

F R O S T & S U L L I V A N

**Industry Report on Security Services,
Integrated Facility Management Services,
and Staffing Services in India and Security
Services in the UAE**



Final Report Submitted to: Stalwart Group

June 2026

Disclaimer

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List of Acronyms

Title	Abbreviation
3PL	Third-Party Logistics
4PL	Fourth-Party Logistics
5G	Fifth Generation
6G	Sixth Generation
AED	United Arab Dhirams
AI	Artificial Intelligence
AIIMS	All-India Institute of Medical Sciences
AMC	Annual Maintenance Contract
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
AR	Augmented Reality
ATMs	Automated Teller Machines
B2B	Business-to-business
BFSI	Banking, Financial Services and Insurance
BMS	Building Management Systems
BPO	Business Process Outsourcing
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CCTV	Closed-Circuit Television
CIC	Cash-in-circulation
COVID-19	Coronavirus Disease
CPI	Consumer Price Index
CPPP	Central Public Procurement Portal
CPR	Cardiopulmonary Resuscitation
CQCBS	Combined Quality cum Cost-Based Selection
CXO	Chief Officer
CY	Calendar Year
DPIIT	Department for Promotion of Industry and Internal Trade
EMI	Equated Monthly Instalments
EPC	Engineering, Procurement and Construction
EPF	Employee Provident Fund
EPFO	Employees' Provident Fund Organisation
ESG	Environmental, Social, and Governance
ESI	Employee State Insurance
ESIC	Employees' State Insurance Scheme
EWS	Early Warning Systems
FBI	Federal Bureau of Investigation

Title	Abbreviation
FMCD	Fast Moving Consumer Durable
FMCG	Fast-Moving Consumer Goods
FTE	Full Time Equivalent
FY	Financial Year
G2G	Government-to-Government
GCC	Global Capability Centres
GPS	Global Positioning System
GSA	General Services Administration
GST	Goods and Services Tax
GVA	Gross Value Added
HR	Human Resources
HVAC	Heating, Ventilation & Air Conditioning
IFM	Integrated Facilities Management
IIP	Index of Industrial Production
INR	Indian Rupees
IoT	Internet of Things
IT	Information Technology
ITeS	Information Technology enabled Services
L1	Lowest
LFPR	Labour Force Participation Rate
M&E	Mechanical & Electrical
MEP	Mechanical, Electrical and Plumbing
MICE	Meetings, Incentives, Conferences and Exhibitions
MoEFCC	Ministry of Environment, Forest, and Climate Change
MoUs	Memorandums of Understanding
MRO	Maintenance, Repair, and Overhaul
MSDE	Ministry of Skill Development and Entrepreneurship
MSW	Municipal Solid Waste
NABH	NextGen Airports for Bharat
NAPS	The National Apprenticeship Promotion Scheme
NASSCOM	National Association of Software and Service Companies
NBFC	Non-banking Financial Company
NCR	National Capital Region
OEM	Original Equipment Manufacturers
OSHC	Occupational, Safety, Health and Working Conditions
PHC	Primary Health Centres
PLI	Production-Linked Incentive
PMI	Purchase Managers Index

Title	Abbreviation
PPP	Public-Private Partnership
PSARA	Private Security Agencies Regulation Act (PSARA)
PSU	Public Sector Units
Q3	3rd Quarter of a Calendar / Financial Year
Q4	4th Quarter of a Calendar/ Financial Year
RBI	Reserve Bank of India
RCM	Retail Cash Management
RCS	Regional Connectivity Scheme
RMS	Remote Monitoring System
RPM	Remote Patient Monitoring
RPO	Recruitment Process Outsourcing
SIA	Security Industry Authority
SIIC	Skill India International Centers
SIM	Subscriber Identity Module
SLA	Service-Level Agreement
The UAE	The United Arab Emirates
The UK	The United Kingdom
The USA	The United States of America
UDAN	Ude Desh ka Aam Nagrik
UHNWI	Ultra-High Net Worth Individual
USD	United States Dollar
VDA	Variable Dearness Allowance
VR	Virtual Reality
WCM	Workplace Change Management
WPR	Worker Population Ratio
XaaS	Anything as a Service

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CHAPTER 1: GLOBAL MACROECONOMIC OVERVIEW

Historic Overview and Outlook

The global economy demonstrated resilience through calendar year (CY) 2025 despite disinflation trends observed in CY2022 and CY2023. Major economies-maintained stability in jobs and incomes, supported by positive demand and supply dynamics, with central banks raising interest rates to manage price stability. However, amidst facing challenges like supply chain disruptions and the Russia-Ukraine conflict, the global economic landscape was strained, causing geopolitical tensions, and disrupting global supply chains.

In addition to the continuing impact of the Russia-Ukraine conflict, the recent escalation of tensions between the United States and Iran has increased uncertainty across global markets. The conflict has heightened concerns regarding energy security and potential disruptions to critical shipping routes in the Middle East, contributing to volatility in crude oil prices and raising risks of renewed inflationary pressures. These developments may complicate monetary policy decisions and adversely affect business confidence, investment activity, and global trade flows.

Escalating energy prices and uncertainties surrounding the conflict added pressure on inflation levels, complicating central banks' efforts to maintain stability. The crisis exacerbated existing vulnerabilities in the global economy and highlighted the interconnected nature of markets and the importance of geopolitical stability in sustaining economic growth. Regardless of the banking sector's challenges, its resilience, along with unaffected emerging economies, played a pivotal role in achieving this positive outcome in the past couple of years.

