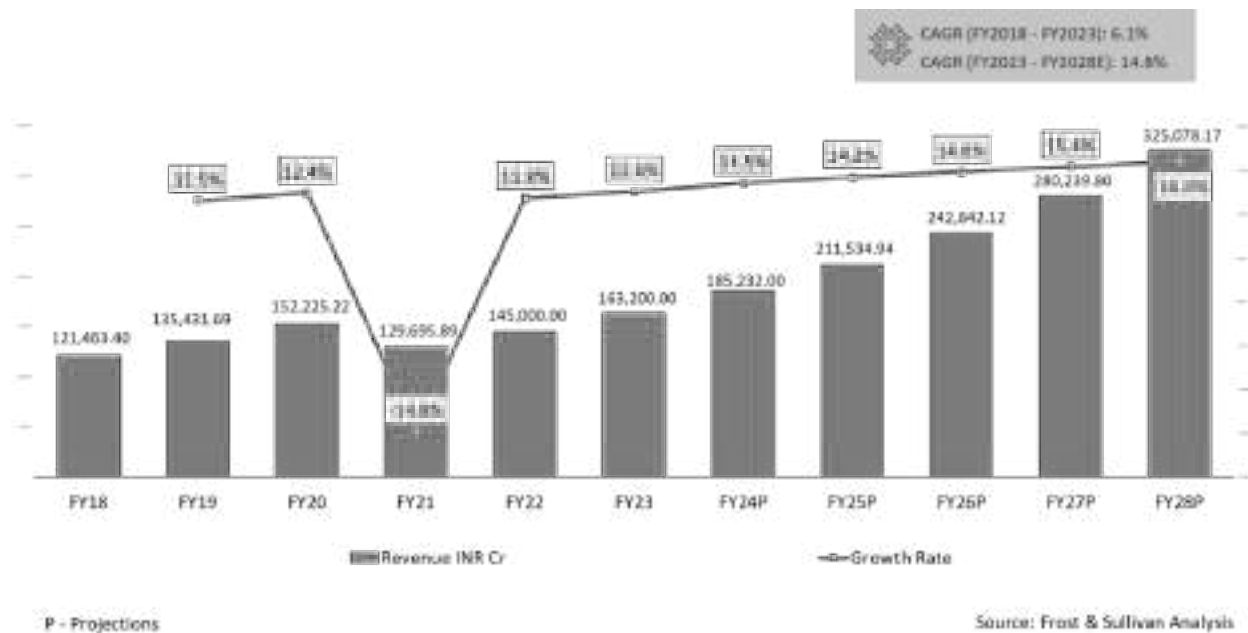
Source: Company Annual Reports

CHAPTER 4: OVERVIEW OF SOFT SERVICES MARKET IN INDIA

Market Size and Revenue Trend:

Soft Services segment was estimated at INR 163,200.0 million in FY2023 and has recorded at CAGR of 6.1% from FY2018 – FY2023. COVID-19 impact on the Soft Services segment is estimated to be de-growth of 14.8% in FY2021.

Exhibit 4.1: Outsourced Soft Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India

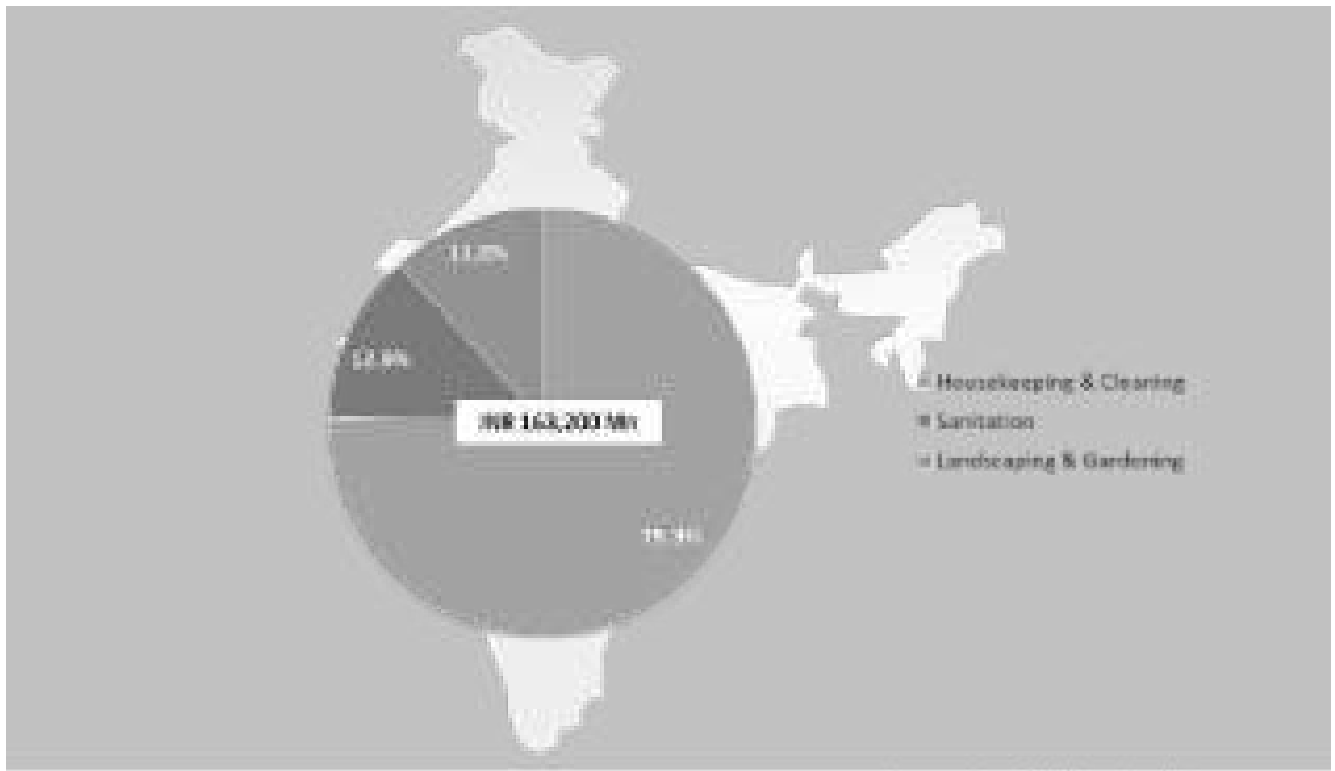


Indian Commercial Office segment witnessed strong recovery in terms of resuming work from office in the past year. This resulted in a high growth in Housekeeping/ Cleaning and Disinfection Services demand. With the ongoing trend of hybrid work model, the demand for these services from the Offices segment is anticipated to remain high in the forecast period. Based on the analysis of market growth enablers and investments in key end user segments, the market is expected to reach INR 325,078.17 million by FY2028, recording a CAGR of 14.8%.

Market Segmentation by Services:

Housekeeping/ Cleaning / Janitorial services are the largest contributors in Soft Services segment with a market share of 75.3% and this segment is expected to maintain its domineering position during the forecast period.

Exhibit 4.2: Outsourced Soft Services Market: Segmentation by Service Types, FY2023, India



Housekeeping/ Cleaning Services:

Growing importance for clean and hygienic workplaces are driving the demand for housekeeping/ cleaning services. A hygienic business environment increases concentration and boosts productivity by reducing stress and fear, particularly during pandemics like the COVID-19. Housekeeping/ cleaning service delivery has evolved in the past by adopting technological solutions. Lots of innovations in cleaning tools and machines have assisted human resources to achieve excellent service delivery in terms of quality and has enhanced productivity among the field workers.

Sanitation Services:

Workplace hygiene received greatest attention during the pandemic and as a result commercial offices across sectors created high demand for Sanitation services in the past couple of years. Sanitation services demand from Commercial segment is expected to remain high during the forecast period. Demand from other segments such as Hospitals, Retail, Hospitality, and Industrial segments are also expected to be high for Sanitation services as they have started 100% operations and are wanting to maintain high standards for hygiene to prevent infection.

Landscaping & Gardening Services:

Increasing per capita income, changing and progressive lifestyle have resulted in high growth for Landscaping and Gardening Services in India. Aesthetically appealing landscaping is being desired across

all premium projects across Commercial and Residential segments. Rapid urbanisation and industrialisation have led to the increasing boom in malls, green corridors, amusement parks, commercial offices and residential townships, that are seeking landscaping services.

Market Segmentation by Government versus Private:

Soft Services segment is dominated by the private sector with a share of 64.6% of the total market in FY2023. Commercial Offices, Healthcare, Industrial, Airports, and Residential segments are the key contributors of the Soft Services demand across private and government segments.

Exhibit 4.3: Outsourced Soft Services Market: Segmentation by Government versus Private, FY2023, India



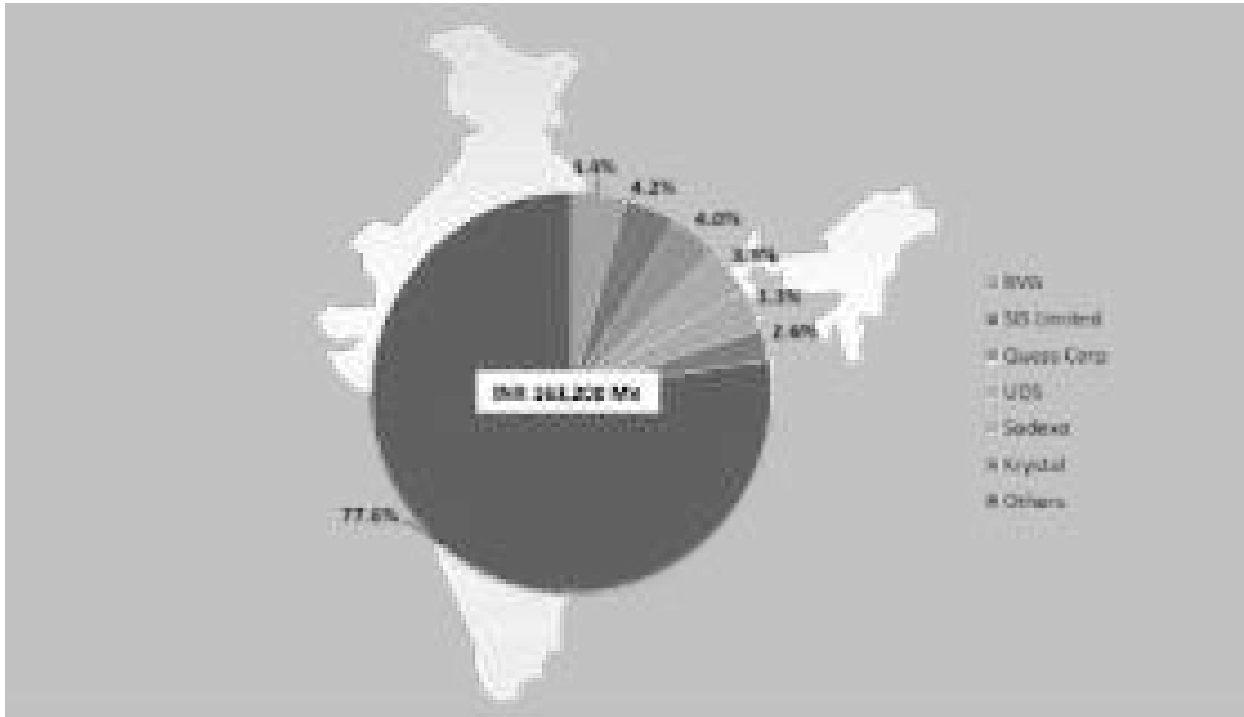
Source: Frost & Sullivan Analysis

Competition Overview and Market Share Analysis:

Most of the Integrated Facilities Management companies provide Soft Services across India, and the top five companies in this segment are BVG, SIS Limited, Qness Corp, UDS, and Sodexo. These five companies account for a combined share of 19.8% of the total market in FY2023.

Soft Services is extremely fragmented in India with the market leader BVG having a share of 4.4% of the total market in FY2023. Krystal is the sixth largest Soft Services company with a market share of 2.6% in FY2023.

Exhibit 4.4: Outsourced Soft Services Market: Market Share Analysis, FY2023, India



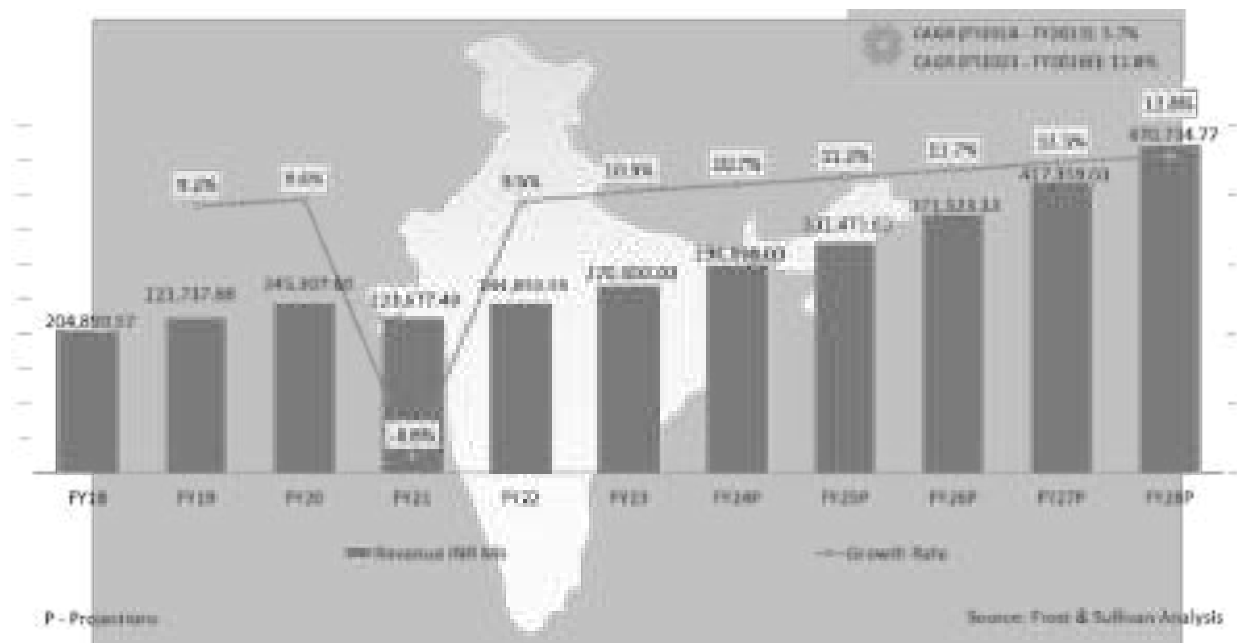
Others include ISS Facilities, Compass India, Impressions, OCS Group etc. Source: Frost & Sullivan Analysis

CHAPTER 5: OVERVIEW OF HARD SERVICES MARKET IN INDIA

Market Size and Revenue Trend:

Hard Services segment was estimated at INR 270,000.00 million in FY2023 and has recorded at CAGR of 5.7% from FY2018 – FY2023. COVID-19 impact on the Hard Services segment is estimated to be de-growth of 8.8% in FY2021. Investments in end user segments, growing importance of energy efficiency, net zero and lowering carbon emissions are expected to broaden the scope of Heating, Ventilation & Air-conditioning services within Hard Services and this would be a key growth driver during the forecast period. Sustainability Development Goals and initiatives to achieve this target would be a key enabler for the City Maintenance Services segment in the long-term. The Hard Services Market is expected to reach INR 470,734.77 million by FY2028, recording a CAGR of 11.8%.

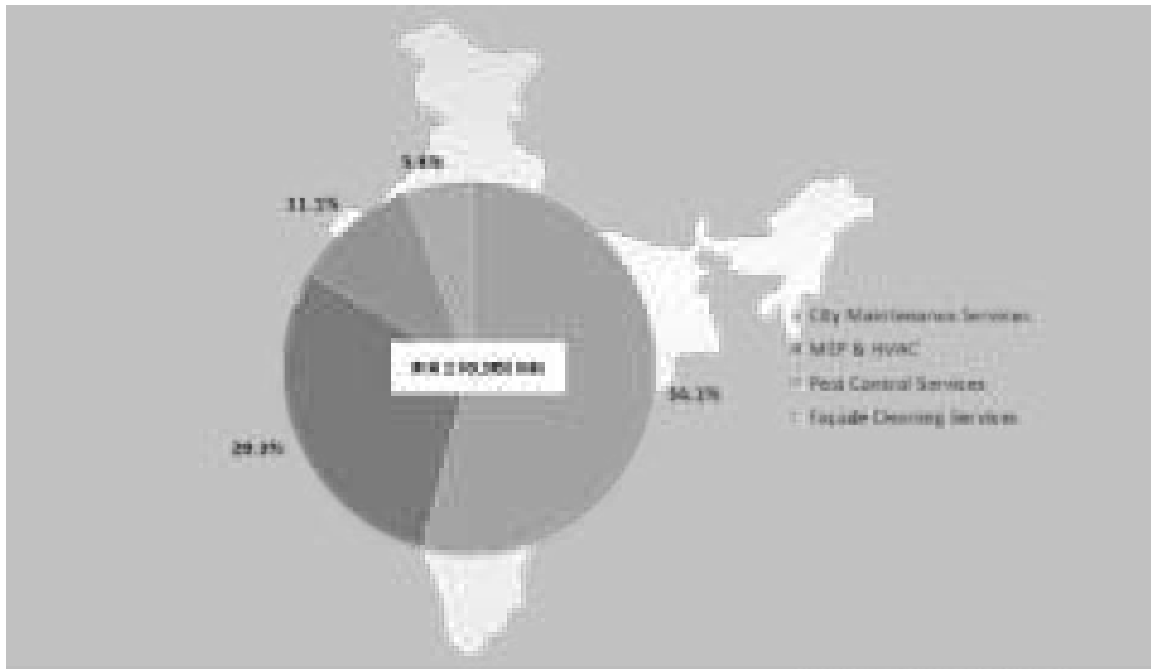
Exhibit 5.1: Outsourced Hard Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Market Segmentation by Services:

City Maintenance Services are the largest with the Hard Services segment with a share of 54.1% of the total market in FY2023. Mechanical, Electrical & Plumbing services including Heating, Ventilation & Air-conditioning were the most predominant solutions provided under Hard Services historically. However, in the past decade the segment has evolved to include diverse range of services were provided to adopt to the evolving built environment that includes fire, smoke, and carbon monoxide detection systems, automated firefighting/fire suppression systems, extra-low voltage / low voltage, and medium voltage systems, such as building automation system, security systems (access control, CCTV), lighting control systems, power distribution, switchgears, generators, transformers, lightning protection, data and voice cabling etc. This widens the scope of services provided and thereby opportunities under Hard Services.