Exhibit 1.1: Historic Real GDP Growth Rates (%), Global, CY2020 - CY2025

Region/ Country	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025
World	-2.7	6.7	3.8	3.3	3.4	3.4
Advanced Economies						
United States of America	-2.1	6.2	2.5	2.9	2.8	2.1
Canada	-5.0	6.0	4.7	2.0	2.0	1.7
Germany	-4.1	3.9	1.8	-0.9	-0.5	0.2
France	-7.6	6.8	2.8	1.6	1.1	0.9
United Kingdom	-10.0	8.5	5.1	0.3	1.1	1.3
Japan	-4.3	3.6	1.3	0.7	-0.2	1.2
Emerging and Developing Economies						
China	2.3	8.6	3.1	5.4	5.0	5.0
India	-5.8	9.7	7.6	7.2	7.1	7.6
Russia	-2.7	5.9	-1.4	4.1	4.9	1.0
Brazil	-3.3	4.8	3.0	3.2	3.4	2.3
Mexico	-8.4	6.0	3.7	3.1	1.4	0.6
Saudi Arabia	-3.8	6.5	12.0	0.5	2.6	4.5

Source: IMF April 2026 Edition of Real GDP Forecast

The global economic growth measured through gross domestic product (GDP) remained moderately favorable through CY2025; inflation was moderating without a significant slowdown in key economies through a widespread monetary policy easing. Over the next couple of years, the anticipated deceleration in the two major economies, the United States of America (USA) and China, is expected to be offset by strong growth in many emerging and developing economies such as India and Russia. The post-pandemic global growth is forecast to remain steady but at a relatively low level and insufficient for sustained economic development due to policy uncertainty, trade fragmentation, slower than anticipated progress in containing inflation and weaker economic activity in major countries. Increase in trade-distorting measures implemented by advanced economies often affect emerging and developing economies and this poses a risk to global trade and economic activities.

Exhibit 1.2: Real GDP Growth Rate Forecast (%), Global, CY2025– CY2030P

Region/ Country	CY2025	CY2026P	CY2027P	CY2028P	CY2029P	CY2030P
World	3.4	3.1	3.2	3.2	3.2	3.1
Advanced Economies						
United States of America	2.1	2.3	2.1	2.1	1.9	1.8
Canada	1.7	1.5	1.9	1.7	1.7	1.7
Germany	0.2	0.8	1.2	1.2	0.9	0.7
France	0.9	0.9	0.9	1.2	1.2	1.1
United Kingdom	1.3	0.8	1.3	1.6	1.6	1.5
Japan	1.2	0.7	0.6	0.6	0.6	0.6
Emerging and Developing Economies						
China	5.0	4.4	4.0	4.0	3.7	3.3
India	7.6	6.5	6.5	6.5	6.5	6.5
Russia	1.0	1.1	1.1	1.0	1.0	1.0
Brazil	2.3	1.9	2.0	2.4	2.5	2.5
Mexico	0.6	1.6	2.2	2.1	2.0	2.0
Saudi Arabia	4.5	3.1	4.5	3.6	3.5	3.5

P – projection

Source: IMF April 2026 Edition of Real GDP Forecast

Global Inflation Outlook

Global inflation continued to decline to 4.1% in CY2025 from 5.7% in CY2024 due to easing energy and food prices, healing supply chains, and the lagged effects of tight monetary policy. Declining fuel prices and stabilising food prices in many of the advanced economies are expected to lower inflation in those countries over the next couple of years. Emerging and developing economies are expected to witness a more gradual decline in inflation rates due to factors such as currency fluctuations and supply chain disruptions.

However, the recent escalation of tensions between the United States and Iran has introduced additional inflationary risks to the global economy. Concerns over potential disruptions to oil supplies and key maritime trade routes in the Middle East have increased volatility in global energy markets, resulting in upward pressure on crude oil prices. If sustained, higher energy costs could slow the pace of disinflation and contribute to elevated transportation, manufacturing, and logistics expenses across regions.

Exhibit 1.3: Inflation Rate (Average Consumer Prices, Annual Percent Change) Forecast, Global, CY2025– CY2030P

Region/ Country	CY2025	CY2026P	CY2027P	CY2028P	CY2029P	CY2030P
World	4.1	4.4	3.7	3.4	3.2	3.2
Advanced Economies						
United States of America	2.7	3.2	2.1	2.2	2.2	2.2
Canada	2.1	2.5	2.1	2.0	2.0	2.0
Germany	2.3	2.7	2.3	2.0	2.2	2.2
France	0.9	1.8	1.7	1.9	1.9	1.9
United Kingdom	3.4	3.2	2.4	2.0	2.0	2.0
Japan	3.2	2.2	2.3	2.0	2.0	2.0
Emerging and Developing Economies						
China	0.0	1.2	1.5	1.8	1.9	2.0
India	2.1	4.7	4.0	4.0	4.0	4.0
Russia	8.7	5.6	4.3	4.0	4.0	4.0
Brazil	5.0	4.0	3.4	3.0	3.0	3.0
Mexico	3.8	3.9	3.4	3.0	3.0	3.0
Saudi Arabia	2.0	2.3	2.1	2.0	2.0	2.0

P – projection

Source: IMF April 2026 Edition of Inflation Rate Forecast

Growth Enablers for Global Economy

Major factors anticipated to enable economic growth over the next five years are technological developments, global trade & investments, and population growth & urbanisation.

Technological developments: Automation, Artificial Intelligence (AI), robotics and advanced manufacturing technologies are enabling faster, cost-competitive and sustainable production of goods, which leads to higher output per worker and increase in GDP. Technological innovations have led to new sectors such as e-commerce, fintech, biotech etc. which have created new jobs, business models and export opportunities. This, in turn, has increased the economic activities and overall growth of the economy.

Global trade and investments: Global trade enables countries to specialise, access larger markets, and increase efficiency. Open trade environments increase foreign direct investments (FDI) across user segments. Global trade creates income streams, drives innovation, and promotes economic development.

Population growth and urbanisation: Population growth and migration are foundational to the size of each country’s labor force and its economic output. Population growth leads to a large workforce and this would translate to an increase in agricultural, industrial and services output, which would lead to economic development. Growing population also increases the demand for food, housing, education, healthcare, entertainment, retail services etc. Population growth often leads to urbanisation which eventually creates demand for infrastructure, and this translates to economic activity in construction, transport and other services, thereby leading to growth in economic activities.

Issues Impacting the Growth of the Global Economy

There are several issues that are impeding economic activities, causing concerns about slower growth and potential instability. Major factors include high borrowing costs, geopolitical uncertainties, fiscal consolidation in many countries, and rising public debt. In addition to this, factors such as inflation, tight labor markets, and potential trade tensions are also contributing to uncertainty in economic outlook.

High borrowing costs: Increasing interest rates are making it expensive for countries to finance their debts and increase investments for economic development.

Fiscal consolidation: Several countries are reducing government spending to control debts which leads to slower economic growth.

Geopolitical uncertainties: Conflicts between countries cause uncertainty for businesses and investors, leading to slower growth.

Trade uncertainties: Increasing trade tensions caused by policy changes and their subsequent impact on tariffs have the potential to disrupt supply chains and lead to higher prices, negatively impacting economic growth.

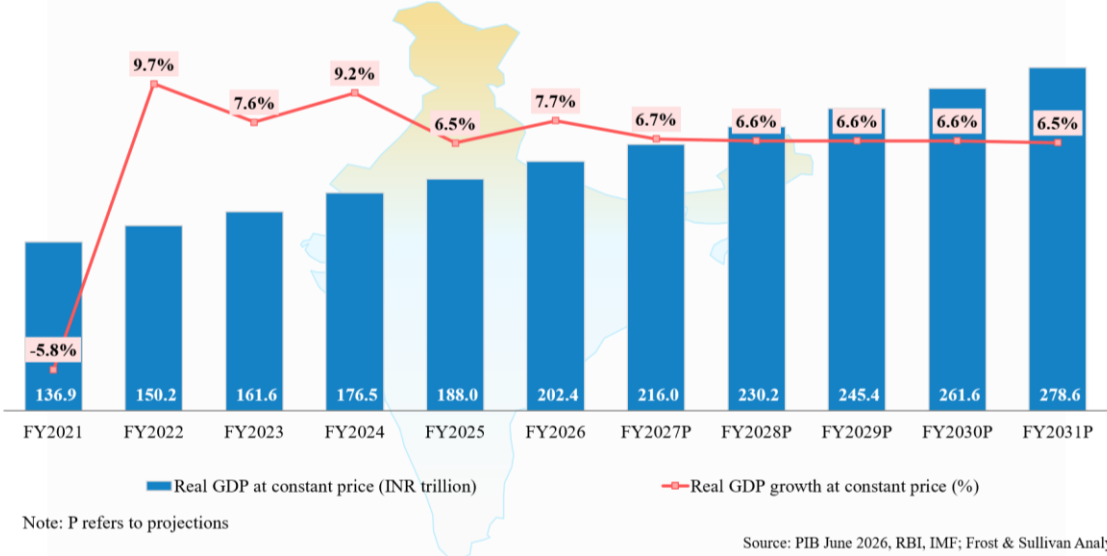
CHAPTER 2: INDIAN MACROECONOMIC OVERVIEW

Current State of the Indian Economy and Outlook

GDP Growth and Outlook

The Indian economy is the fifth largest in the world, with a GDP of INR 188.0 trillion in FY2025 and INR 202.4 trillion in FY2026. The last decade was a mixed bag for the Indian economy with a see-saw movement in GDP growth between FY2010 and FY2020. The economy, which was already slowing down since FY2018, received a massive jolt in FY2021 due to the COVID-19 pandemic and shrunk by 5.8%. However, the Indian economy showed strong resilience and bounced back from the third quarter of FY2021 on the back of corrective measures taken by the government, strong domestic demand, and recovery in economic activity. FY2022 through FY2024 were strong years for the economy, recording growth rates of 9.7%, 7.6%, and 9.2%, respectively.

Exhibit 2.1: Real GDP and Real GDP Growth (annual percentage change), India, FY2021 - FY2031P



India recorded a growth rate of 6.5% in FY2025 and 7.7% in FY2026. While domestic demand, government capital expenditure, rural recovery, stable inflation, and a favourable macroeconomic environment are expected to support growth, global uncertainties continue to pose risks. Geopolitical tensions in the Middle East, including the conflict involving Iran and the United States, have increased volatility in energy markets and global trade routes, which may impact economic activity through higher crude oil and logistics costs.

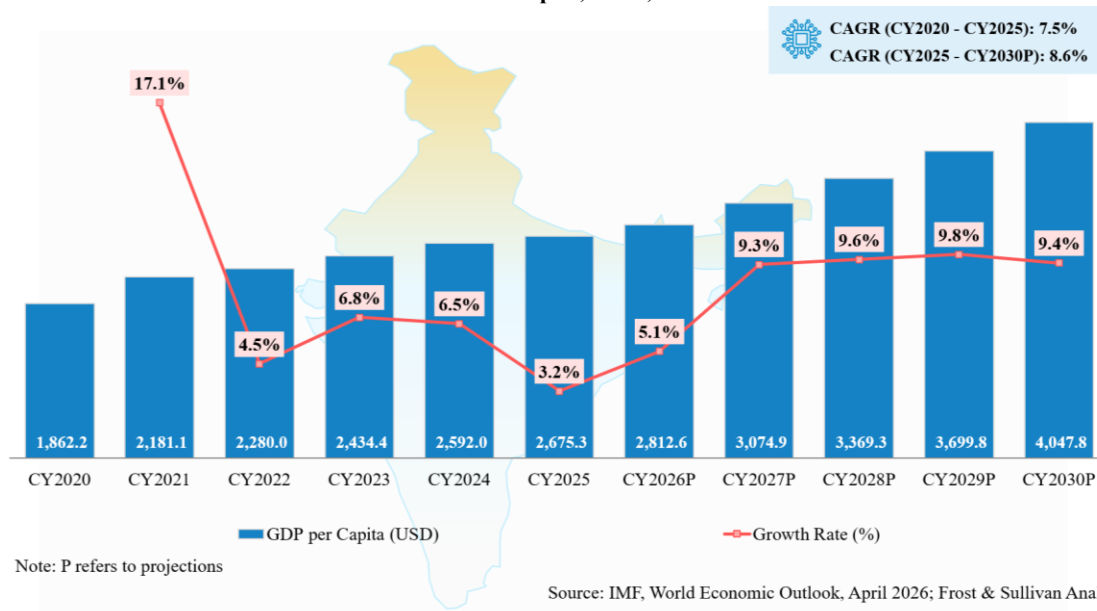
Despite these challenges, India is expected to remain one of the fastest-growing major economies globally. The economy is projected to grow at a CAGR of 6.6% from FY2026 to FY2031P, supported by domestic demand, favourable demographics, infrastructure investments, digitalisation, manufacturing growth, and policy stability. Tax exemptions announced in the FY2026 Union Budget and continued support from the Reserve Bank of India through monetary policy measures are also expected to support economic growth over the medium term.