Exhibit 5.2: Outsourced Hard Services Market: Segmentation by Service Types, FY2023, India



Source: Frost & Sullivan Analysis

City Maintenance Services:

Municipal Wastewater (Sewage) Treatment Solutions:

The Indian Municipal Wastewater Treatment Solutions Market is in the growth stage driven by rapid urbanisation and associated economic activities, and groundwater depletion will contribute to market growth in the coming years. The market is switching gears from price to value. With more private participation, the number of build, operate, transfer (BOT) and build, own, operate, and transfer (BOOT) projects spanning 15 to 30 years is on the rise. These projects reshape the market landscape from price-driven to value and performance oriented. Public-private partnerships (PPP) in the municipal segment offer a solution in which private companies, municipalities, and consumers benefit. Private companies receive business opportunities to design and deliver innovative solutions, while municipalities and consumers benefit from improved efficiencies and effectiveness through innovation, responsibility-sharing, and financing.

Key factors driving the growth in the Municipal Wastewater Treatment Solutions Market are favourable government policies, aging infrastructure and low operational efficiency, and limited wastewater network coverage and treatment infrastructure.

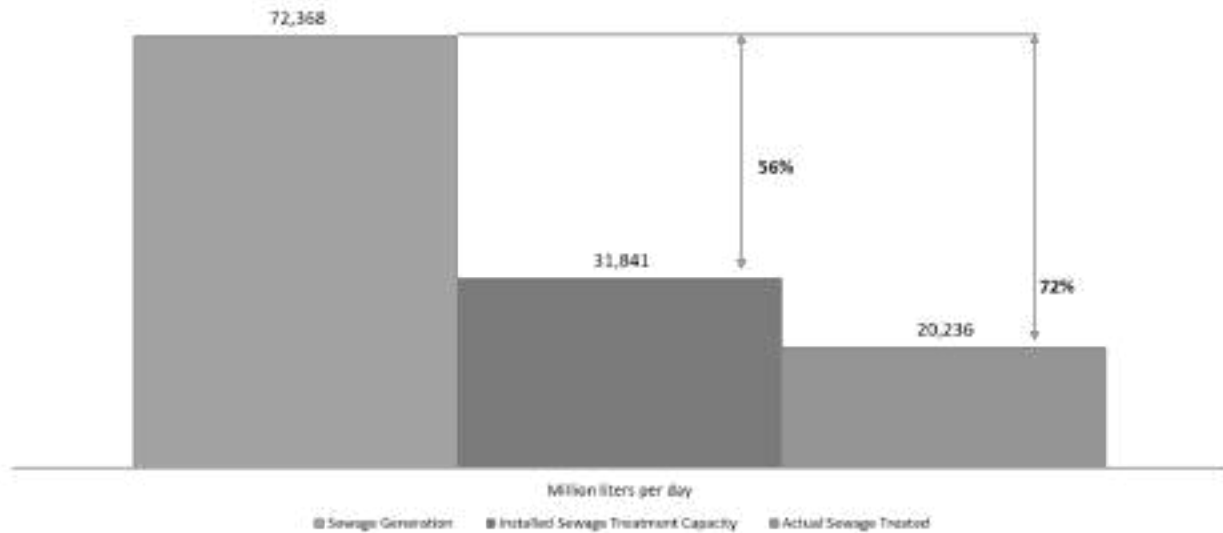
Government policies and initiatives: With water becoming a scarce commodity, the Indian government develops water policies and undertakes initiatives to reduce water stress. It established the National Water Mission (NWM) in 2011 to ensure that a considerable share of industrial water demand is met through recycling effluents and domestic sewage. The government has initiated the rejuvenation of national rivers, such as the Ganga and Yamuna, with Namami Gange and the National River Conservation Plan (NRCP). It

also strives for sustainability through Swachh Bharat Mission, Jal Jeevan Mission, and National Smart Cities Mission, which would create demand for wastewater treatment equipment. Under the national infrastructure pipeline (NIP), INR 9.4 trillion²⁰ worth of water and wastewater treatment projects are expected to be implemented as of July 2023 by the Government of India.

Aging infrastructure and low operational efficiency: India have long followed a build-neglect-rebuild approach in its wastewater infrastructure, resulting in suboptimal operations. India has a sewage treatment installed capacity of 31,841 million litres per day as of 2021 and about 4,972 million litres per day²¹ is non-operational. The inability to retrofit and replace wastewater treatment plants because of tight budgets has led to poor performance in existing infrastructure. With municipal corporations and urban local bodies lacking the necessary workforce for plant operation & maintenance, the retrofit and operation & maintenance of existing sewage treatment plants present growth opportunities for water and wastewater treatment solution providers.

Limited wastewater network coverage and treatment infrastructure: Domestic sewage treatment in urban areas is insufficient, with only 28% of generated wastewater undergoing treatment in urban India as per a Central Pollution Control Board (CPCB) report titled National Inventory of Sewage Treatment Plants published in March 2021. CPCB has identified highly polluted river stretches to be in and around large urban areas. Growth opportunities to build wastewater treatment capacity exist, especially for wastewater recycling and reuse for applications such as process water, landscaping, and toilet flushing.

Exhibit 5.3: Sewage Generation and Treatment Capacity, Urban India, 2020



Source: CPCB National Inventory of Sewage Treatment Plants report published in March 2021, Frost & Sullivan Analysis

Note: the % values indicate the gap in treatment capacity; This is the most recent, published, government and credible source available

²⁰ <https://indiainvestmentgrid.gov.in>

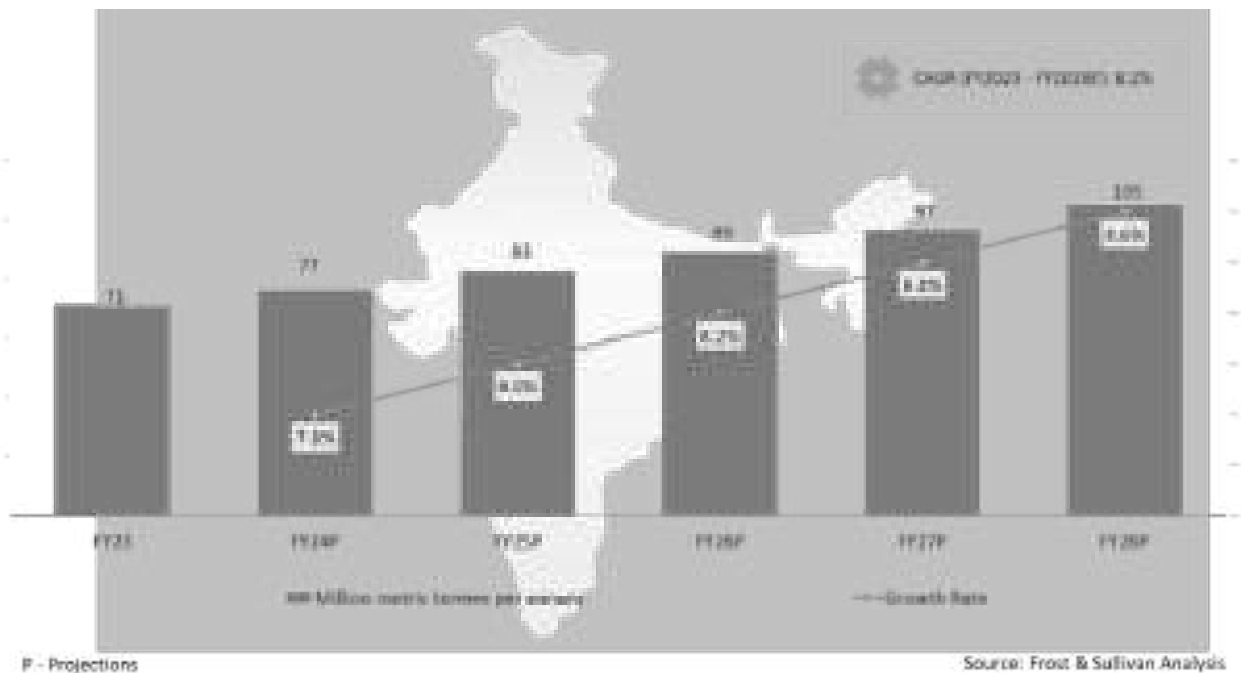
²¹ [National Inventory of Sewage Treatment Plants June 2020 \(cpcb.nic.in\)](https://cpcb.nic.in)

New business models are further driving market growth. Municipal corporations/ urban local bodies (ULB) have been procuring projects through a hybrid annuity model (HAM) that combines engineering, procurement & construction (EPC) and BOT models. The Indian government will contribute 40% of the project cost in annual payments while private companies will foot the bill for the remaining 60%. For example, the Sarai 14 million litres per day sewage treatment plant in Haridwar was developed through hybrid annuity model in 2019 under the National Mission for Clean Ganga (NMCG). The success of hybrid annuity models could help municipal organisations overcome financial constraints and accelerate the demand for water infrastructure in India.

Solid Waste Management Solutions:

Municipal Solid Waste (MSW), commonly known as garbage or trash is a waste from everyday items that is discarded by us. Our daily activities give rise to a variety of solid wastes of different physicochemical characteristics, which harm the surroundings unless properly managed and processed. Urbanisation is a critical factor driving the municipal solid waste generation in the country. Changing lifestyle patterns, increasing disposable incomes, have paved way for consumerism, and have also contributed to waste generation in urban India. Municipal solid waste generation is expected to grow at a CAGR of 8.2% from FY2023 to FY2028 to reach 105 million metric tonnes per annum.

Exhibit 5.4: Municipal Solid Waste Generation Volume, India, FY2023 – FY2028



Different services provided under municipal solid waste management contracts include collection and transportation of waste, processing or waste treatment and disposal.

- Currently the Indian market is tilted towards waste collection and transportation only. Use of digital platforms such as websites and mobile apps for on-demand waste collection is becoming increasingly common. Also, use of IoT in a few projects in India has been successful the penetration of technology is expected to increase during the forecast period.

- Waste processing / treatment is very limited currently and has higher potential for growth in the coming years. Waste Management Rules 2016 have given due importance to waste processing and treatment segment by mandating bulk waste generators to ensure their waste is processed at a common treatment facility located within a 75k kilometre range. These rules have also mandated industries to procure recycled waste (such as refuse derived fuel (RDF) for co-burning in cement kilns) from plants located within 100 kilometres of their setups, if any. Such initiatives are expected to facilitate the growth of this segment in the value chain in India, which is currently at a very nascent stage.
- Waste collected that does not undergo any treatment, rejects from compost, RDF and waste-to-energy plants are disposed in landfills. Very few municipalities have adopted scientific landfills along with closure and post-closure maintenance of landfills. Majority of the municipal corporations are yet to adopt scientific landfills for waste disposal. Hence, this segment holds significant opportunity for growth in coming years.

Major factors driving the demand for solid waste management in India are government schemes and initiatives, regulations, and awareness on social and environmental health.

Government Schemes/ Budget Allocations: Many development schemes to improve the standards of waste management in India have been announced. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Scheme, Swachh Bharat Mission, and Smart City Mission coupled with government subsidies for projects such as Waste-to-Energy, have been the key driving factors in increasing private-sector participation. Smart City Mission is facilitating local municipalities in adopting smart technologies (e.g., Radio Frequency Identification and GPS) in city's integrated waste management system. In the Budget FY2023-2024, under Saptarishi, the government has proposed to develop 500 new Waste to Wealth plants will be established under the GOBARdhan scheme for promoting circular economy. These will include 200 compressed biogas plants, 75 in urban areas, 300 community or cluster-based plants with a total investment of INR 100.00 billion²². Government's commitment to achieve net-zero by 2070 is also a key factor expected to drive the demand for waste management services in the long-term.

Government Regulations: In 2016, the Indian Government revised specific regulations for each type of waste; municipal, hazardous, bio-medical and e-waste. These regulations have broadened their scope, defined every stakeholder's role and accountability clearly and laid out time bound targets for effective implementation of all directives. Moreover, the Ministry has been receptive to industry feedback and quick in announcing further amendments to Rules 2016 (e.g., Bio-medical and E-waste regulations) to ensure better on-ground implementation.

Environmental and Social Awareness: Environmental and social awareness about effective waste management has increased over the years. Municipal corporations have initiated programs to create awareness among households. Durg and Raipur Municipal corporations have included Information Education and Communication activities as part of the scope of services outsourced to private companies for municipal solid waste management. Such Information Education and Communication programs by

²² <https://pib.gov.in/PressReleasePage.aspx?PRID=1895790>

municipalities and special campaigns conducted by non-governmental organisations and social activists are anticipated to create more awareness about the effects of improper waste disposal.

Mechanical, Electrical & Plumbing and Heating, Ventilation & Air-conditioning Services:

The growing need for energy management and reduction of the building operating cost has increased the focus on preventive maintenance which is now a lucrative area for growth in Heating, Ventilation and Air-conditioning maintenance services. Additional equipment such as solar, gas, electric-powered hot water generators and roof-top solar photovoltaic power systems, in line with the construction market trends are adding to complexity of building maintenance and at the same time increasing the potential for Mechanical, Electrical & Plumbing Maintenance Services.

Pest Control Services:

Pest control services are designed to eliminate the risks of contamination and destruction from pests such as termites, rodents, mosquitoes, cockroaches, birds, wood borers, bees, fleas, and ants. These services safeguard humans from several diseases by disrupting the breeding cycles of pests. The Pest Control Services Market in India is forecast to grow rapidly over the next five years. Key end user segments contributing to the growth of Pest Control Services are Food Industry, Hotels, Educational Institutions, Healthcare, Retail, Construction and Commercial Offices.

Strong macro-economic growth, population growth, urbanisation, expanding middle class, government initiatives such as the Swachh Bharat Abhiyan Initiative and investment in food and pharmaceuticals segment are the major drivers for the future growth in Pest Control Services Market.

Stringent rules to uphold proper hygiene standards are being implemented in response to growing concerns about the safety of food and the effectiveness of sanitisation in workplaces, hospitals, hotels, and restaurants. In order to prevent contamination and uphold clean and sanitary manufacturing and supply practises, the implementation of such rules is pressuring businesses in the food manufacturing industry and other sectors to invest in efficient pest control services.

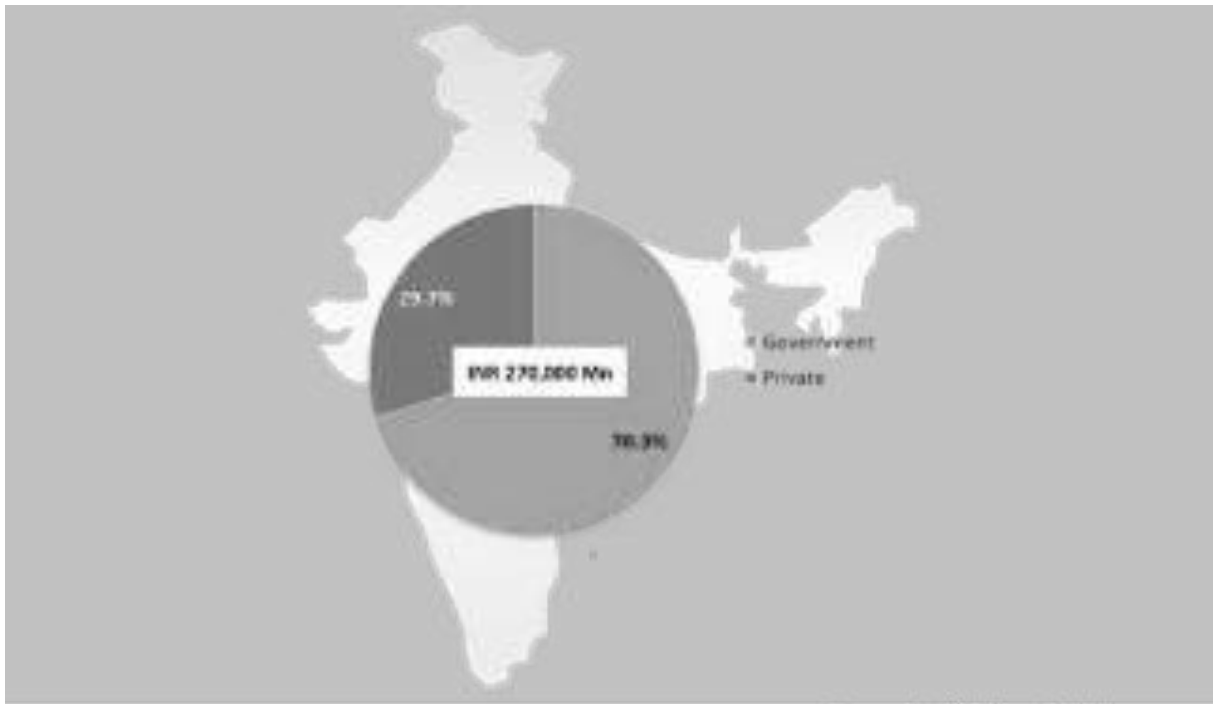
Façade Cleaning Services:

Façade Cleaning Services include high-rise and low-rise window cleaning, atrium cleaning, high dusting, pressure washing among others. The most predominant service is the cleaning of the front face of a building which is usually layered with glass, stone or wood. The key factor driving the demand is to protect the appearance of the building and also to help prevent corrosion of the materials by proper timely cleaning. Key end users contributing to the demand are Commercial Offices, Shopping Malls, High-rise Buildings, Educational Institutions etc.

Market Segmentation by Government versus Private:

Hard Services segment is dominated by the government sector due to the presence of City Maintenance Services and the increase in outsourcing from government sector for Facility Management services. Municipal Corporations and Urban Local Bodies are the major clients for City Maintenance Services.