Per capita income

Per capita income is a broad indicator of the prosperity of an economy. Consumer confidence and discretionary consumption both improve with rising per capita income. India’s per capita income in CY2025

was USD 2,675.3 and is estimated at USD 2,812.6 in CY2026P. Despite a significant increase in per capita income over the past decade, wealth distribution among India’s population remains uneven. Equitable access to healthcare, quality education, and employment opportunities will remain critical for sustaining long-term growth in per capita income.

Exhibit 2.2: GDP Per Capita, India, CY2020 – CY2030P



The GDP per capita is projected to grow at a CAGR of 8.6% from CY2025 to CY2030P, reaching USD 4,047.8 by CY2030P. Rising income levels are expected to support demand across end-user segments such as commercial offices, healthcare, education, residential, retail, hospitality, and entertainment, thereby creating long-term opportunities for security services, facility management services, and staffing services.

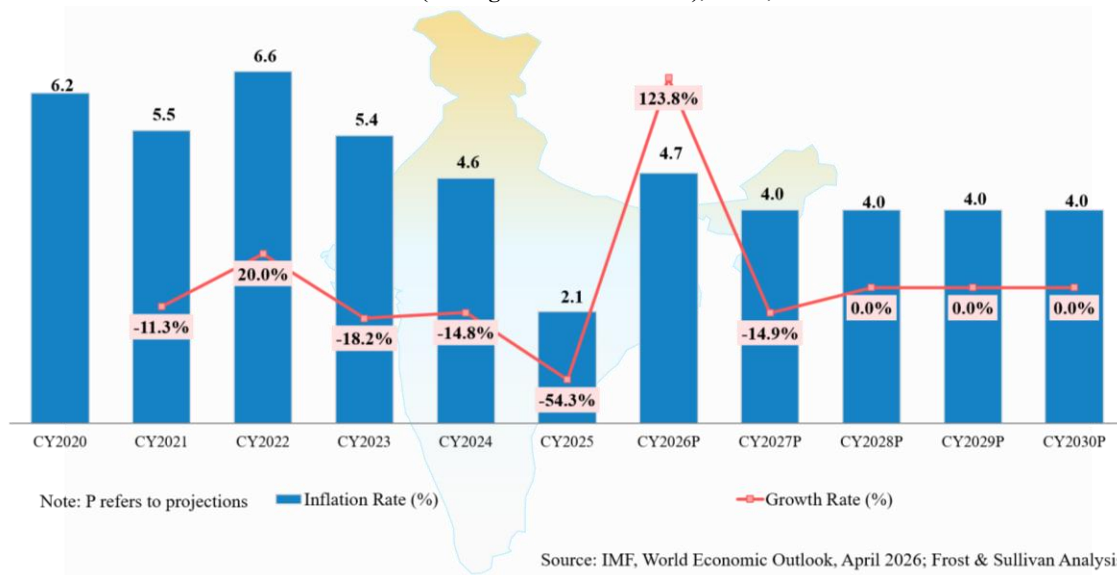
Inflation in India

The standard measurement of inflation is the government's Consumer Price Index (CPI). Components of the CPI include a "basket" of certain elementary goods and services, such as food, energy, clothing, housing, medical care, education, and communication & recreation. Controlled inflation, no higher than 6.0% and perhaps somewhat lower, may have a beneficial impact on economic recovery while inflation at 10.0% or above would have a negative impact on economic growth.

The CPI inflation fell to 4.6% in FY2025¹, the lowest since FY2019 in India. This reflects the country’s pro-growth monetary policy, which balanced the economic growth and price stability. The year-on-year inflation rate for March 2026 decreased to 3.4%. The declining trend in CPI inflation highlights the sustained efforts undertaken by the country to curb price rises while fostering economic growth. Some of the key measures to control inflation include bolstering buffer stocks of essential food items and releasing them periodically in open markets and subsidised retail sales of staples like rice, wheat flour, pulses, and onions. Lower import duties in critical food items and reduced Goods and Services Tax (GST) rates on essentials have also contributed to the lower CPI inflation rates in FY2024 and FY2025. The inflation rate is expected to remain lower at around 4.0% by CY2027P.

¹ PIB - <https://pib.gov.in/PressReleasePage.aspx?PRID=2122148>

Exhibit 2.3: Inflation Rate (Average Consumer Prices), India, CY2020 – CY2030P

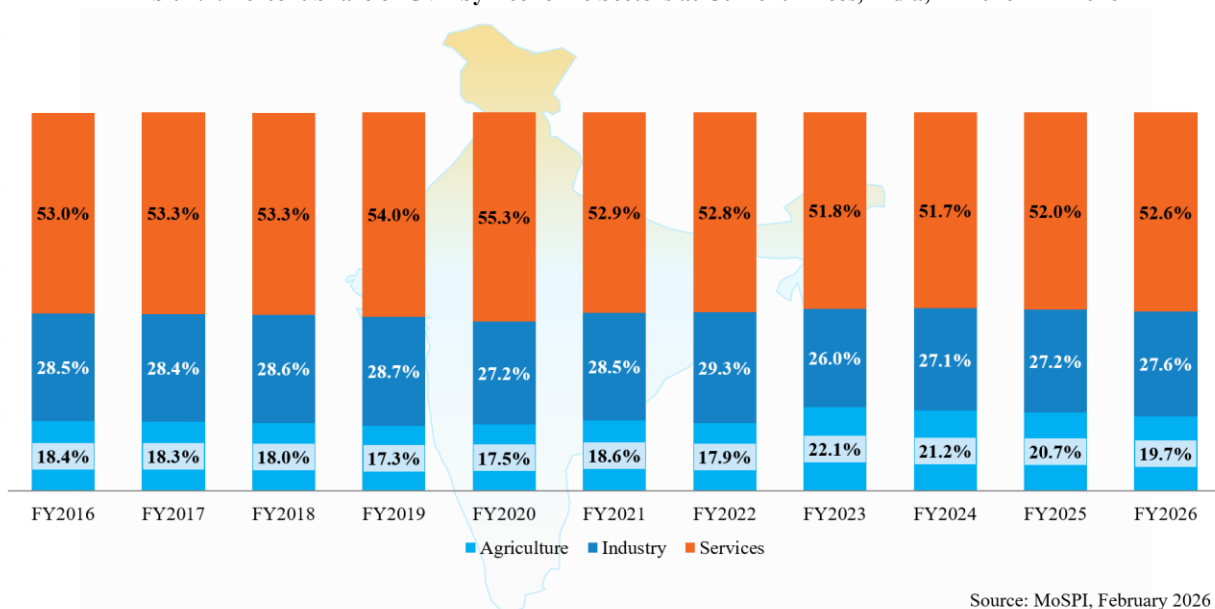


Lower inflation translates to higher purchasing power particularly in middle- and lower-income households. This increases discretionary spending on categories such as dining out, travel, entertainment, and personal care, while also supporting expenditure on essential services such as education and healthcare. The increase in spending will positively impact the growth of major service segments such as retail, hospitality, healthcare, education, e-commerce, logistics etc. Stable inflation also attracts capital investments in the above sectors, which leads to business expansion and further demand for services including security, facility management and staffing.