Exhibit 5.5: Outsourced Hard Services Market: Segmentation by Government versus Private, FY2023, India

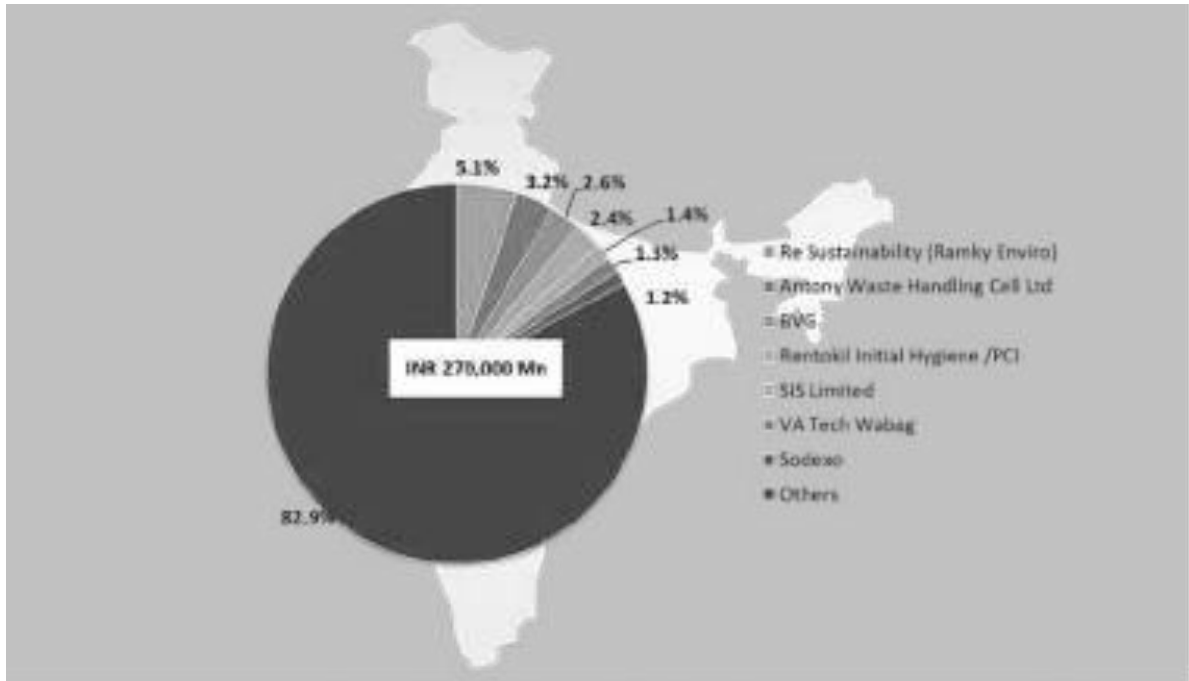


Source: Frost & Sullivan Analysis

Competition Overview and Market Share Analysis:

The competitive structure is very similar to the Soft Services segment – extremely fragmented. But the nature of players in this segment is slightly different - single services solution providers such as City Maintenance, Pest Control, Mechanical, Electrical & Plumbing Services etc. dominate this segment. For example, the top two companies in this segment Re Sustainability (Ramky Enviro) and Anthony Waste are predominantly into waste management services and water and wastewater treatment solutions and services business, and do not provide Facility Management services such as Soft Services, Mechanical, Electrical & Plumbing Services and Pest Control Services. Rentokil Initial, another major player in Hard Services segment is mainly into Pest Control Services. Major Integrated Facility Management Services companies present in Hard Services are BVG, SIS Limited, Sodexo, Quess Corp, ISS, UDS, Compass, Krystal among others.

Exhibit 5.6: Outsourced Hard Services Market: Market Share Analysis, FY2023, India



Others include UDS, Quess Corp, ISS Facilities, Compass India, Impressions, Krystal, OCS Group etc.
Source: Frost & Sullivan Analysis

CHAPTER 6: OVERVIEW OF OTHER SERVICES MARKET IN INDIA

Market Overview:

Market Definitions:

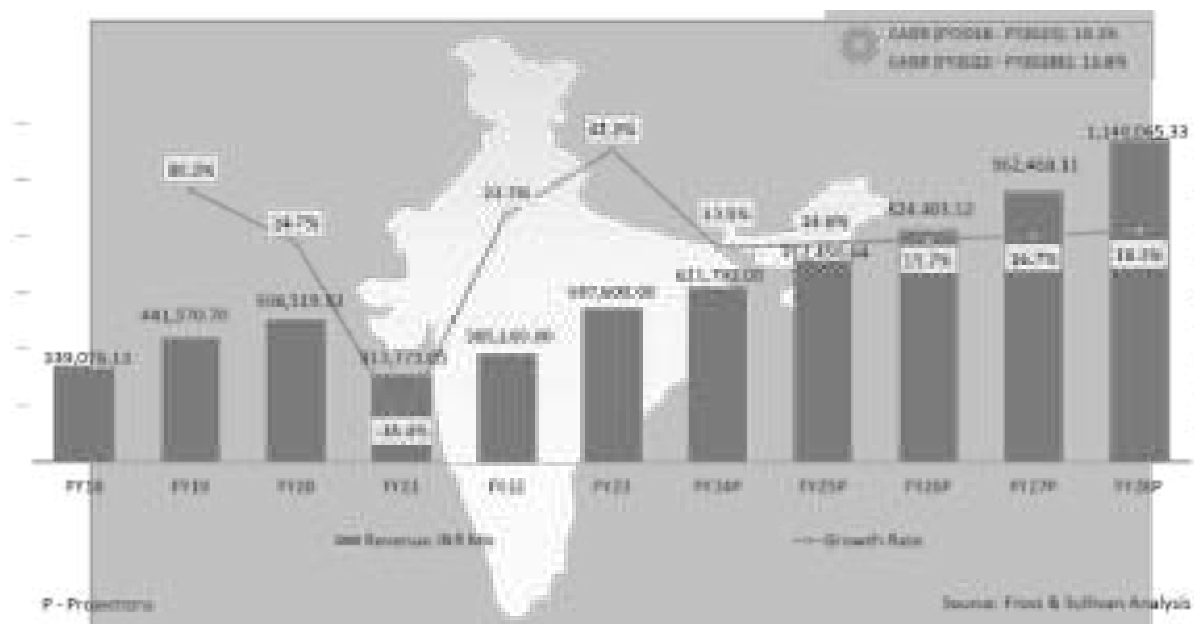
Other Services includes four services such as Catering Services, Warehouse Management Services, Production Support Services, and Airport Management Services.

1. **Catering Services:** This is defined as the business of preparing food and providing food services to different events across end users.
2. **Warehouse Management Services:** This includes providing Facility Management services to warehouses.
3. **Production Support Services:** This is defined as supplying the workforce to the manufacturing companies for production support, material handling, maintenance, utilities etc.
4. **Airport Management Services:** This is defined as managing airport passenger traffic and multilevel vehicle parking facilities in airports.

Market Size and Revenue Trend:

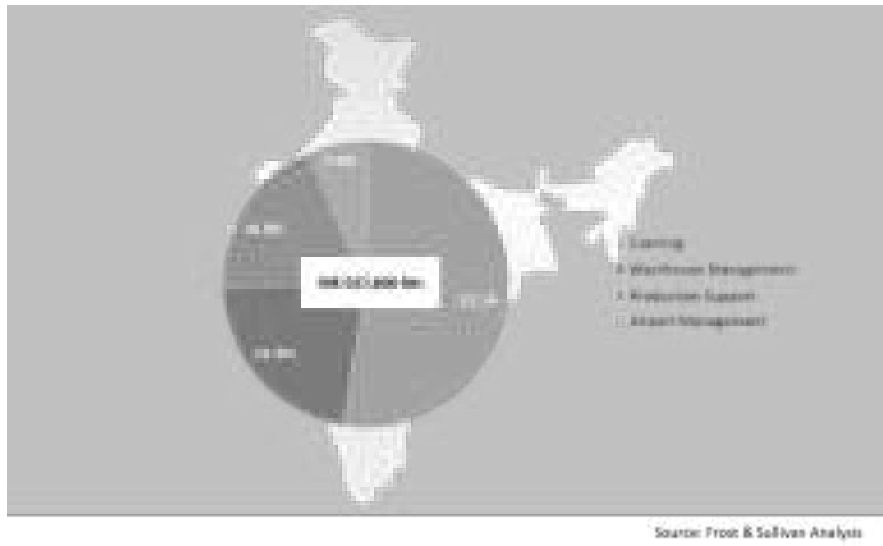
The market size is valued at INR 547,600.00 million in FY2023 and is forecast to grow at a CAGR of 15.8% from FY2023 - FY2028 to reach INR 1,140,065.33 million.

Exhibit 6.1: Other Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Major factors anticipated to contribute to this growth are increasing investments in end user segments such as Retail, Commercial, and Airports, expected increase in outsourcing rates, and growing disposable incomes. Catering Services is the largest segment with a market share of 52.5% of the total market in FY2023.

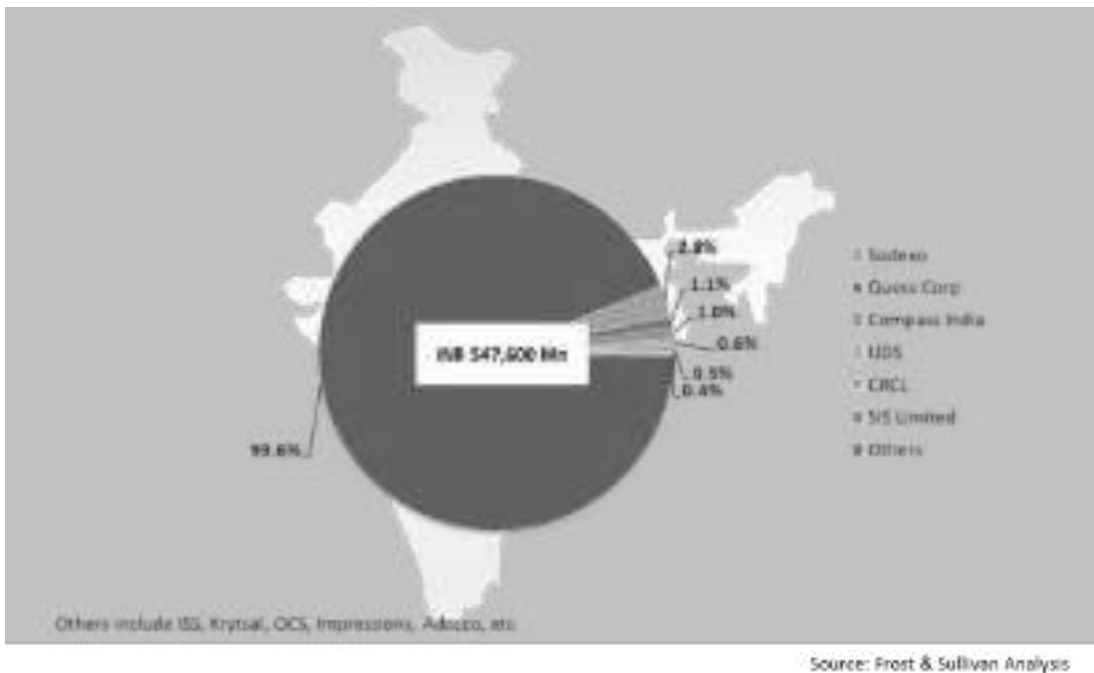
Exhibit 6.2: Other Services Market: Market Segmentation by Service Types, FY2023, India



Competitive Overview and Market Share Analysis:

The market is characterised by the presence of the different competitor types – Facility Management companies, staffing companies, companies specialising in single services such as Parking Management, and Catering. Among the Integrated Facilities Management companies, Sodexo is the market leader with a share of 2.8% of the total market in FY2023. Other major companies in this segment are Qness Corp, SIS Limited, Compass, UDS, BVG, CRCL, ISS, Krystal among others.

Exhibit 6.3: Other Services Market: Market Share Analysis, FY2023, India



Catering Services Market:

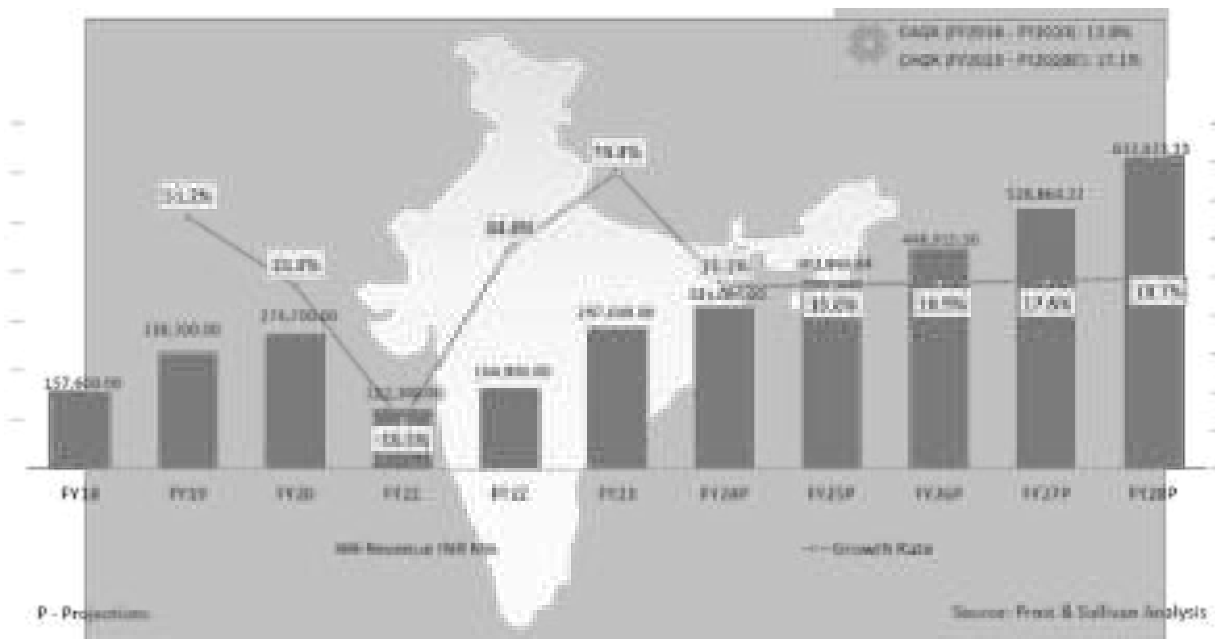
Market Size and Revenue Trend:

Growth in the Indian economy and rising investments in services, industry, education, and tourism sectors have played a crucial role in the growth of Catering Services Market. India's high growth trajectory has resulted in industries and offices moving to semi-urban area of cities and this has fueled the demand for on-site kitchens to serve employees who must travel long distances to reach office locations.

The growth in Meetings, Incentive, Conferences, and Exhibitions (MICE) tourism has also propelled the growth of the Catering Services Market in India. The country's infrastructure facilities are improving consistently and are on par with the developed countries that enable India to host world-class events. The Ministry of Tourism has formulated the National Strategy for MICE Industry, which is expected to bolster growth in the long-term and this would eventually drive the demand for Catering Services.

The Catering Services Market in India is estimated at INR 287,600.00 million in FY2023. The market grew at a CAGR of 12.8% from FY2018 – FY2023.

Exhibit 6.4: Outsourced Catering Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Note: The market size does not include catering services provided for weddings and other personal functions, and in-flight catering.

Hybrid work models are the trend today and influenced by COVID-19's social distancing norms, the catering companies introduced packed meals – these are freshly cooked nutritious meals cooked at central kitchens and packed for employees. This replaced the traditional on-site food serving, which resulted in large gatherings during lunch breaks. Digital solutions such as mobile applications introduced by catering companies allowed customers to customise their meals as well. These trends are expected to grow until the medium-term.

Post the global pandemic, there is an increasing focus on emotional health and overall health. This is seen particularly in educational segment where the relevant stakeholders want to imbibe the habit of healthy eating from the early stages of child’s growth. To this extent, several companies in the market are developing bespoke meal plans to create unique food experiences, which are not just healthy and tasty but visually appealing too, to meet the emotional, functional, and social requirements for students at educational institutions.

Factors such as change in lifestyles, dual earning families that prefer eating at office premises, shift in real estate trends and increase in disposable incomes to afford a leisure lifestyle are the major demand drivers. The market is expected to reach INR 632,823.33 million by FY2028 growing at a CAGR of 17.1% from FY2023 – FY2028. Within the Catering Services market, Corporate Catering segment is expected to witness high growth which would be driven by the growth in Services segment.

Market Segmentation by Government versus Private:

Majority of the Catering Services demand is from the government sector, driven by the Railways segment. The private sector includes providing food services to commercial offices, corporate cafes, educational institutions, corporate events such as meetings, training programs, exhibitions, conferences, and awards programs among others.

Exhibit 6.5: Outsourced Catering Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Competitive Overview:

The Catering Services market is highly fragmented with close to 60-70% of the total market dominated by unorganised companies and the remaining 30-40% of the market with organised companies. Within the organised segment, Sodexo, ISS, CRCL, Krystal, Proodle Hospitality, Comprehensive Support Services (CSS), ISG Hospitality Service, Compass, and Qness Corp are some of the major players. Catering companies are promoting locally sourcing of farm products and networking with vendors who are climate change

conscious as a unique selling proposition to lure customers particularly the millennials and Gen-Y customers.

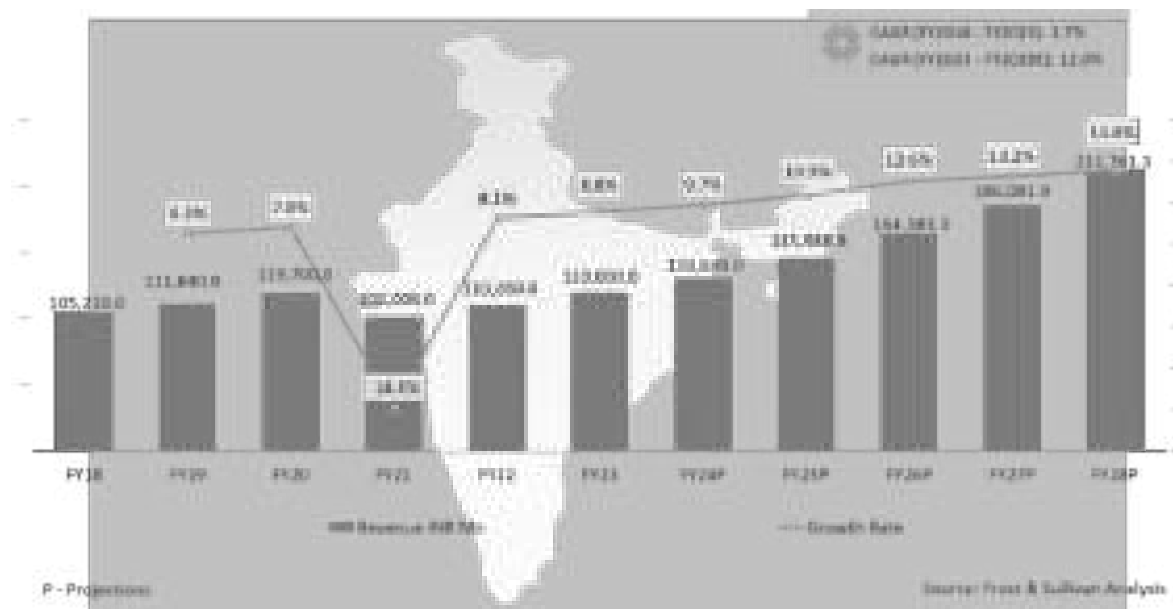
Warehouse Management Services Market:

Market Size and Revenue Trend:

Warehouse Management is critical in achieving a company's productivity objectives. Warehouse Management Services help organisations in moving goods through a warehouse at maximum speed and optimising every stage of the fulfilment process. It also adds efficiency, uniformity, and quality control to the process. The most crucial benefits of outsourcing warehouse management include:

- **Inventory Accuracy and Control:** One of the key features of warehouse management is improved stock control and tracking. That in turn helps in better operations and smooth flow of business ultimately resulting in customer satisfaction in the long run. Also, it eliminates any potential operating costs generated as a result of any errors, which can boost earnings and lower costs.
- **Efficient Management of Warehouse Space:** Maintaining enough storage space is critical to running a successful warehouse.
- **Improving Customer Service:** Outsourcing will optimise paper work associated with tickets, packing lists and reports to name a few. It will enable streamlining all procedures from order to delivery; product availability may be more precise by providing customers with definite delivery dates, resulting in less customer complaints and overall enhanced customer service.
- **Reduce Lost Inventory:** As a result of streamlined warehouse operations, each item in the warehouse is tracked and this results in reduction in lost inventory.
- **Cost Savings:** Outsourcing these services will help companies in reducing their direct manpower cost but at the same time will benefit from professional services offered by the specialist companies.