Sectorial share of Gross Value Added (GVA)

Services sector is the key contributor to the growth of the Indian economy in the past decade with a share of 52.6% of the total GVA in FY2026. Industry sector is also gaining momentum, and this sector along with

Exhibit 2.4: Percent Share of GVA by Economic Sectors at Current Prices, India, FY2016 – FY2026



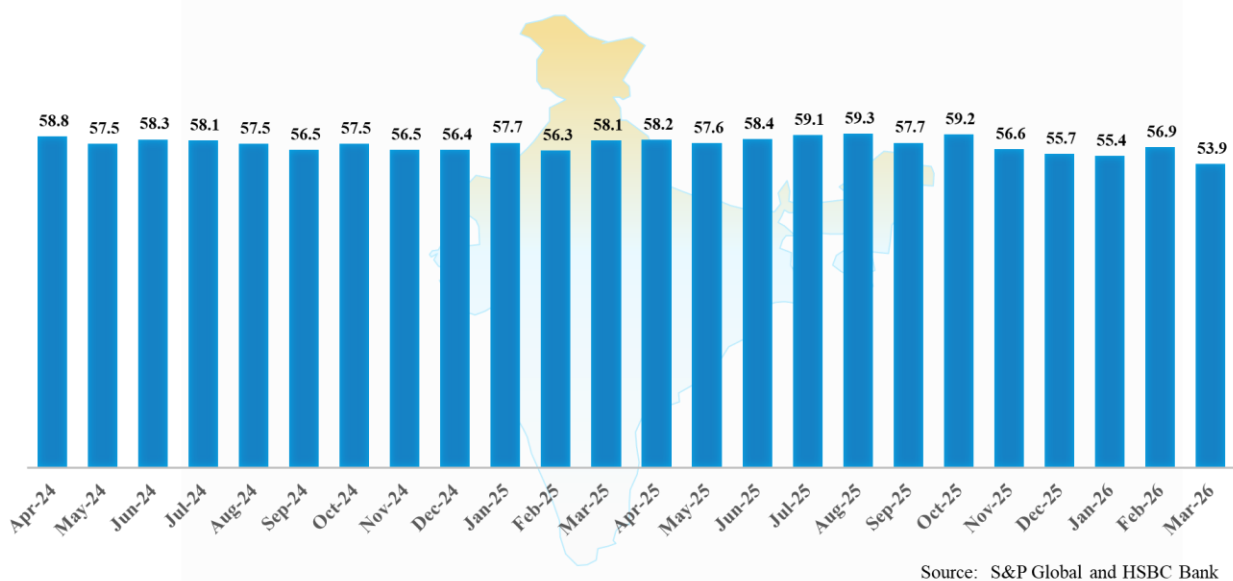
the services sector are expected to be the key economic enablers for India in the long-term.

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

Manufacturing and Services Sectors’ Purchase Managers Index (PMI)

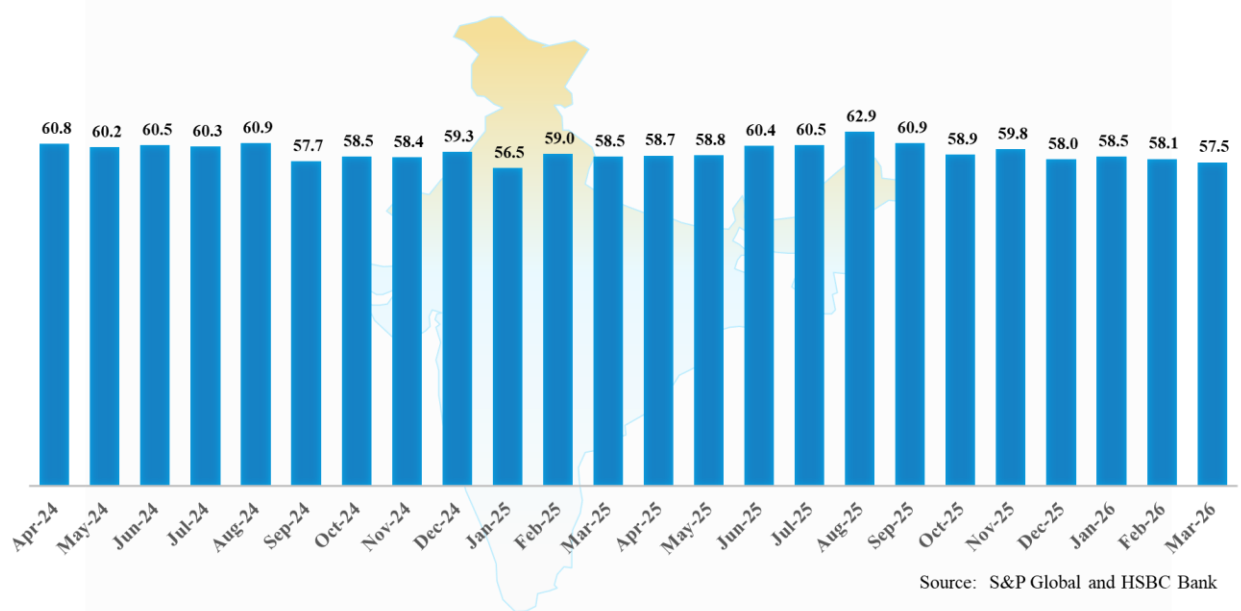
Manufacturing PMI: A PMI reading above 50 indicates an expansion of the manufacturing sector compared to the previous month; below 50 represents a contraction, while 50 indicates no change. India’s manufacturing sector remained in expansion territory throughout FY2025 and FY2026, supported by resilient domestic demand, improving production activity, and steady new order growth. The Manufacturing PMI largely remained above the 55-mark during the period, indicating sustained improvement in operating conditions despite intermittent moderation in momentum. The index reached a high of 59.3 in August 2025, reflecting robust manufacturing activity, before moderating towards the end of FY2026, with the PMI standing at 53.9 in March 2026. Overall, the manufacturing sector demonstrated resilience amid evolving global economic conditions and demand uncertainties.