Exhibit 6.6: Warehouse Management Services Market: Historic Revenue Trend, FY2018 – FY2028, India



The market for Warehouse Management Services is valued at INR 120,000.00 million for FY2023. The COVID-19 impact on the market is -14.8% in FY2021.

Key factors driving the demand for Warehouse Management Services are increasing in warehousing space, rise in 3PL and 4PL services, growth in Fast Moving Consumer Goods (FMCG) and E-Commerce sectors in India.

Growth in Warehousing: Warehousing in India is still at a nascent stage and offers immense growth potential driven by investments in sectors such as E-Commerce, Fast Moving Consumer Durable (FMCD), FMCG, Manufacturing and Retail. India's per capita warehousing stock is at 0.02 square meters while the USA, China and the UK have 4.4 square meters, 0.8 square meters and 1.09 square meters respectively²³. This low penetration makes India's warehousing market more attractive, and this is complemented by the increase in per capita income and population growth.

Growth in FMCG Market: FMCG is the 4th largest sector in India. The FMCG market is valued at USD 56.8 billion²⁴ in December 2022 and the market is expected to grow at a CAGR between 27 – 29% through FY2027. Major factors driving the demand are favourable government policies, a growing rural market and youth population, new branded products, and growth of E-Commerce platforms.

Rise in 3PL and 4PL Services: The Indian 3PL market is expected to grow at a CAGR of about 8 - 10% from 2023 – 2028²⁵. Growth in Manufacturing, FMCG, Retail, and E-Commerce industries are likely to propel the growth for 3PL and 4PL services. Indian businesses are looking for new logistical capabilities and complex solutions from 3PL service providers to help them manage supply chain processes more effectively, reduce traditional logistics costs, and handle more complex tasks.

While manufacturing was one of the early adopters of 3PL and 4PL services, other industries are likely to benefit from outsourcing their supply chain management to experts, allowing them to focus on rebuilding and strengthening their core businesses. Furthermore, the transformation of these service providers into key partners, providing expert, end-to-end solutions ranging from documentation, tracking, warehousing, legal compliance, etc. at competitive rates, would make them a strategic choice for most businesses, propelling demand for 3PL/4PL.

Growth in E-Commerce Sector: The growth in the Indian E-Commerce industry is fueling the demand as well as the development of the warehousing and logistics sector in India. E-retailers are now more aggressively looking forward to opening up warehouses in Tier 1 and Tier 2 cities as well as collaborating with well-known logistics service providers across the country to be able to deliver cost effective solutions.

India's E-Commerce market is estimated to expand at a CAGR of 22.8% from 2021 to 2030 to reach USD 350 billion in terms of Gross Merchandise Value²⁶. The primary drivers of this growth are the demand for grocery and fashion/apparel segments. Indian government aims to create a trillion-dollar online economy by 2025 through their Digital India Program. Other regulatory measures such as the draft E-Commerce

²³ <https://content.knightfrank.com/research/2269/documents/en/india-warehousing-market-report-2021-i-l-8217.pdf>

²⁴ <https://www.ibef.org/industry/fmccg>

²⁵ <https://timesofindia.indiatimes.com/blogs/voices/decoding-the-role-of-3pl-and-4pl-service-providers-in-the-growth-of-the-industry-and-their-challenges-and-opportunities/>

²⁶ <https://www.investindia.gov.in/sector/retail-e-commerce/e-commerce>

policy, the national retail policy, and consumer protection rules 2020 are all expected to drive the market in the long-term.

Based on the above analysis, the Warehouse Management Services Market is forecast to grow at a CAGR of 12.0% from FY2023 – FY2028 to reach INR 211,761.25 million.

Market Segmentation by Government versus Private:

Outsourcing of Warehouse Management Services is higher in the private sector than the government sector. Outsourcing in the private sector is driven by awareness and scale of investments in key end user segments such as FMCG and E-Commerce.

Exhibit 6.7: Warehouse Management Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

The private sector is expected to drive the demand for Warehouse Management Services during the forecast period.

Competitive Overview:

The market is highly fragmented in India and the organised sector accounts for around 40% of the market while the remaining 60% is accounted for by the un-organised sector companies. The market witnesses the presence of both Multi-National Companies (MNC) and local companies. MNC companies mostly operate in Tier 1 and Tier 2 cities while Tier 3 cities are mostly catered to by the local companies. The major companies present in the organised sector are D V Shankar, Mahindra Logistics, Blue Dart, Toll logistics, DHL, Kuehne Nagel and Ceva Logistics. Though the market is dominated by incumbents, companies from other business verticals have also entered this business. For example, Facility Management companies have developed capabilities to provide Warehouse Management Services across

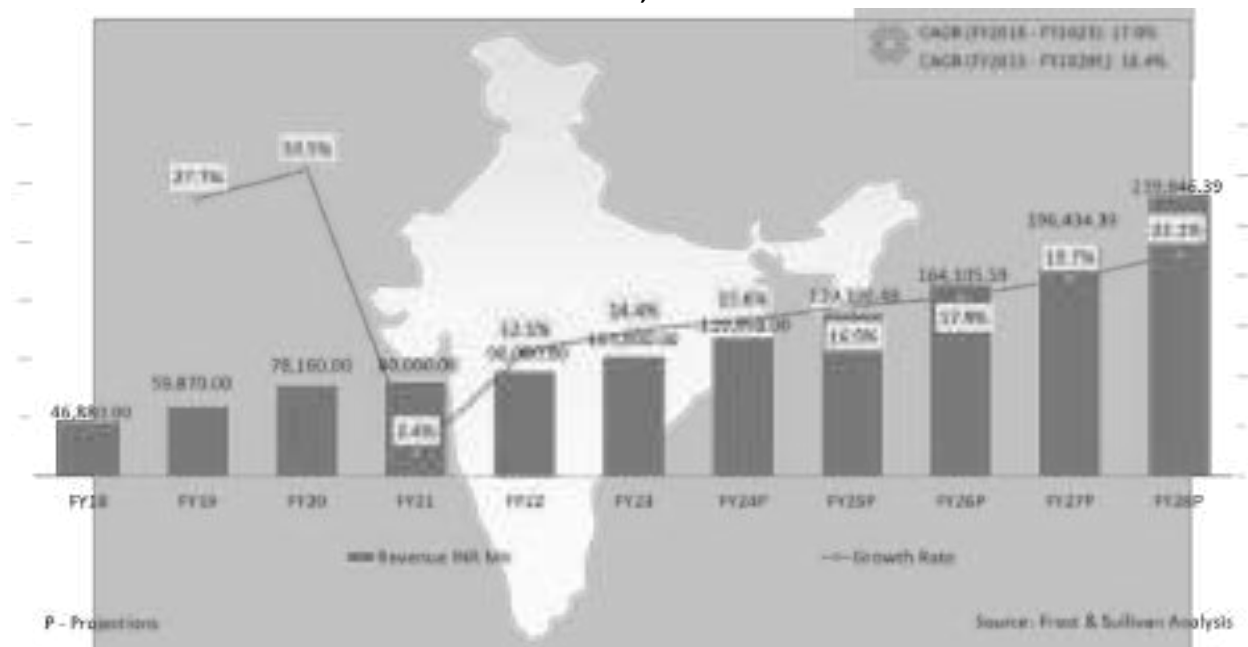
end users. A few of the Facility Management companies providing Warehouse Management Services in India are UDS, Krystal, Impressions, and OCS Group.

Production Support Services Market:

Market Size and Revenue Trend:

Production Support Services segment was valued at INR 103,000.00 million in FY2023 and has recorded a CAGR of 17.0% from FY2018 – FY2023. COVID-19 impact on this segment is estimated to be a marginal growth of 2.4% in FY2021.

Exhibit 6.8: Outsourced Production Support Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Federation of Indian Chambers of Commerce and Industry (FICCI's) quarterly survey (Q1 April – June FY2023)²⁷ on Manufacturing sector states that the growth momentum continued in Q1 of FY2023, and the hiring outlook is positive after a long gap. This positive outlook for hiring from the Manufacturing segment would drive the demand for Production Support Services in the long-term. Hiring is expected to remain positive in manufacturing, engineering, and fast-moving consumer goods across Mumbai, Bangalore, Chennai, Delhi, Pune, Hyderabad, and Ahmedabad. Healthcare is a key segment that is expected to drive the demand for Production Support Services in the long-term. Most of the recruitment is expected to be towards operations, while sales and marketing, engineering, and technology-oriented jobs are also expected to witness demand in the Manufacturing segment.

Automotive industry is a key demand driver for Production Support Services in India. As per the National Automotive Mission Plan 2016 – 2026 and the Society of Indian Automobile Manufacturers (SIMA), the Automotive segment is expected to account for 65 million new jobs by 2026. One of the niche segments

²⁷<https://www.thestatesman.com/business/employment-outlook-improves-manufacturing-sector-ficci-survey-1503082432.html>

within automobile industry is the electric vehicles segment, which is expected to grow at a CAGR of 49% from CY2022 – CY2030 and create 50 million direct and indirect jobs by 2030.²⁸

Based on the hiring outlook in the Manufacturing and Industrial segment, the market for Production Support Services is expected to grow at a CAGR of 18.4% to reach INR 239,846.39 million by FY2028.

Market Segmentation by Government versus Private:

Private sector dominates the Production Support Services market with a share of 66.0% in FY2023 and is expected to dominate the market during the forecast period.

Exhibit 6.9: Outsourced Production Support Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Competitive Overview:

Production Support Services are offered by leading Integrated Facilities Management companies and Staffing companies in India. The major Integrated Facilities Management companies providing Production Support Services include Qess Corp, UDS, Krystal, OCS Group, and SIS Limited. Staffing companies that provide Production Support Services are Teamlease, Randstad, Manpower, Adecco etc. The market is fragmented, and more than 200 companies are competing in this segment.

Airport Management Services Market:

Market Size and Revenue Trend:

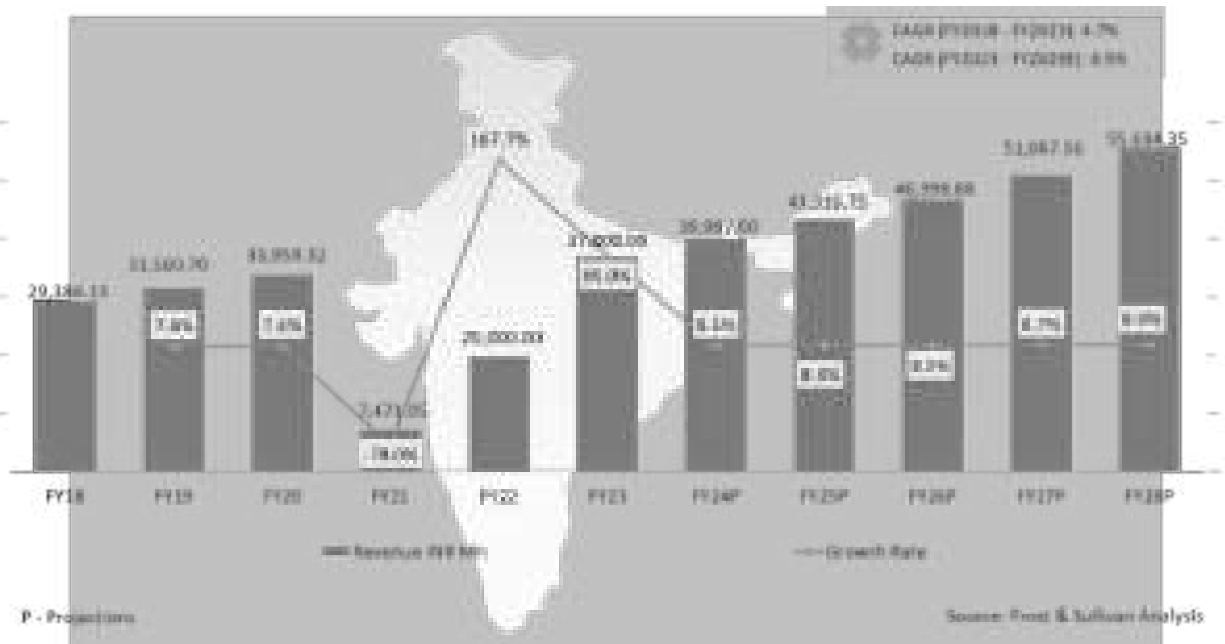
Airport management service providers offer a range of services to ensure the smooth and efficient operation of in-coming passenger traffic and parking structures in Airports. These services are designed to

²⁸<https://timesofindia.indiatimes.com/business/india-business/e-vehicle-industry-will-create-5-crore-jobs-by-2030/articleshow/97508307.cms>

provide convenience to passengers, optimise parking capacity, enhance security, and maintain the overall functionality of the parking facility. Here are some major services that are often provided:

- **Parking Management:** Efficient management of parking spaces, including monitoring occupancy, guiding drivers to available spaces, and ensuring proper utilisation of the parking area.
- **Vehicle Access Control:** Implementing access control systems such as boom barriers, ticketing machines, and automated payment systems to regulate entry and exit of vehicles.
- **Parking Guidance System:** Installation of signage and digital displays to guide drivers to available parking spaces and provide real-time information about occupancy.
- **Security and Surveillance:** Implementing CCTV cameras and surveillance systems to monitor the parking area and enhance security for vehicles and passengers.
- **Valet Parking Services:** Offering valet parking services where trained staff handle the parking and retrieval of vehicles on behalf of customers.
- **Maintenance and Cleaning:** Regular maintenance and cleaning of the parking facility to ensure a clean and safe environment for vehicles and passengers.
- **Customer Service:** Providing assistance and customer support for parking-related queries, payment issues, and other concerns.
- **Parking Fee Management:** Collecting and managing parking fees through various payment methods, including cash, cards, and digital wallets.
- **Vehicle Assistance:** Offering services such as jump-starts, tire inflation, and minor repairs for vehicles parked within the facility.
- **Digital Platforms:** Offering mobile apps or online platforms for customers to check parking availability, make reservations, and pay for parking.
- **Emergency Response:** Establishing protocols for handling emergencies such as accidents, medical incidents, or security concerns within the parking facility.
- **Environmental Initiatives:** Implementing environmentally friendly practices such as energy-efficient lighting, waste management, and electric vehicle charging stations.
- **Revenue Reporting:** Providing reports on parking revenue, occupancy trends, and customer feedback to the airport management.
- **Accessibility and Compliance:** Ensuring that the parking facility is accessible to people with disabilities and compliant with relevant regulations and standards.
- **Continuous Improvement:** Regularly evaluating and implementing improvements to enhance the overall parking experience for passengers.

Exhibit 6.10: Outsourced Airport Management Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028



The market for Airport Management Services is valued at INR 37,000.00 million for FY2023. The COVID-19 impact on the market is -78.0% in FY2021. An increase in the number of airports and a rising desire for digital transformation at airports is driving the demand for Airport Management Services in India. Along with this, there is an increase in smart airport transformation, which has led to significant internal changes in management systems, including appropriate airport management systems, advanced passenger screening, security measures, and other developments. The market is expected to grow at CAGR of 8.5% from FY2023 – FY2028 to reach INR 55,634.35 million.

Major factors driving the demand for Airport Management Services Market in India are growth in air travel, government initiatives for infrastructure development, and sustainability among others.

- Increasing Air Travel Demand:** The growing middle-class population and increased affordability of air travel are driving higher passenger numbers, necessitating improved airport management to handle the influx.
- Government Initiatives:** Government policies and initiatives aimed at boosting the aviation sector, promoting regional connectivity, and modernising airport infrastructure are creating opportunities for Airport Management Services.
- Regional Air Connectivity:** Initiatives like the UDAN scheme aimed at enhancing regional air connectivity creates the need for more assets and there by the requirement for Airport Management Services.
- Technological Advancements:** Advancements in airport technologies, such as biometrics, IoT, smart terminals, and self-service systems, are also driving the need for efficient management and integration of these solutions.

- **Private Investment:** Private players and international operators' interest in Indian airports, along with public-private partnerships, are leading to better management practices and technology adoption.

Market Segmentation by Government versus Private:

Privatisation of Airports in India is a major factor driving the demand for private sector. Most of the major international airports such as Indira Gandhi International Airport – Delhi, Manohar International Airport – Goa, Mangalore International Airport – Mangalore, and others in Bengaluru, Cochin, Kannur, Hyderabad, Noida, Lucknow, etc. are all privatised and hence the market is dominated by private sector. With more privatisation of airports in the pipeline by Airports Authority of India, the share of the private sector is expected to further increase in the forecast period.

Exhibit 6.11: Outsourced Airport Management Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Competitive Overview:

Airport Management Services Market is characterised by the presence of Integrated Facility Management companies and parking management solution providers. Most common methods of service procurement in tender system. The contract period varies from two – five years. Major companies operating in this space are BVG, Qness Corp, Sodexo, Krystal, ISS, OCS Group, S.S. Enterprises, Tenaga Parking, Traffic Solutions Co. etc.

CHAPTER 7: OVERVIEW OF THE STAFFING AND PAYROLL MANAGEMENT SERVICES MARKET IN INDIA

Market Definitions:

Staffing and Payroll Management Services is defined as the staffing solutions focused on the needs of IT/ITeS and general staffing requirements of organisations encompassing all its functional requirements. This predominantly includes contract-based staffing, and the requirement is limited to specific projects and is short-term i.e., 1 -2 years. The market is segmented into three as follows:

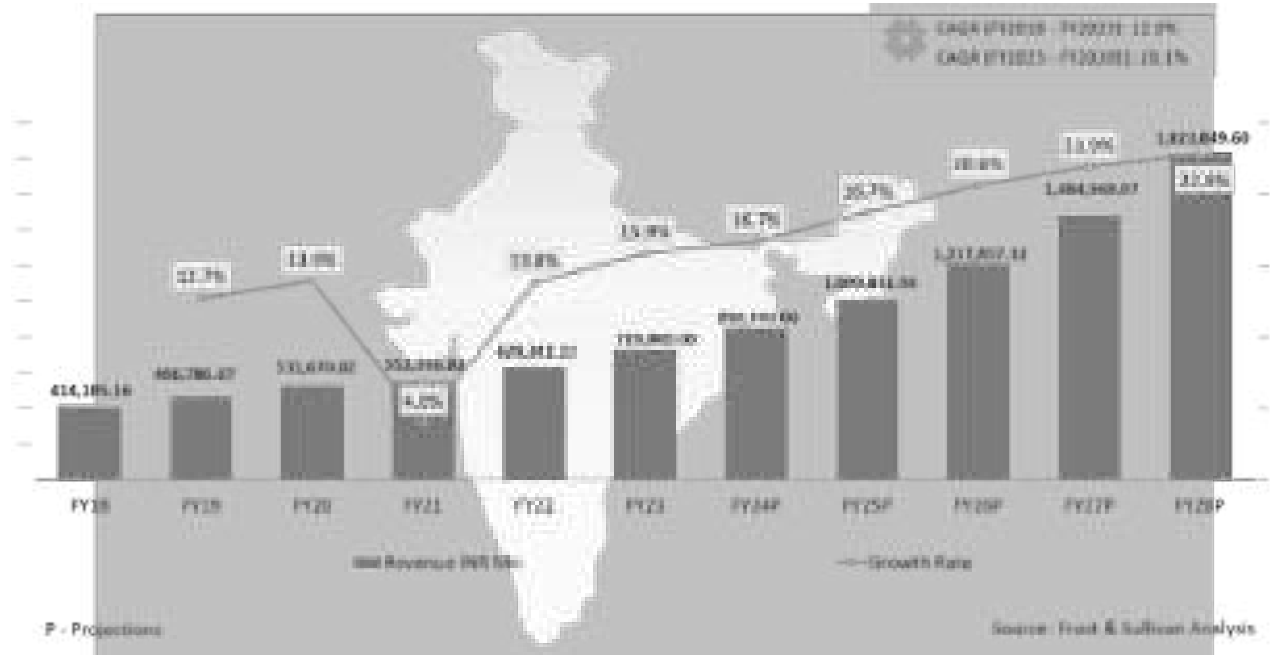
- **Temporary Staffing Solutions:**
 - **General Staffing:** This includes white, blue and grey collared staffing focused on job profiles such as delivery of products, front-end personnel, supervisors, telemarketing, customer service, network operators, telecom tower maintenance executives, medical representatives, executives for content generation and running campaigns etc. across end user industries such as E-Commerce, Banking, Retail and Consumer, Logistics, Telecom, Manufacturing, Hospitality, Healthcare, Tourism, Agriculture etc.
 - **IT Staffing:** This includes white-collar staffing focused on the needs of IT and ITeS industry. Job requirements met include software programmers and developers, web designers, web planners, program managers, development project manager, development leads, test engineers, cloud engineers, infrastructure support engineers, data warehouse maintenance personnel, hardware engineers for real time support for data servers, full stack developers, DevOps etc.
 - **Professional Staffing:** This includes white collared staffing for skilled and highly-skilled job functions such as sales and marketing, pharmaco vigilance, pharma research & development, design and engineering, EPC, finance and accounting, legal etc. across end user industries such as Banking, Healthcare, Hospitality, and Manufacturing etc.
- **Permanent Staffing Solutions:** This includes Search, Recruitment and Recruitment Process Outsourcing (RPO). Search refers to CXO positions and board level executives with management and domain expertise. Recruitment & RPO solutions includes permanent staffing of senior, middle and junior level positions and outsourcing of the recruitment process.
- **Other Human Resources (HR) Solutions:** This includes payroll management outsourcing, training, skilling, HR advisory and consulting services etc.

Market Size and Revenue Trend:

The most common HR functions outsourced by organisations include recruitment (both permanent and temporary), background verification, payroll management, compliance, and outplacement. The primary driver for outsourcing of these activities is their non-core nature for most organisations along with the significantly higher scale benefits that service providers provide in these areas as compared to the end customer themselves.

The Staffing and Payroll Management Services Market size in FY2023 is estimated at INR 729,000.00 million. The market grew by a CAGR of 12.0% between FY2018 – FY2023. Growth in Staffing and Payroll Management Services Market is driven by the increased acceptance by organisations’ which are gradually increasing their share of temporary or flexi staff in their total workforce. As industry becomes familiar with the benefits associated with temporary staffing and regulatory regime is rationalised, more experienced staff are expected to join the staffing segment and drive market revenues.

Exhibit 7.1: Staffing and Payroll Management Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Note: The market size refers to the organised Staffing and Payroll Management Services market only.

Investments in end user industries such as IT/ITeS, Banking, Manufacturing, Retail, Telecom etc. and the increase in outsourcing from the government sector are expected to drive the need for Staffing and Payroll Management Services Market at a CAGR of 20.1% from FY2023 – FY2028 and reach INR 1,823,049.60 million.

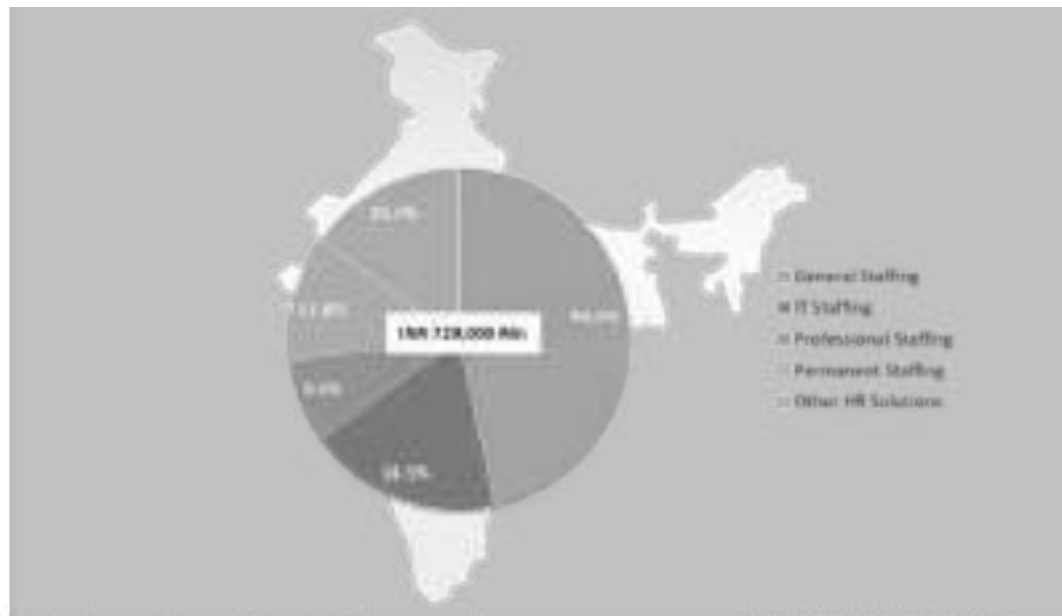
Market Segmentation by Services:

General Staffing and IT Staffing are the major segments in Staffing and Payroll Management Services Market in India with a combined market share of 65.2% of the total market in FY2023.

General Staffing Segment in India is a nascent industry when compared to developed markets like the USA, Japan, and Italy. However, in the last five years the industry has evolved into a strong contributor to the country’s economy. This segment includes temporary staff placed in the Retail, Telecom, Banking, Financial Services and Insurance (BFSI), Healthcare, and Hospitality sectors. These include graduate level staff with professional qualifications. General Staffing segment witnessed a strong growth of 15.3% in new jobs added in FY2023 at around 1.47 lakh jobs across the segment, as per the Indian Staffing Federation.

The Indian IT industry has been a pioneer in driving the growth of the Staffing Services Market in the past. Because of the cyclical growth witnessed in the past and to keep the costs under check, the IT industry has modified its hiring policies in favour of temporary staffing. With increasing competition, more companies are expected to hire temporary staff to overcome margin pressures and maintain lean benches. This is expected to increase the industry share from the present 5.0% to 20.0% in the next five years. The total number of new flex jobs generated in the IT Staffing industry decreased by 7.7% in the second half of FY2023. The decline in new jobs within the IT Staffing industry is a consequence of the slowdown in IT hiring globally, the continuous process of right-sizing employment across markets like the USA, the ongoing conflict between Russia and Ukraine, and the unstable international financial markets.

Exhibit 7.2: Staffing and Payroll Management Services Market: Segmentation by Services, FY2023, India

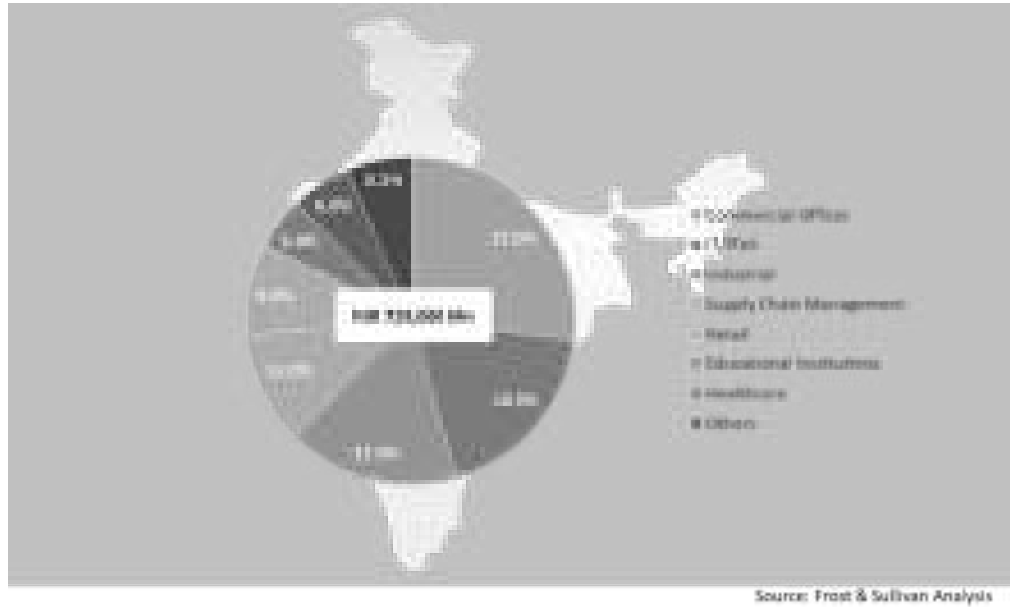


Professional Staffing Solutions Segment is a niche and evolving market in India. With the growing preference for temporary staff in this segment, the market is expected to witness high growth in the medium- and long-term.

Market Segmentation by End User Segments:

Commercial Offices is the largest segment for General Staffing Services in India. This includes Banking, Telecom, E-Commerce etc., which are among the high segments attracting investments in India. IT/ITeS is the second largest segment driven by the growth in IT segment. Global companies outsourcing IT related work to India, growth in global captives, and the adoption of digitalisation across end user segments are creating demand for IT professionals in India, which is favouring the adoption of Staffing Services in this segment. Other segments that would drive the demand in the long-term include Industrial, Retail, and Healthcare.

Exhibit 7.3: Staffing and Payroll Management Services Market: Segmentation by End User Segments, FY2023, India



Market Segmentation by Government versus Private:

Staffing services have higher penetration in the private sector today and this accounts for 80.0% of the total market in FY2023. The recruitment process adopted by government sector limits the penetration of staffing in the government sector currently. But with the given shortage of manpower, longer recruitment cycles and the awareness of staffing services, the demand from the government sector is expected to increase in the long-term across Healthcare, Education, Railways, and Public Administration (State government entities, municipal bodies and other government offices).

Exhibit 7.4: Staffing and Payroll Management Services Market: Segmentation by Government versus Private, FY2023, India



Market Outlook:

Key growth enablers that are driving the Staffing and Payroll Management Services Market in India are the need for flexible workforce, availability of large manpower resources, growth in gig economy and regulatory compliance. Investments in major end user segments such as IT, Telecom and E-Commerce are also driving the demand for staffing services.

Exhibit 7.5: Market Drivers and Impact, India, FY2023 – FY2028

Market Drivers		Impact		
		1-2 Years	3-4 Years	5-7 Years
Growth in IT Industry	The adoption of technology by various industries across sectors has led to the establishment of new job requirements; this along with an increase in the need for competent IT technology experts are anticipated to create the demand for IT Staffing Services despite the recent disruption and setbacks the IT industry. The growth in IT industry is expected to create more jobs in the future and the need to ramp up manpower without too much of a build-up in bench means that IT industry would have to depend on Staffing Services to bridge their requirement gaps.	High	High	High
Growth in E-Commerce Industry	India's E-Commerce market is estimated to expand at a CAGR of 25 - 27% from 2019 to 2025. The primary drivers of this growth are the demand for grocery and fashion/apparel segments. Indian government aims to create a trillion-dollar online economy by 2025 through their Digital India Programme. Other regulatory measures such as the draft E-Commerce Policy, the National Retail Policy, and Consumer Protection Rules 2020 are all expected to drive the market in the long-term.	High	High	High
Growth in Telecom Sector	Expansion in 3G and 4G and the onset of 5G technologies in India are expected to increase the demand for telecom services over the next 5 years. Department of Telecom has assigned bandwidth to telecom operators to start 5G Trials in Delhi, Mumbai, Kolkata, Bengaluru, Gujarat, Hyderabad, and others. Capacity expansions by major telecom companies and Bharat Sanchar Nigam Limited (BSNL's) 4G upgrade are also contributing to the sector's growth. The most demanded opportunities would be for network engineers, field engineers, software engineers, developers, telecom technicians,	High	High	High

	project managers, network architects, data analysts, technical writers, cybersecurity analyst, customer service representative among others.			
Growth in Industrial/ Manufacturing Segment	India is expected to increase its Manufacturing sector's contribution to GDP in the long-term and several initiatives by the government such as the Make-in-India and PLI schemes are expected to drive investments in this segment, which is creating job opportunities and growth potential for staffing companies.	High	High	High
Presence of Large Pool of Resources	India has a large pool of working age resources which has supported the growth of the Staffing and Payroll Management Services Market. Increasing preference for gig working among millennials is also contributing to the growth of this market. Deploying temporary staff with the required skill set lowers the time and effort spent on training.	High	High	High
Ease of Compliance	India has a complex regulatory compliance requirement with more than 1,500 Acts, 72,000+ compliances and 6,600+ filings across central and state governments. Labour laws have the maximum number of compliance and filing requirements. Various states have implemented their own rules leading to variations in submission dates, formats, regulatory authorities and duty structures among others. Non-compliance can result in severe legal and financial implications for companies. With the adoption of flexi-staffing or temporary staff, compliance related to labour laws become the responsibility of staffing companies and this significantly reduces the efforts required from end users/ clients.	Medium	Medium	Medium
Shorter Hiring Process	Staffing companies have a ready pool of skilled and semi-skilled resources which provides an uninterrupted hiring experience for end users. This significantly reduces the time spent on hiring and on finding the right talent.	Medium	Medium	Medium

Exhibit 7.6: Market Restraints and Impact, India, FY2023 – FY2028

Market Restraints		Impact		
		1-2 Years	3-4 Years	5-7 Years
Process Automation and Employee Productivity	IT companies are deploying automated processes so that the employees can handle more work, thereby enhancing productivity or removing human components from tasks with high levels of repetition and low value addition. This trend is expected to bring down the volume of recruitment in the IT industry, thereby affecting IT staffing companies.	Medium	Medium	High
Lack of Long-term Job Security	While temporary staffing may serve as a good entry point for new hires to gain work experience, most people covet long term job security. The lack of long-term job security is an impeding factor in people’s willingness to be hired through staffing agencies.	Medium	Medium	Medium

Staffing Solutions Demand from Government Sector: The outsourcing of manpower from the government sector has been steadily increasing in the past and this sector is expected to offer a significant growth potential in the long-term. The government segment is expected to reach INR 373,725.17 million by FY2028, recording a CAGR of 20.7% from FY2023 – FY2028.

- **Healthcare Segment:** Key staff outsourced in the hospitals are medical staff and Group D positions such as ward assistants, sanitary attendants and housekeeping staff across primary health centres, community health centres, taluk, and district hospitals.
- **Education Segment:** Teaching staff across schools and colleges, technology/ IT staff, sports staff etc. are being outsourced to staffing companies in the government sector.
- **Railways:** Key jobs outsourced from Railways are track maintenance, maintenance of signalling systems, overhead equipment maintenance, ticket selling, bed-roll maintenance, and clerical jobs

Competitive Overview and Market Share Analysis:

The competitive landscape is highly fragmented in India. It is estimated that more than 1,000 companies are operating in this space in India. The organised market consists of 20-30 companies and is dominated by international and national companies. Major players in this segment include Quess Corp, Teamlease, FirstMeridian, Randstad, Manpower Group, Adecco, Datamatics Staffing Services Limited, Collabera, Artech Infosystems Pvt. Ltd., Kelly Services etc.