Exhibit 2.5: Manufacturing PMI, India, April 2024 – Mar 2026



Services PMI: The Services PMI consistently remained well above the 50-mark during the period, reflecting continued expansion in the sector. The index reached a peak of 62.9 in August 2025, indicating strong growth in services activity, before moderating slightly towards the end of FY2026, with the PMI standing at 57.5 in March 2026. The growth in the sector was driven by both domestic and international demand.

Exhibit 2.6: Services PMI, India, April 2024 – Mar 2026



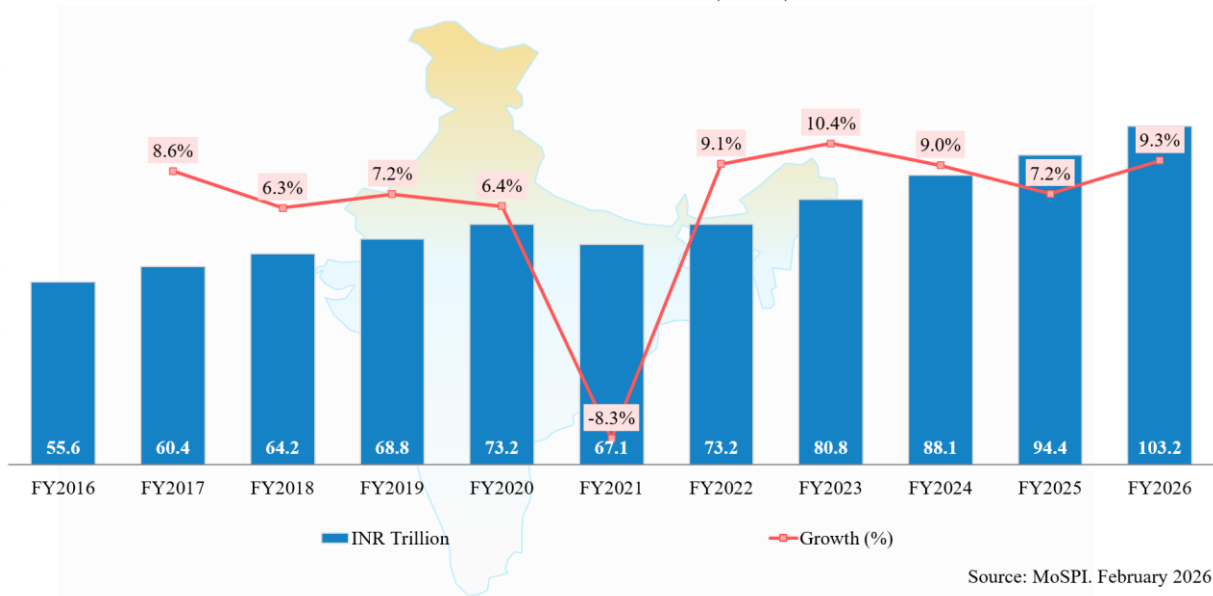
Key Factors Driving the Growth of the Indian Economy

India’s economic growth is driven by a combination of structural reforms, demographic advantages and expanding domestic markets. While services and industrial sectors are the broad sectoral growth engines, factors such as government reforms and policies including GST, production linked incentive (PLI) schemes, Make-in-India, etc., infrastructure development through Smart Cities Mission, PM Gati Shakti Master Plan and industrial corridors development, financial sector development, technology revolutions, favourable demographic dividend such as young population, growing workforce and urbanisation, and domestic consumption driven by expanding middle-class, digital penetration and improved rural demand are all contributing to the growth. The above factors are also leading to macroeconomic stability which highlights India’s global positioning as a major economy.

Outlook for Services Sector

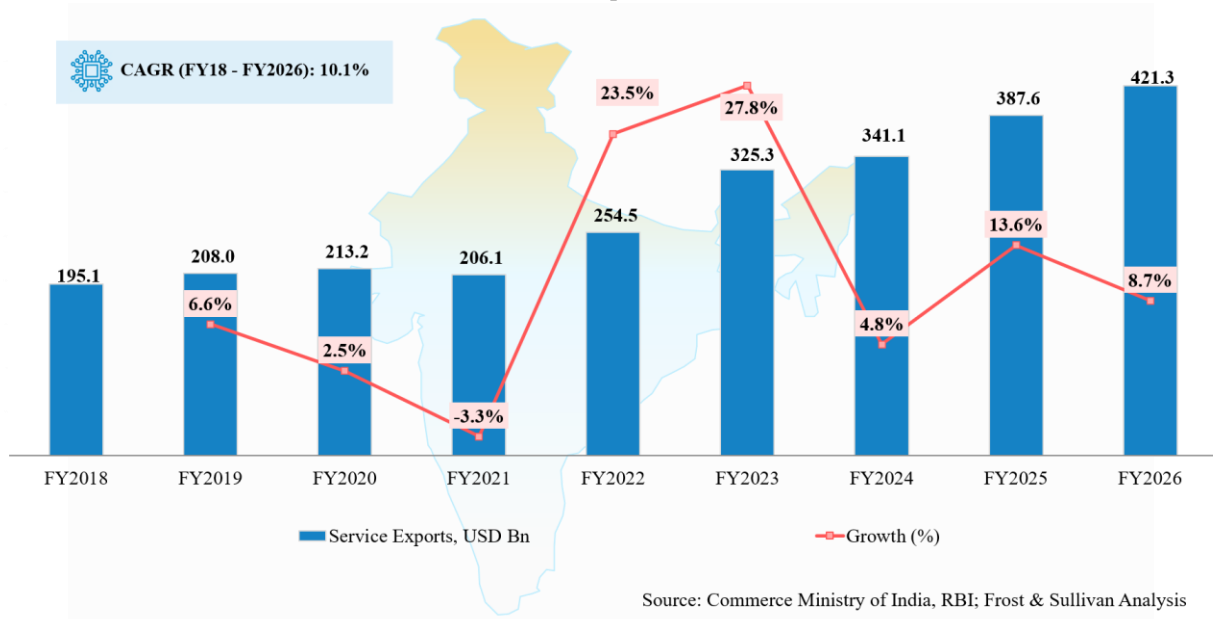
The services sector has emerged as a significant contributor to India's GDP, employment, and overall economic development. Services encompass various industries such as Information Technology (IT), finance, banking, telecommunications, healthcare, education, tourism, and professional services. The services 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, which contribute to the growth of per capita income.

Exhibit 2.7: Services Sector GVA at Basic Prices, India, FY2016– FY2026



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.

Exhibit 2.8: Services Sector Exports, India, FY2018 – FY2026

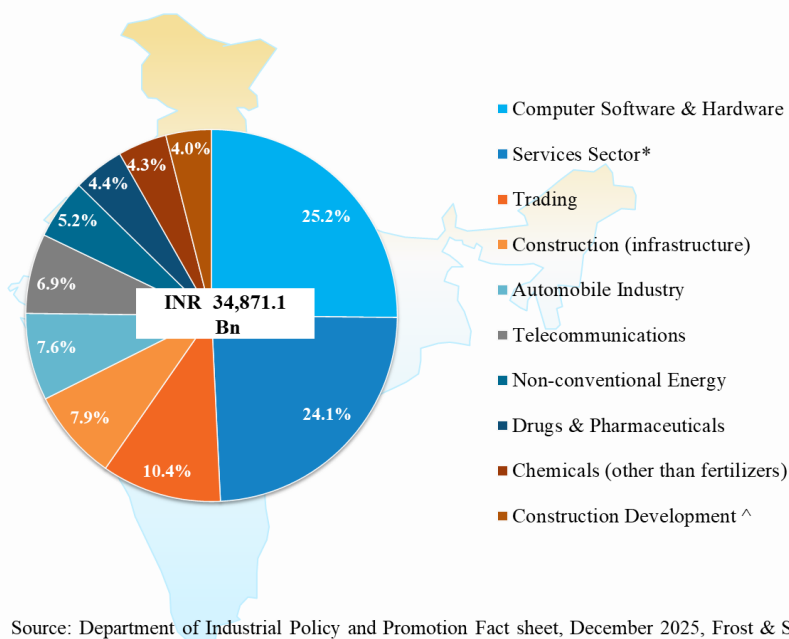


The exports from Indian services sector are expected to improve as inflation in advanced economies have increased labour costs and has made local sourcing expensive. This is expected to open up avenues for outsourcing to low-cost emerging economies and India stands to benefit from this situation. India's service sector exports have been resilient and have recorded a strong growth backed by the country's robust IT infrastructure and manpower resources. As per the economic survey FY2025, India's share in global

services exports rose to 4.3% in CY2023 from 1.9% in CY2005². The services sector exports grew by 8.7% in FY2026 and has a multi-sectoral presence with contributions from various end user segments.

The growth of India's services 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. From April 2000 to December 2025, the Indian services sector attracted FDI inflows worth USD 127.3 million³.

Exhibit 2.9: Cumulative FDI Equity Inflows, India, April 2000 – December 2025



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

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

The Indian services sector is bolstered by several government efforts including Smart Cities, Clean India, and Digital India, which are creating a favourable growth environment for the sector. Growth of the services sector is one of the major factors contributing to real estate development and this creates more building stock/assets in the country, which creates the demand for security services, facility management services and staffing services.

Outlook for Industrial/Manufacturing Sector

Index of Industrial Production (IIP)

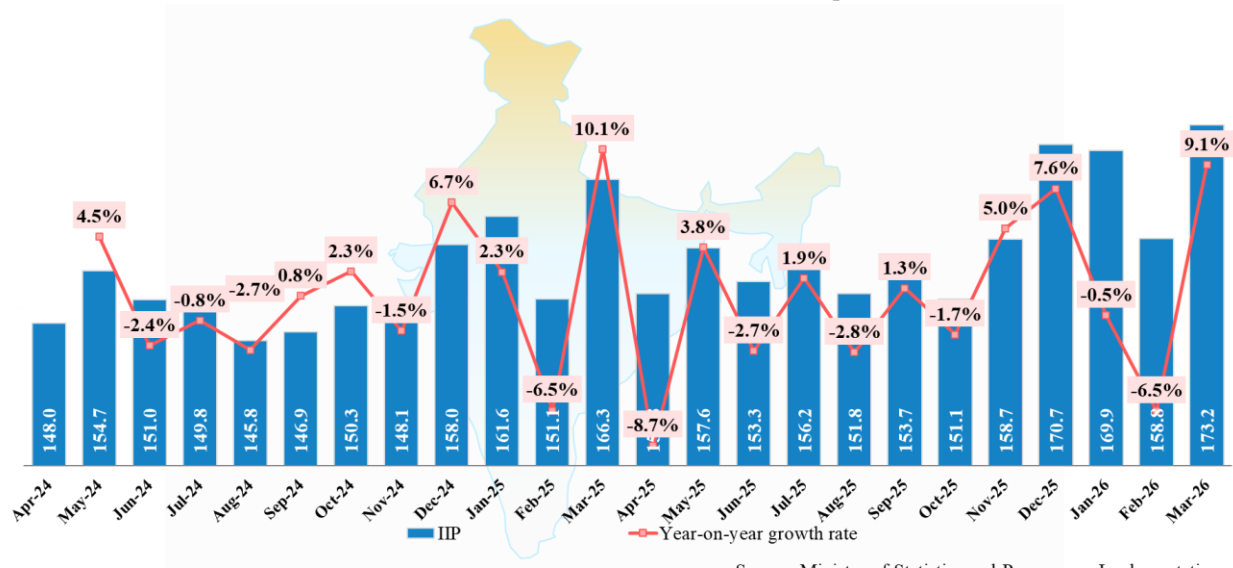
The IIP, prepared by the Central Statistics Office to measure the activity happening in three industrial sectors, namely mining, manufacturing, and electricity, is the benchmark index to measure the growth in the manufacturing sector. Data from the Ministry of Statistics & Programme Implementation shows that IIP witnessed a 4.1% year-on-year increase in March 2026 and this was driven by the growth in the

² Economic Times - <https://economictimes.indiatimes.com/small-biz/trade/exports/insights/economic-survey-2024-25-indias-share-in-global-services-exports-doubles/articleshow/117787454.cms?from=mdr>

³ DPIIT - <https://www.dpiit.gov.in/static/uploads/2026/02/6dc3e8a9fe52d5a412d8e5f41d7b921f.pdf>

manufacturing sector, which was recorded at 4.3%⁴. The major contributors to this growth were manufacturing of basic metals, motor vehicles, trailers & semi-trailers and machinery & equipment.