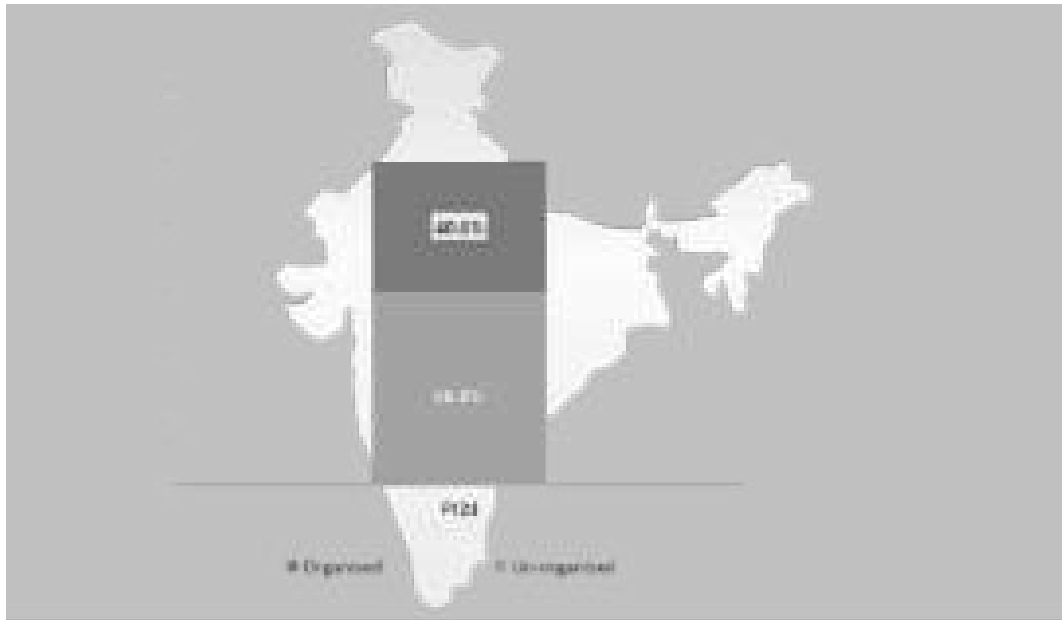
Exhibit 7.7: Number of Staffing Associates by Key Companies, India, 2023

S.No.	Company Name	Number of Associates/ FTE
1	Qess Corp	511,000
2	TeamLease	~ 290,000
3	FirstMeridian	~ 127,000
4	Randstad	47,000 (global, CY2022)
5	Adecco	39,000 ²⁹

Source: Company websites

Qess Corp, TeamLease, FirstMeridian, Randstad, and ManpowerGroup are the top five companies in this market with a combined market share of 41.0% of the total market in FY2023. Key competitive advantages of major companies are strong recruitment engine, retention of skilled workforce, statutory compliance, brand reputation, ability to adopt advanced technologies for recruitment processes, nationwide presence and domain expertise across end user segments. Major Integrated Facilities Management companies present in this market are UDS, SIS Limited, Krystal, ISS, Impressions etc.

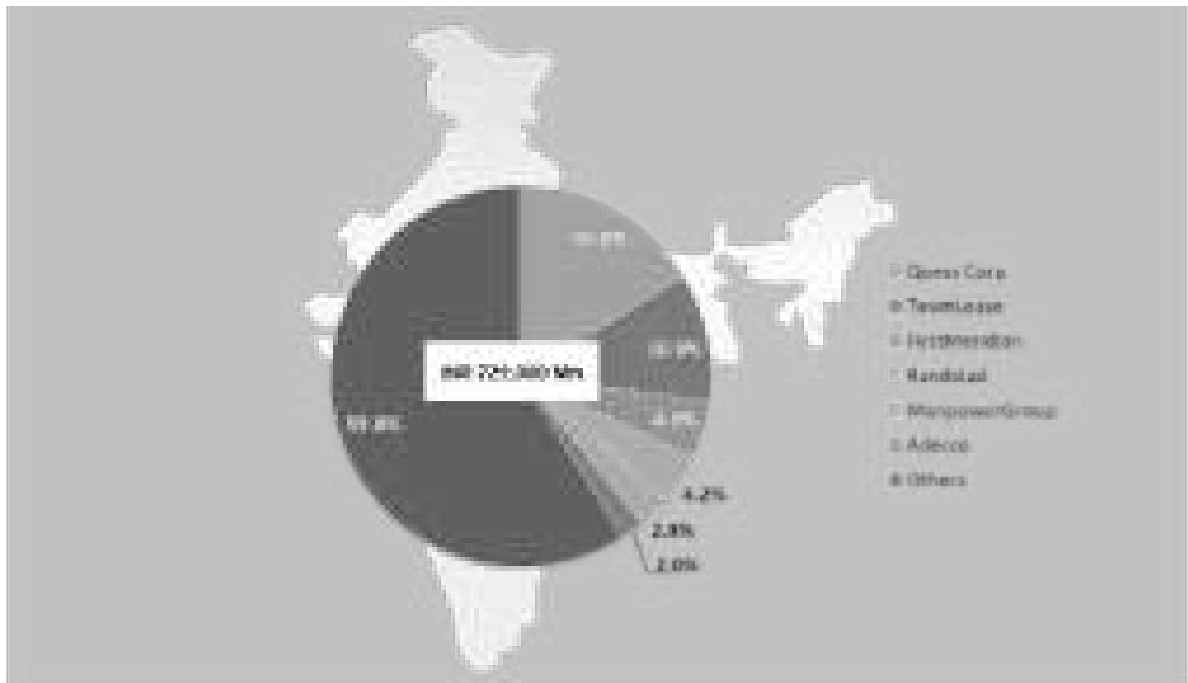
Exhibit 7.8: Staffing and Payroll Management Services Market: Organised versus Unorganized Market Share, FY2023, India



Source: Frost & Sullivan Analysis

²⁹ <https://www.statista.com/statistics/191383/number-of-full-time-employees-of-adecco-since-2006/>

Exhibit 7.9: Staffing and Payroll Management Services Market: Market Share Analysis, FY2023, India



Others include Collabera, Kelly Services, Allegis, Genius Consultants, Lobo Staffing etc.

Source: Frost & Sullivan Analysis

CHAPTER 8: OVERVIEW OF PRIVATE SECURITY/ MANNED GUARDING SERVICES MARKET IN INDIA

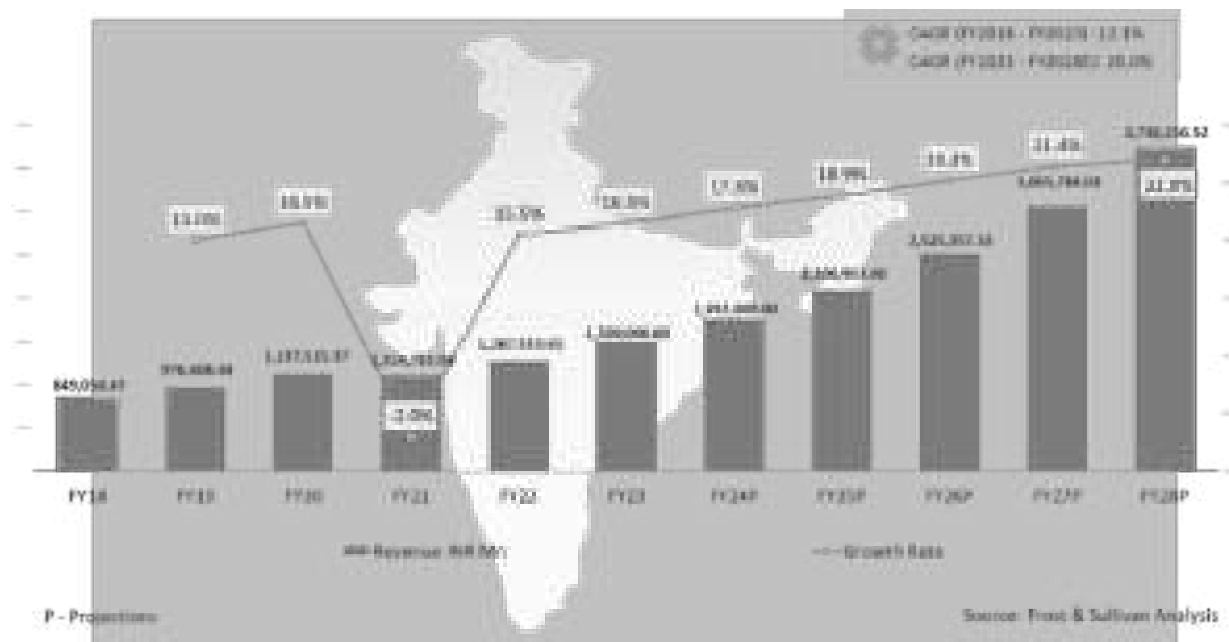
Market Definitions:

Manned Guarding provides guarding services at client premises against trespassing, or unauthorised access, intrusion, or occupation, and guarding property against damage and destruction. Key activities under Manned Guarding include surveillance and protection of premises and facilities, security checks, parking safety, background verification, event security, close monitoring and protection, traffic control, transport security, crowd management among others. Manned Guarding Services for the purpose of this report does not include cash services, electronic security services, and security guard training services.

Market Size and Revenue Trend:

The Manned Guarding industry is a crucial component of security and safety in the world. Today, private security/ Manned Guarding is responsible not only for protecting the nation's property and critical infrastructure systems, but also for protecting intellectual property and sensitive information. The Manned Guarding Services Market in India has witnessed high growth over the last few years. Growing incidences of terrorist attacks and crimes, and high pace of infrastructure development has led to significant demand for security service personnel. The increase in demand and the gap between requirement and availability of government-employed police personnel has led to substantial growth in Manned Guarding Services in India across end user segments.

Exhibit 8.1: Manned Guarding Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



The Manned Guarding Services Market is valued at INR 1,500,000.00 million in FY2023 and has recorded a CAGR of 12.1% from FY2018 – FY2023. COVID-19 impact on the market is a degrowth of 2.0% in FY2021. Growing security requirements and investments in assets across end user segments are anticipated to

drive the demand in the forecast period and the market is expected to grow at a CAGR of 20.0% from FY2023 – FY2028 to reach INR 3,740,256. 52 million.

Evolution of the Manned Guarding Services through trends such as technology adoption and training resulted in improved service delivery, high confidence and willingness to outsource security related services. This also contributed to the growth of the Manned Guarding Services in India. Availability of manpower due to migration of workforce from rural to urban areas and regulations such as minimum wages have also led to the growth of market revenues.

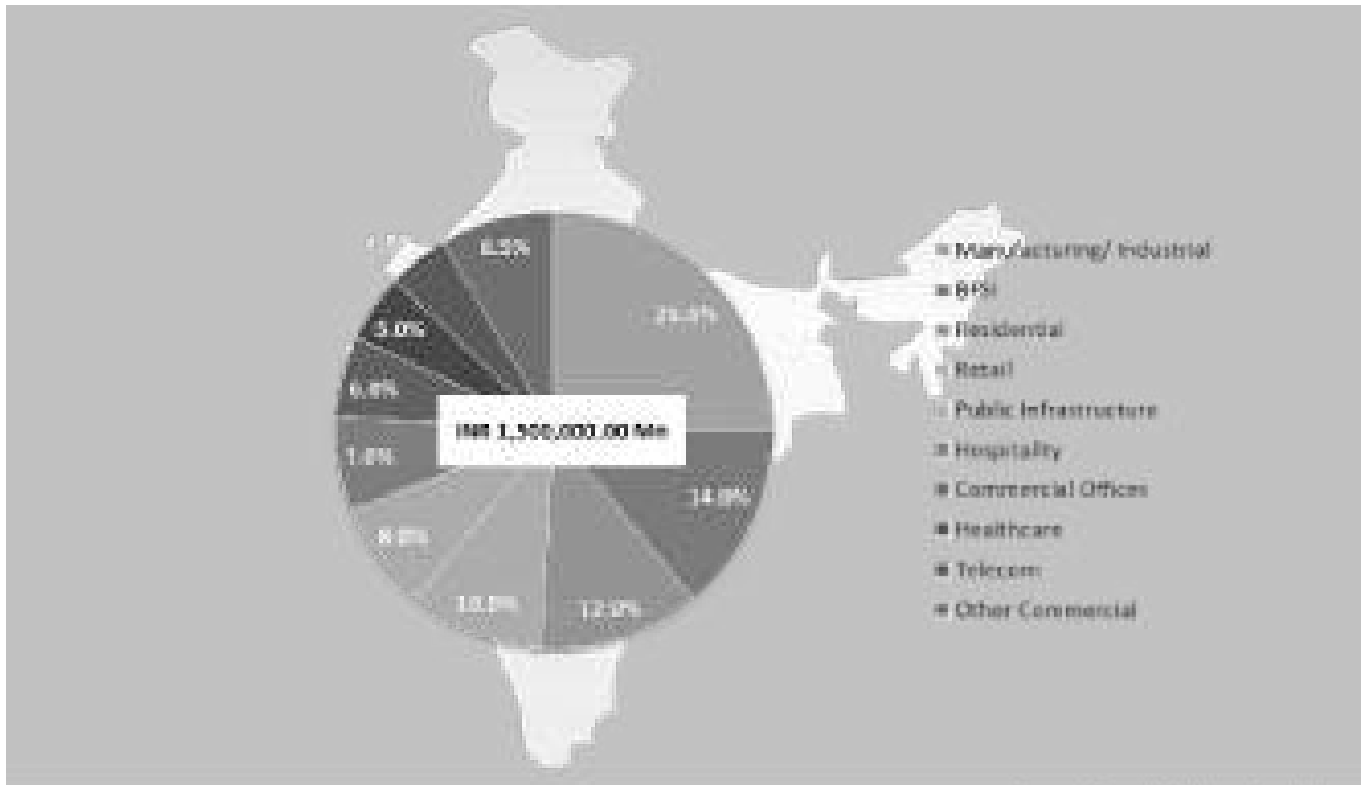
Technology has played a key role in the evolution of service delivery in Manned Guarding Services over the last decade. The level of technology adoption is gradually increasing in India and is influenced by factors such as the size of the Manned Guarding Service provide, bespoke needs of the client, and budget allocations. A few of the major trends associated with technology in Manned Guarding Services are listed below:

1. **Access Control Systems:** Many private security companies are adopting access control systems to manage entry and exit points in various facilities. This technology helps in regulating access to restricted areas and tracking the movement of personnel.
2. **Surveillance Cameras:** The use of surveillance cameras, including closed circuit television (CCTV) systems, is becoming more prevalent. Cameras are used for real-time monitoring, recording incidents, and providing evidence in case of security breaches.
3. **Alarm Systems:** Manned Guarding service providers are integrating alarm systems to detect unauthorised access, break-ins, or other security breaches. These systems could trigger alerts for security personnel or central monitoring stations.
4. **Biometric Systems:** Biometric authentication, such as fingerprint or facial recognition, are being incorporated into access control systems to enhance security and accuracy in identifying individuals.
5. **Communication Tools:** Security personnel are using advanced communication tools like two-way radios, mobile phones, and apps to maintain real-time contact with their supervisors and respond promptly to incidents.
6. **Visitor Management Systems:** In industries where visitor access is common, technology-based visitor management systems are being used to streamline the check-in process, verify identities, and create visitor records.
7. **Remote Monitoring:** Remote monitoring solutions are gaining traction, allowing security personnel or central monitoring stations to monitor facilities and respond to incidents from a remote location.
8. **Incident Reporting Software:** Digital incident reporting software is being used to document and report security incidents in a more efficient and organised manner.
9. **Global Positioning System (GPS) Tracking:** GPS tracking technology is being used to monitor the movement of security personnel and assets, ensuring they are where they need to be.

10. **Integration of Systems:** Larger Manned Guarding service providers are moving towards integrating various technology systems, like access control, cameras, and alarms, into a unified security management platform.

Market Segmentation by End User Segments:

Exhibit 8.2: Manned Guarding Services Market: Segmentation by End User Segments, FY2023, India



Source: Frost & Sullivan Analysis

Manufacturing and Industrial segment is the largest end user for Manned Guarding Services in India. The end user segment with relatively high penetration among organised companies include BFSI, IT/ITeS, Hospitality, Retail and Public Infrastructure. Increase in banking services and growing number of bank branches and Automated Teller Machine (ATM) installations are driving the demand for Manned Guarding Services from BFSI segment. Investments in retail spaces across Tier 1 and Tier 2 cities in India are also contributing to the demand for Manned Guarding Services. The above segments along with Healthcare and Residential are expected to drive the demand for Manned Guarding Services in the long-term.

Market Segmentation by Government versus Private:

Private sector is the largest segment creating demand for Manned Guarding Services in India with a share of 70.0% of the total market in FY2023. Government sectors accounts for the remaining 30.0% of the total market. Key segments within government creating demand for Manned Guarding Services are museums, monuments, archaeological sites, coal field, infrastructural assets, and mega projects among others.

Exhibit 8.3: Manned Guarding Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Market Outlook:

There are several factors that drive the demand for Manned Guarding Services in India such as employee safety, growth in events, security concerns, theft and vandalism, asset protection, and loss prevention among others.

Exhibit 8.4: Market Drivers and Impact, India, FY2023 – FY2028

Market Drivers		Impact		
		1-2 Years	3-4 Years	5-7 Years
Employee Safety	Companies prioritise the safety of their employees by hiring security personnel to monitor the premises and respond to any security issues. Low police-to-people ratio in India is creating demand for Manned Guarding Services across commercial segments such as Offices, Healthcare, Banking, Retail etc.	High	High	High
Security Concerns	With the rise in crime rates, terrorism, and other security threats, businesses, residential complexes, and public institutions deploy security services to safeguard their premises and people.	High	High	High
Growth in Events	In India, the number of instances of public events have witnessed a significant growth, creating the demand for Manned Guarding Services such as crowd management and security. For significant events such as concerts, sports, exhibitions, and conferences, event organizers hire security personnel to manage crowds, prevent	High	High	High

	disturbances, and to ensure the event runs smoothly.			
Government Initiatives	Compliance in certain end user segments such as educational institutions are generating demand for Manned Guarding Services. Smart Cities Mission, Make-in-India etc. are creating infrastructure assets that require protection.	High	High	High

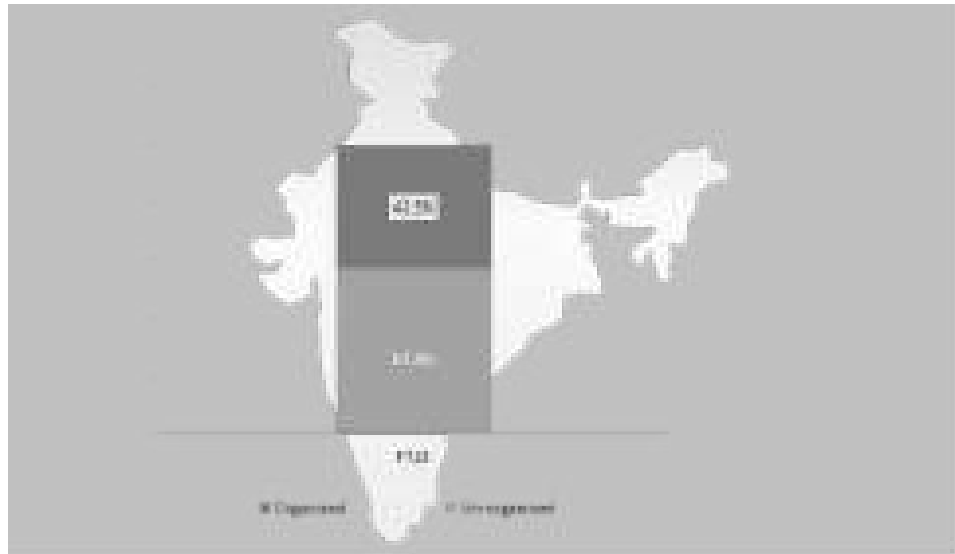
Exhibit 8.5: Market Restraints and Impact, India, FY2023 – FY2028

Market Restraints		Impact		
		1-2 Years	3-4 Years	5-7 Years
Skill Shortages	The Manned Guarding Services industry is manpower intensive and requires trained and skilled personnel. However, there is a shortage of adequately trained security professionals, affecting the quality of service and growth potential.	High	High	High
High Attrition Rates	The Manned Guarding Services industry has serious attrition issues. This is caused by a number of factors, including subpar benefits and compensation packages, a poor understanding of the operational environment, and a dearth of possibilities for professional development.	High	High	High
Regulatory Challenges	The Manned Guarding Services Market in India is subject to various regulations, licenses, and permits. Complex regulatory requirements and bureaucratic processes can hinder the ease of doing business and growth for security service providers. For example, Private Security Agencies Act 2005, security guarding licensing, background checks, uniforms and identification, emergency response procedures, insurance requirements etc.	Medium	Medium	Medium

Competitive Overview and Market Share Analysis:

The Indian market is defined by the presence of multinational companies and national companies. Multinational companies mostly have a pan India presence, and the national companies have either pan India or regional presence. The market is extremely fragmented in India, with more than 20,000 companies operating in this market. The organised segment comprised of about 40-45% of the total market in FY2023. Key factors influencing the growth of the organised market in India are the strict enforcement of regulations such as minimum wages and social security requirements and increasing preference for organised companies by the end users.

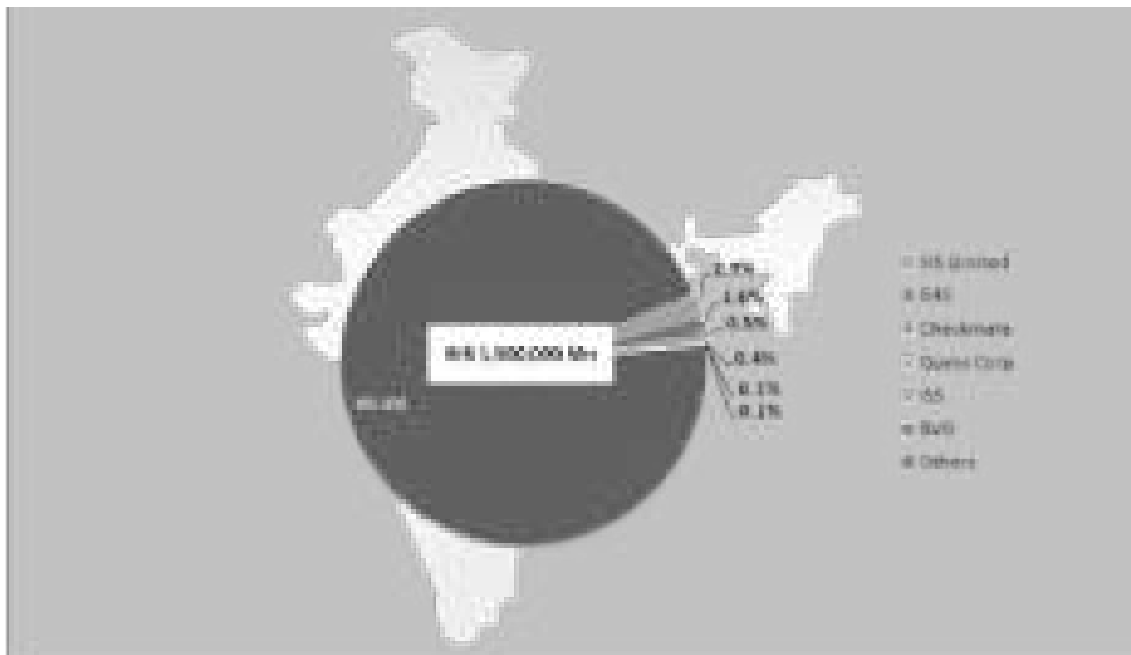
Exhibit 8.6: Manned Guarding Services Market: Organised versus Unorganized Market Share, FY2023, India



Source: Frost & Sullivan Analysis

SIS Limited, G4S, Checkmate, Peregrine, ISS, Sentinels, Securitas, Global Security Services, Krystal etc. are some of the major companies operating in this market in India. SIS Limited is the market leader in this highly fragmented market with a share of 2.0% in FY2023.

Exhibit 8.7: Manned Guarding Services Market: Market Share Analysis, FY2023, India



Others include Balaji Security Service Inc., Balram Corporate Services Pvt. Ltd., DSS Securitech Pvt. Ltd., Eagle Hunter Solutions Ltd., Fireball India, G 7 Securitas Group, Global Security Services, etc.

Source: Frost & Sullivan Analysis

CHAPTER 9: COMPANY PROFILES AND FINANCIAL BENCHMARKING OF KEY COMPANIES

Sodexo Group:



About the company	<ul style="list-style-type: none"> • Established Year: 1966 • Manpower Strength: 422,000 + • Head Office: France • International Presence: Operations in 53 Countries, Americas, Asia Pacific, Europe, Middle East and Africa • India Offices: Mumbai
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Food Services • Facility Management Services <ul style="list-style-type: none"> ○ Technical Services ○ Asset Management ○ Building Maintenance ○ Access Control ○ Deep Cleaning ○ Energy Management ○ Space Planning ○ Project Management ○ Front-of-House Services ○ Waste Management ○ Mail Management
End User Segment Presence	<ul style="list-style-type: none"> • Commercial Offices • Industrial • Healthcare • Educational Institutions • Energy
Key Clients	<ul style="list-style-type: none"> • Royal Ascot • Seattle Aquarium • Hard Rock Stadium
Recent Developments	<ul style="list-style-type: none"> • Sodexo and Santander, one of the largest private sector banking companies in Brazil have announced a strategic partnership to reinforce Sodexo's leadership position in Brazil, in July 2023 • Sodexo is in the process of acquiring A.H. Management to accelerate its food transformation model and its development in North America. • Attrition rate: 20.9%

Compass Group:



About the company	<ul style="list-style-type: none"> • Established Year: 1980s • Manpower Strength: 513,000 + • Head Office: Surrey, United Kingdom • International Presence: Operations in 40 Countries – Asia, Middle East, Africa, Europe, Australia, South America and North America • India Offices: Gurgaon
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Food Services • Support Services <ul style="list-style-type: none"> ○ Single, Bundled and Integrated Facility Management Services
End User Segment Presence	<ul style="list-style-type: none"> • Commercial Offices • Industrial • Healthcare • Senior Living • Education • Sports & Leisure • Defense, Offshore & Remote
Key Clients	<ul style="list-style-type: none"> • Eurest • Restaurant Associates • Bon Appetit Management Company • Flink • Medirest • Morrison Healthcare • Crothall Healthcare • Chartwells • Levy • ESS Support Services
Recent Developments	<ul style="list-style-type: none"> • More than 55,000 client locations • 5.5 billion meals served per year • Launched Compass Group Foundation in February 2023, a new charitable foundation with an objective to improve the lives of people through education and innovation, empowering them to play a key role in the future of food for their communities. • Compass Group successfully issued two Sustainable Bonds, raising proceeds of €500m and £250m respectively, which is expected to be used to progress the Compass Group’s sustainability initiatives and the delivery of its global Climate Net Zero target. The bonds were issued in October 2021.

About the company	<ul style="list-style-type: none"> • Established Year: 1900 • Manpower Strength: 68,000 + • Head Office: United Kingdom • International Presence: Asia, Middle East, Australia, Europe • India Offices: Thane, Ahmedabad, Bengaluru, Chennai, Cochin, Goa, Gurgaon, Hyderabad, Indore, Kolkata, Noida, Pune, and Trivandrum
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Facility Management Services <ul style="list-style-type: none"> ○ Cleaning ○ Services Office Solutions ○ Mechanical and Electrical Maintenance ○ Front-of-House and Support Services ○ Washrooms and Hygiene ○ Pest Control • Catering • Passenger Assistance and Aviation Support Services • Security • Waste Management and Recycling • Compliance • Horticulture • Industrial Services • Biomedical
End User Segment Presence	<ul style="list-style-type: none"> • Healthcare • Aviation • Financial and Professional • Government • Sports, Leisure, and Entertainment • Education • Hospitality • Manufacturing
Key Clients	<ul style="list-style-type: none"> • Coca-Cola • Manchester City • Northgate Information Solutions • Greater London Authority • Cisco • Dublin Airport • Ford
Recent Developments	<ul style="list-style-type: none"> • More than 20,000 customers • OCS Group was acquired by Clayton Dubilier & Rice in late 2022. Later Clayton Dubilier & Rice acquired Atalian's United Kingdom, Ireland and Asia business. OCS Group and Atalian UK are expected to be merged to form a leading international Integrated Facility Management company



About the company	<ul style="list-style-type: none"> • Established Year: 1901 • Manpower Strength: 800,000 + • Head Office: United Kingdom • International Presence: Operations in over 90 Countries • India Offices: Gurgaon, New Delhi, Mumbai, Bangalore, Kolkata, Chennai and Hyderabad
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Security Services <ul style="list-style-type: none"> ○ Security Guarding Services ○ Security Systems and Services ○ Risk Management and Consulting Services • Cash Solutions <ul style="list-style-type: none"> ○ Cash Management ○ Cash-in-Transit ○ Cash Technology • Facility Services <ul style="list-style-type: none"> ○ Janitorial ○ Landscaping Services ○ Event Services
End User Segment Presence	<ul style="list-style-type: none"> • Industrial • Commercial Real Estate • Residential • Construction • Defense & Aerospace • Logistics • Education • Financial Institutions • Government • Aviation • Maritime & Ports • Healthcare • Hospitality • Retail • Utilities • Metros
Key Clients	<ul style="list-style-type: none"> • HM Prison Five Wells • Government Property Agency, United Kingdom
Recent Developments	<ul style="list-style-type: none"> • G4S Secure Solutions UK, an Allied Universal company, has announced the acquisition of Total Security Services, strengthening its position as a major UK security services company in March 2022. • G4S was acquired by Allied Universal company in April 2021.



<p>About the company</p>	<ul style="list-style-type: none"> • Established Year: 1934 • Manpower Strength: 358,000 + • Head Office: Stockholm, Sweden • International Presence: Operations in 45 Countries – Europe, North America, Latin America, Asia Pacific, Middle East, and Africa • India Offices: Chennai, Hyderabad, Mumbai, Noida, Ahmedabad, Bengaluru, Gurugram, Kolkata, Mohali, New Delhi, and Pune
<p>Business Overview and Key Services Offered</p>	<ul style="list-style-type: none"> • Security Services <ul style="list-style-type: none"> ○ Security Guarding ○ Remote Video Solutions ○ Aviation Security ○ Electronic Security ○ Fire and Safety ○ Risk Management ○ Intelligent Security ○ Home Alarms ○ Enterprise Risk Management
<p>End User Segment Presence</p>	<ul style="list-style-type: none"> • Aviation • Construction • Critical Infrastructure • Data Centers • Industry • Maritime • Offices • Retail • Residential
<p>Key Clients</p>	<ul style="list-style-type: none"> • Microsoft
<p>Recent Developments</p>	<ul style="list-style-type: none"> • Client retention rate: 89% • North America is the largest revenue generator for the company with a share of 46% of the total revenues • Securitas announces its largest acquisition in history after entering an agreement to acquire STANLEY Security, a global technology security provider. The acquisition is completed on July 22, 2022, after the received regulatory approvals from the relevant authorities.

Quess Corp Limited:

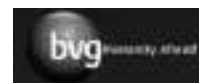


About the company	<ul style="list-style-type: none"> • Established Year: 2007 • Manpower Strength: 500,000 + • Head Office: Bangalore, India • Regional Presence (India): Pan India • International Presence: USA, Canada, Malaysia, Philippines, Singapore, Sri Lanka, UAE, and Vietnam
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Workforce Management <ul style="list-style-type: none"> ○ General Staffing ○ Professional Staffing ○ Overseas Staffing • Operating Asset Management <ul style="list-style-type: none"> ○ Facilities Management – Soft Services, Hard Services, Pest Control, Food Services, Landscaping ○ Security Services ○ Industrial Maintenance ○ Telecom • Global Technology Solutions <ul style="list-style-type: none"> ○ CLM Voice ○ Non-Voice BPO ○ HRO ○ Insurtech • Product-led Businesses <ul style="list-style-type: none"> ○ While Collar Jobs ○ Blue Collar Jobs ○ Break-fix Services
End User Segment Presence	<ul style="list-style-type: none"> • Industrial • IT/ITeS • Education • BFSI • Telecom • Real Estate • Healthcare • Hospitality
Key Clients	<ul style="list-style-type: none"> • Samsung • Amazon • Reliance • Vodafone • Bajaj Finance • Punjab Kings
Other Insights/ Recent Developments	<ul style="list-style-type: none"> • More than 3,000 clients • Ranked amongst the Top 100 Best Companies to Work for in India in 2022 • Company deployed 21,518 security guards globally in FY2023

SIS Group Enterprises:



About the company	<ul style="list-style-type: none"> • Established Year: 1985 • Manpower Strength: 283,000 + • Head Office: New Delhi, India • Regional Presence (India): More than 50 offices in India • International Presence: Singapore, Australia, and New Zealand
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Facility Management <ul style="list-style-type: none"> ○ Cleaning and Housekeeping ○ Technical Solutions ○ Soft Solutions ○ Pest Control ○ Business Support Solutions • Security Solutions – India and International • Cash Logistics Solutions <ul style="list-style-type: none"> ○ Safe Keeping and Vault-related ○ Doorstep Banking ○ Bullion Transportation ○ ATM Related ○ Cash-logistics Pick-up and Delivery ○ Cash-Logistics In-Transit ○ On-Site and Off-Site Cash Logisticians
End User Segment Presence	<ul style="list-style-type: none"> • Healthcare • Education • Manufacturing • Residential • ITES • Retail • Pharmaceutical • Data Centers • Banking • Government
Key Clients	<ul style="list-style-type: none"> • Microsoft • Apollo Hospitals • IRCTC • DLF • Amazon • Flame University • Cipla
Recent Developments	<ul style="list-style-type: none"> • More than 17,600 customers across 42,800 client sites • The company has more than 370 branch offices • Group companies include SMC Integrated Facilities Management Solutions, DTS, Rare Hospitality, Adis, Terminix, SLV, Protect among others • Attrition rate: 37.5%



<p>About the company</p>	<ul style="list-style-type: none"> ● Established Year: 1993 ● Manpower Strength: 56,000 + ● Head Office: Pune, India ● Regional Presence (India): Mumbai, Ahmedabad, Bengaluru, Chennai, New Delhi ● International Presence: No international presence
<p>Business Overview and Key Services Offered</p>	<ul style="list-style-type: none"> ● Integrated Facility Management <ul style="list-style-type: none"> ○ Technical Services ○ Pest Control Services ○ Glass and Façade Cleaning Services ○ Airport Maintenance Services ○ Production Support Services ○ Maintenance Services – Temples and other Public Places ● Emergency Response Services <ul style="list-style-type: none"> ○ Medical Emergency Services ○ Police Emergency Services ● Renewable Energy <ul style="list-style-type: none"> ○ EPC of Solar Plants ● Solid Waste Management <ul style="list-style-type: none"> ○ Door to Door Collection of Municipal Solid Waste ○ Mechanized Road Sweeping ○ Solid Waste Processing Plant ○ Scientific Landfilling and Capping of Dumpsite ● Special Projects
<p>End User Segment Presence</p>	<ul style="list-style-type: none"> ● Industrial – Automobile, Pharmaceutical, Oil & Gas, Metals, Chemicals, FMCG ● Healthcare ● Transport – Airport, Metro, Railway Stations ● Educational Institutions ● Banks ● Residential ● Government
<p>Key Clients</p>	<ul style="list-style-type: none"> ● Rashtrapati Bhavan ● Mahindra ● Volkswagen ● Bajaj ● Hyundai ● ONGC
<p>Recent Developments</p>	<ul style="list-style-type: none"> ● More than 1,100 client sites ● Renewable energy of more than 600 MW projects delivered ● Daily waste handled: 3,000 MT ● Attrition rate: 47.6% (FY2021)

UDS Business Services:



About the company	<ul style="list-style-type: none"> • Established Year: 1985 • Manpower Strength: 57,000 + • Head Office: Chennai, India • Regional Presence (India): Pan India • International Presence: Present through subsidiary companies
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • IFM Services <ul style="list-style-type: none"> ○ Engineering Services ○ Production Support Services ○ Soft Services ○ Warehouse Management ○ Institutional Catering ○ General Staffing • Business Support Services <ul style="list-style-type: none"> ○ Employee Background Verification ○ Ground Handling Services ○ Mailroom & Logistics ○ Audit & Assurance ○ Sales Enablement
End User Segment Presence	<ul style="list-style-type: none"> • Fast Moving Consumer Goods • Manufacturing • Healthcare • IT/ITeS • Automobiles • Logistics & Warehouses • Airports • Ports • Infrastructure • Retail
Key Clients	<ul style="list-style-type: none"> • Daimler • Vellore Institute of Technology • Sastra University • JK Tyres • Eicher Motors • Delphi TVS • Infosys
Recent Developments	<ul style="list-style-type: none"> • More than 1,300 customers and 4,000 customer locations • Manages more than 200 million square feet of space • Subsidiary companies are Avon Solutions & Logistics, Tangy Supply & Solutions, Fusion Foods, Matrix Business Services, Denave, Athena BPO, Stanworth Management, Washroom Hygiene Concepts, and Global Flight Handling Services. • Attrition rate: 65.8% (FY2022)

Krystal:



About the company	<ul style="list-style-type: none"> • Established Year: 2000 • Manpower Strength: 31,000 + • Head Office: Mumbai, India • Regional Presence (India): Pan India • International Presence: No international presence
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Facility Management Services <ul style="list-style-type: none"> ○ Housekeeping Management ○ MEP ○ Sanitation Services • Security Manned Guarding • Traffic Management • Water Treatment • City Maintenance • Support Services
End User Segment Presence	<ul style="list-style-type: none"> • Hospital and Healthcare Sector • Education Sector • Banking and Financial Services Sector • Government Sector • Airports, Railway and Metro Infrastructure Sector • Retail • Industrial
Key Clients	<ul style="list-style-type: none"> • Director of Medical Education • Commissioner - Social Welfare Maharashtra State • Avenue Supermarts Limited • Govt. of National Capital Territory of Delhi • Municipal Corporation of Greater Mumbai • Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (Ashok Nagar, Guna & Betul) • HDFC Bank Limited • Mumbai International Airport Limited • Office of Superintending Engineer O & M Ratlam Circle
Recent Developments	<ul style="list-style-type: none"> • More than 2,400 client sites • Present in more than 90 cities across India for service delivery • More than 22 years of industry experience • Attrition Rate: 31%

CLR Facility Services Private Limited:



About the company	<ul style="list-style-type: none"> • Established Year: 2002 • Manpower Strength: 25,000 + • Head Office: Pune, India • Regional Presence (India): Ahmedabad, Mumbai, Hyderabad, Bangalore, New Delhi, Chennai, Cochin, India • International Presence: No international presence
Business Overview and Key Services Offered	<ul style="list-style-type: none"> • Integrated Facilities Management <ul style="list-style-type: none"> ○ Soft Services – Housekeeping, Pantry Services, Waste Management, Warehouse Management, Pest Management Services, Guest House Management, Lawn and Garden Landscaping ○ Technical Services – Mechanical & Electrical Maintenance, Building Management Systems, HVAC, Plumbing & Carpentry, Water Treatment Systems, Fire & Safety Systems ○ Specialised Services – Office Sanitation, Commercial Carpet Cleaning, Marble & Stone Care, Chair & Sofa Cleaning, 3M Scotchgard Treatment, Deep Cleaning & Disinfection ○ Workplace Support ○ Transportation Management ○ Mailroom Services ○ Vendor Management ○ Staffing & Payroll services ○ Office & Helpdesk Support ○ Concierge Services • Production Support <ul style="list-style-type: none"> ○ Online & Offline Production Management ○ Equipment Handling & Maintenance ○ Inspection Operations • Skill Development
End User Segment Presence	<ul style="list-style-type: none"> • Healthcare • Manufacturing • Construction • Food and Beverages • Media • Banking • Logistics • Pharmaceuticals
Key Clients	<ul style="list-style-type: none"> • Not available
Other Insights/ Recent Developments	<ul style="list-style-type: none"> • More than 400 clients • Presence across 80+ cities • More than 14 branch offices across India

Competitive Service Mapping:

Exhibit 9.1: Outsourced Integrated Facilities Management Market: Service Portfolio of Major Companies, FY2023, India

Company Name	Soft Services	Hard Services	City Maintenance Services	Production Support Services	Catering Services	Warehouse Management Services	Event Management Services	Airport Management Services	Hospital Management Services	Staffing Services	Manned Guarding Services
Sodexo	✓	✓			✓			✓			
SIS Limited	✓	✓		✓			✓			✓	✓
Quess Corp	✓	✓		✓	✓		✓	✓	✓	✓	✓
BVG	✓	✓	✓				✓	✓			✓
UDS	✓	✓		✓	✓	✓				✓	
VA Tech Wabag			✓								
Compass	✓	✓			✓						
Krystal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISS Facility Services	✓	✓			✓			✓	✓	✓	✓
Impressions	✓	✓	✓	✓		✓	✓			✓	✓
OCS Group	✓	✓			✓	✓	✓	✓	✓		
Rentokil Initial		✓									
SMPL Infra			✓								
L&T Water			✓								
Re Sustainability (Ramky Enviro)			✓								
Anthony Waste			✓								

Financial Benchmarking of Key Companies:

Exhibit 9.2: Financial Information on Revenue from Operations of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	Revenue from Operations			Revenue from Operations CAGR, FY2021 – FY2023
		FY2021	FY2022	FY2023	
Sodexo Group*	Global	USD 21,027.19 Mn	USD 8,976.90 Mn	USD 22,985.92 Mn	4.55%
Compass Group*	Global	USD 25,311.10 Mn	USD 22,734.27 Mn	USD 32,386.27 Mn	13.12%
OCS Group*	Global	USD 1,119.18 Mn	USD 1,141.16 Mn	NA	NA
G4S (before acquisition) ^	Global	USD 8,821.42 Mn	NA	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 16,349.00 Mn	USD 19,411.00 Mn	NA
Securitas~	Global	USD 9,817.63 Mn	USD 9,791.69 Mn	USD 12,102.45 Mn	11.03%
BVG	India	INR 16,629.34 Mn	INR 20,309.19 Mn	INR 23,097.03 Mn	17.85%
UDS	India	INR 12,100.32 Mn	INR 14,835.52 Mn	INR 20,998.87 Mn	31.70%
SIS Limited	India	INR 91,273.04 Mn	INR 100,590.76 Mn	INR 113,457.80 Mn	11.49%
Quess Corp	India	INR 108,368.95 Mn	INR 136,917.78 Mn	INR 171,583.87 Mn	25.83%
Krystal	India	INR 4,712.89 Mn	INR 5,526.76 Mn	INR 7,076.36 Mn	22.54%
CLR	India	INR 2,235.77 Mn	INR 2,860.99 Mn	NA	NA

* FY2021 represents CY2020, FY2022 is CY2021 and FY2023 is CY2022

^ G4S was acquired by Atlas Ontario in 2021 and hence FY2022 and FY2023 financial information is not available. FY2021 data points represent CY2020

** Atlas Ontario acquired G4S in CY2021 only. Hence FY2021 financial statements are not considered for the analysis

~ Securitas financial data is for October – September

NA is Not Available

The above note is applicable for Exhibits 9.2 – 9.8

Exhibit 9.3: Financial Information on EBITDA of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	EBITDA			EBITDA Margin			EBITDA CAGR, FY2021 – FY2023
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	
Sodexo Group*	Global	USD 754.28 Mn	USD 959.20 Mn	USD 1,669.88 Mn	3.59%	5.05%	7.26%	48.79 %
Compass Group*	Global	USD 1,408.43 Mn	USD 1,638.30 Mn	USD 2,970.53 Mn	5.56%	7.21%	9.17%	45.23 %
OCS Group*	Global	USD -69.09 Mn	USD 20.69 Mn	NA	-6.17 %	1.81 %	NA	NA
G4S (before acquisition) ^	Global	USD 675.64 Mn	NA	NA	7.66%	NA	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 558.00 Mn	USD 1,267.00 Mn	NA	3.41 %	6.53%	NA
Securitas~	Global	USD 374.47 Mn	USD 453.64 Mn	USD 627.72 Mn	3.81%	4.63%	5.19%	29.47 %
BVG	India	INR 2,260.61 Mn	INR 2,893.77 Mn	INR 2,952.37 Mn	13.59%	14.25%	12.78%	14.28 %
UDS	India	INR 660.64 Mn	INR 782.02 Mn	INR 925.92 Mn	5.46%	5.27 %	4.41 %	18.39 %
SIS Limited	India	INR 2,450.80 Mn	INR 5,011.00 Mn	INR 5,017.40 Mn	2.69%	4.98%	4.42%	43.08 %
Quess Corp	India	INR 4,793.72 Mn	INR 6,290.22 Mn	INR 6,392.49 Mn	4.42%	4.59%	3.73%	15.48 %
Krystal	India	INR 301.05 Mn	INR 454.57 Mn	INR 545.09 Mn	6.39%	8.22 %	7.70%	34.56 %
CLR	India	INR 58.78 Mn	INR 79.32 Mn	NA	2.63 %	2.77 %	NA	NA

EBITDA = Profit before Tax + Interest + Depreciation & Amortisation – Other Income

EBITDA Margin = EBITDA/ Revenue from Operations

Exhibit 9.4: Financial Information on PAT of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	PAT (Attributable to owners)			PAT % of Revenue from Operations			PAT CAGR, FY2021 – FY2023
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	
Sodexo Group*	Global	USD -343.35 Mn	USD 151.51 Mn	USD 757.55 Mn	-1.63%	0.80%	3.30%	-
Compass Group*	Global	USD 168.91 Mn	USD 453.39 Mn	USD 1,413.51 Mn	0.67%	1.99%	4.36%	189.28 %
OCS Group*	Global	USD -61.10 Mn	USD 5.40 Mn	NA	-5.46%	0.47%	NA	NA
G4S (before acquisition) ^	Global	USD 194.31 Mn	NA	NA	2.20%	NA	NA	NA
G4S/Atlas Ontario **	Global	NA	USD -603.00 Mn	USD -273.00 Mn	NA	-3.69 %	-1.41%	NA
Securitas~	Global	USD 220.13 Mn	USD 285.10 Mn	USD 392.21 Mn	2.24%	2.91%	3.24%	33.48%
BVG	India	INR 910.02 Mn	INR 1,208.74 Mn	INR 1,265.46 Mn	5.47%	5.95%	5.48%	17.92%
UDS	India	INR 450.35 Mn	INR 552.91 Mn	INR 357.86 Mn	3.72%	3.73%	1.70%	-10.86%
SIS Limited	India	INR 3,654.10 Mn	INR 3,250.69 Mn	INR 3,463.89 Mn	4.00%	3.23%	3.05%	-2.64%
Qess Corp	India	INR 578.77 Mn	INR 2,412.25 Mn	INR 2,244.17 Mn	0.53%	1.76%	1.31%	96.91 %
Krystal	India	INR 168.24 Mn	INR 262.74 Mn	INR 384.44 Mn	3.57 %	4.75 %	5.43 %	51.17 %
CLR	India	INR 12.80 Mn	INR 16.55 Mn	NA	0.57%	0.58%	NA	NA

Exhibit 9.5: Financial Information on Earnings per Share (EPS) of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	EPS Basic			EPS Diluted		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	USD -2.35	USD 1.04	USD 5.18	USD -2.35	USD 1.02	USD 5.11
Compass Group*	Global	USD 0.10	USD 0.25	USD 0.80	USD 0.10	USD 0.25	USD 0.80
OCS Group*	Global	USD 1.24	USD 1.16	NA	USD 1.24	USD 1.13	NA
G4S (before acquisition) ^	Global	USD -0.07	NA	NA	USD -0.07	NA	NA
G4S/Atlas Ontario **	Global	NA	USD -0.14	USD -0.07	NA	USD -0.14	USD -0.07
Securitas~	Global	USD 0.60	USD 0.65	USD 0.84	USD 0.60	USD 0.65	USD 0.84
BVG	India	INR 35.05	INR 46.56	INR 48.75	INR 33.95	INR 45.08	INR 47.18
UDS	India	INR 8.53	INR 10.47	INR 6.77	INR 8.47	INR 10.40	INR 6.70
SIS Limited	India	INR 24.85	INR 22.09	INR 23.64	INR 24.73	INR 21.87	INR 23.43
Qess Corp	India	INR 3.92	INR 16.32	INR 15.16	INR 3.87	INR 16.18	INR 15.04
Krystal	India	INR 14.45	INR 22.69	INR 33.33	INR 14.45	INR 22.69	INR 33.33
CLR	India	INR 3.20	INR 4.14	NA	INR 3.20	INR 4.14	NA

Exhibit 9.6: Financial Information on Net Worth and Net Asset Value (NAV) per Share of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	Net Worth			NAV per Share (Basic)			NAV per Share (Diluted)		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	USD 3,006.22 Mn	USD 3,453.12 Mn	USD 4,812.35 Mn	USD 20.39	USD 23.42	USD 32.64	USD 20.61	USD 23.25	USD 32.47

Compass Group*	Global	USD 6,083.30 Mn	USD 6,211.57 Mn	USD 7,459.98 Mn	USD 3.67	USD 3.48	USD 4.19	USD 3.67	USD 3.48	USD 4.19
OCS Group*	Global	USD 55.00 Mn	USD 58.31 Mn	NA	USD 0.01	USD 0.01	NA	USD 0.01	USD 0.01	NA
G4S (before acquisition) ^	Global	USD 521.97 Mn	NA	NA	USD 0.34	NA	NA	USD 0.33	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 1,047.00 Mn	USD 541.00 Mn	NA	USD 0.22	USD 0.10	NA	USD 0.22	USD 0.10
Securitas~	Global	USD 1,610.43 Mn	USD 1,892.07 Mn	USD 3,314.58 Mn	USD 4.41	USD 4.32	USD 5.79	USD 4.41	USD 4.31	USD 7.08
BVG	India	INR 7,803.87 Mn	INR 9,040.76 Mn	INR 10,288.86 Mn	INR 300.59	INR 348.23	INR 394.00	INR 292.89	INR 339.31	INR 383.90
UDS	India	INR 2,852.56 Mn	INR 3,404.27 Mn	INR 3,808.93 Mn	INR 54.01	INR 64.45	INR 72.11	INR 53.64	INR 64.01	INR 71.36
SIS Limited	India	INR 18,307.63 Mn	INR 20,712.52 Mn	INR 23,332.93 Mn	INR 124.48	INR 140.76	INR 159.23	INR 123.91	INR 139.35	INR 157.81
Qess Corp	India	INR 23,431.10 Mn	INR 24,377.55 Mn	INR 25,687.51 Mn	INR 159.14	INR 164.95	INR 173.43	INR 156.48	INR 163.50	INR 172.11
Krystal	India	INR 1,360.75 Mn	INR 1,638.55 Mn	INR 1,634.12 Mn	INR 236.15	INR 284.36	INR 283.59	INR 236.15	INR 284.36	INR 283.59
CLR	India	INR 365.84 Mn	INR 382.39 Mn	NA	INR 91.58	INR 95.72	NA	INR 91.58	INR 95.72	NA

Net Worth = Total Shareholders' Equity minus Non-Controlling Interest

Net Asset Value per Share (Basic) = Net Worth/Number of Shares Outstanding

Net Asset Value per Share (Diluted) = Net Worth/ Diluted Number of Shares Outstanding

Exhibit 9.7: Financial Information on Net Debt, Debt Equity Ratio and Net Debt/EBITDA of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	Net Debt			Debt Equity Ratio			Net Debt/ EBITDA		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	USD 13,682.77 Mn	USD 13,381.93 Mn	USD 14,464.30 Mn	5.26	4.98	3.73	17.39	13.67	8.46
Compass Group*	Global	USD 10,714.99 Mn	USD 10,298.43 Mn	USD 13,792.20 Mn	2.06	2.02	2.17	7.54	6.25	4.62
OCS Group*	Global	USD 292.15 Mn	USD 2,99.86 Mn	NA	7.39	5.87	NA	-17.26	8.77	NA
G4S (before acquisition) ^	Global	USD 4,262.12 Mn	NA	NA	11.68	NA	NA	6.15	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 16,504.00 Mn	USD 16,895.00 Mn	NA	14.63	26.71	NA	25.08	13.26
Securitas~	Global	USD 3,339.70 Mn	USD 3,435.61 Mn	USD 6,619.80 Mn	2.34	2.05	2.17	8.77	7.43	10.19

BVG	India	INR 10,713.40 Mn	INR 9,379.60 Mn	INR 8,414.38 Mn	1.45	1.09	0.87	4.60	3.18	2.81
UDS	India	INR 2,427.20 Mn	INR 4,715.44 Mn	INR 7,144.69 Mn	0.98	1.53	2.14	3.35	5.10	6.75
SIS Limited	India	INR 23,527.11 Mn	INR 23,379.37 Mn	INR 27,137.93 Mn	1.75	1.46	1.45	3.25	4.22	5.08
Quess Corp	India	INR 17,974.52 Mn	INR 24,656.68 Mn	INR 29,503.95 Mn	0.94	1.12	1.24	3.43	3.80	4.43
Krystal	India	INR 404.54 Mn	INR 384.91 Mn	INR 1.25 Mn	0.50	0.45	0.31	1.34	0.85	0.00
CLR	India	INR 701.90 Mn	INR 743.44 Mn	NA	2.12	2.30	NA	10.14	8.79	NA

Net Debt = Total Liabilities (Total Debt) – Cash & Cash Equivalents

Debt Equity Ratio = Total Liabilities (Total Debt) / Total Shareholders' Equity

Exhibit 9.8: Financial Information on Return on Net Worth, Return on Capital Employed and Working Capital Days of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	Return on Net Worth			Return on Capital Employed			Working Capital Days in Number of Days		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	-11.42%	4.39%	15.74%	1.04%	3.56%	9.38%	-2.31	16.33	14.94
Compass Group*	Global	2.78%	7.30%	18.95%	3.46%	6.06%	13.49%	-4.58	-5.61	-4.98
OCS Group*	Global	-111.10 %	9.26%	NA	-30.90%	3.90%	NA	9.29	1.17	NA
G4S (before acquisition) ^	Global	37.23 %	NA	NA	12.24%	NA	NA	34.21	NA	NA
G4S/Atlas Ontario **	Global	NA	-63.51 %	-66.73 %	NA	-0.04%	3.46%	NA	34.07	23.32
Securitas~	Global	13.67%	15.07%	11.83%	11.23%	12.57%	7.84%	2.18	5.54	27.83
BVG	India	11.66%	13.37%	12.37%	23.39%	26.88%	23.15%	115.16	116.94	124.58
UDS	India	15.79%	16.24%	9.40%	16.91%	15.40%	11.13%	45.71	30.60	17.83
SIS Limited	India	19.96%	15.69%	14.85%	21.36%	14.85%	11.58%	29.14	23.66	31.64
Quess Corp	India	2.47 %	9.90%	8.74%	9.26%	14.31%	11.66%	31.86	19.38	15.82
Krystal	India	12.37%	16.04%	23.53 %	19.01%	25.03%	28.82 %	55.00	51.00	25.00
CLR	India	3.50%	4.33%	NA	9.64%	11.60%	NA	16.57	15.84	NA

Return on Net Worth = PAT Attributable to Owners/ Total Shareholders' Equity minus Non-Controlling Interest

Return on Capital Employed = (PBT + Finance Costs) / (Total Assets - Current Liabilities)

Working Capital Days = (Current Assets – Current Liabilities) * 365/ Revenue from Operations

All financials are calculated based on overall company revenues and not from segmental revenues.

Source: Company Annual Reports