Exhibit 2.10: IIP Index and Year-on-Year Growth Rates, India, April 2024 – March 2026



Source: Ministry of Statistics and Programme Implementation

Key Growth Drivers for Industrial/ Manufacturing Sector

Similar to the overall economic growth, government initiatives and policy reforms, infrastructure and logistics development are the major factors driving the growth in the industrial/manufacturing sector in India. The other factors that are driving the demand for the development in the manufacturing sector are population growth which leads to a large consumer base, urbanisation and increasing income levels that leads to increasing consumption of manufactured products, rise in rural demand, technological advancements, availability of skilled workforce, export opportunities etc.

Government Initiatives to Bolster Growth

PLI Scheme: This 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. The PLI Scheme has an outlay of INR 1,970 billion and focuses on 14 critical sectors⁵. Key highlights of the PLI scheme are:

- PLI Scheme for Electronics and IT Hardware – INR 9,000.00 crore budget for FY2026.
- PLI for Automobiles and Auto Components – INR 2,818.85 crore budget for FY2026
- PLI for Pharmaceuticals – INR 2,444.93 crore budget for FY2026
- PLI for Textiles – INR 1,148.00 crore budget for FY2026

⁴ PIB -

[https://www.pib.gov.in/PressReleasePage.aspx?PRID=2256241®=3&lang=2#:~:text=Index%20of%20Industrial%20Production%20\(IIP.and%20Mining%20Sector%20\(5.5%25](https://www.pib.gov.in/PressReleasePage.aspx?PRID=2256241®=3&lang=2#:~:text=Index%20of%20Industrial%20Production%20(IIP.and%20Mining%20Sector%20(5.5%25)

⁵ PIB - <https://pib.gov.in/PressReleasePage.aspx?PRID=2107825>

- As of August 2024, actual investment of INR 1,460 billion have been realised and this has resulted in a production value of INR 12,500 billion and an employment generation of 9.5 lakh.
- FDI equity inflow in the manufacturing sector rose by 69.0% from USD 98 billion in 2004 – 2014 to USD 165 billion in 2014 – 2024.

Digital Competitiveness: 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), AI, and cloud computing, can improve the efficiency and effectiveness of security services, facility management services and staffing 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.

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.

India is also focusing on skilling the manpower at global standards and to support this, several initiatives were launched such as the Skill India International Centers (SIIC) and partnerships facilitated through Government-to-Government (G2G) Memorandums of Understanding (MoUs). The operational centers in Varanasi and Bhubaneswar showcase this initiative's early success. There are seven more centers in the pipeline. Such initiatives would drive the opportunities in business services such as facility management and staffing – both domestic and global.

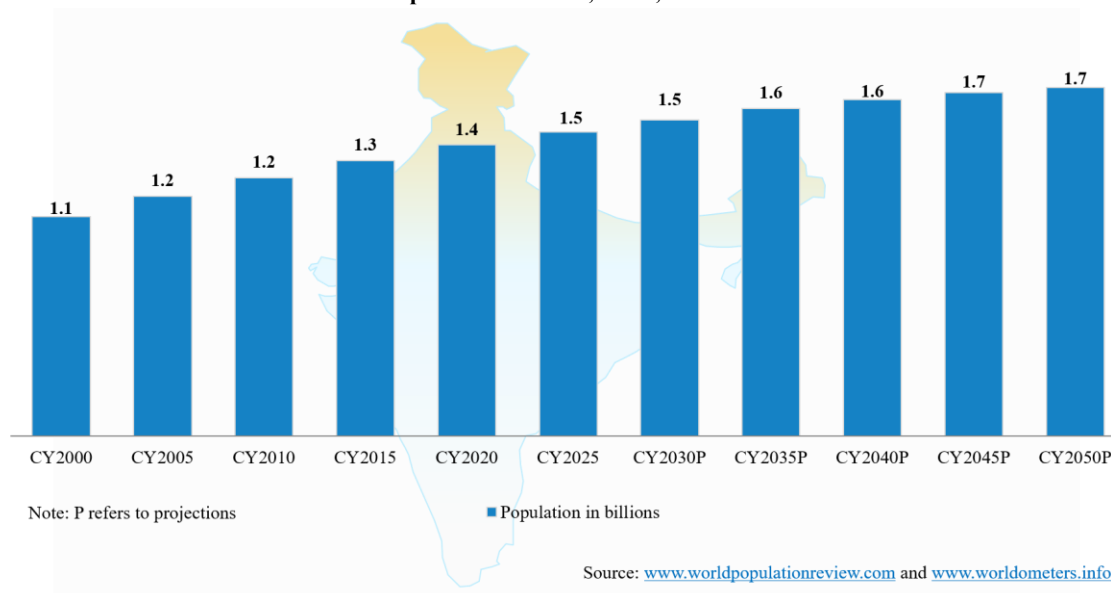
Smart Cities Mission: The Smart Cities Mission is a government initiative aimed at promoting the growth of the facility management industry in India. The initiative was launched in 2015 and aims to develop 100 smart cities across the country. Under this initiative, the government is providing funding 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.

CHAPTER 3: DEMOGRAPHIC OVERVIEW OF INDIA

Population Growth

India’s population is forecasted to reach 1.7 billion by CY2050P, registering a CAGR of 0.6% from CY2020 – CY2050P. Increase in median age to 34.5 years in CY2036P from 24.9 years in CY2011 and fertility rates contribute to the population growth. India overtook China to become the world’s most populous country in CY2022. According to World Population Review, the population of India in CY2025 was 1.5 billion.

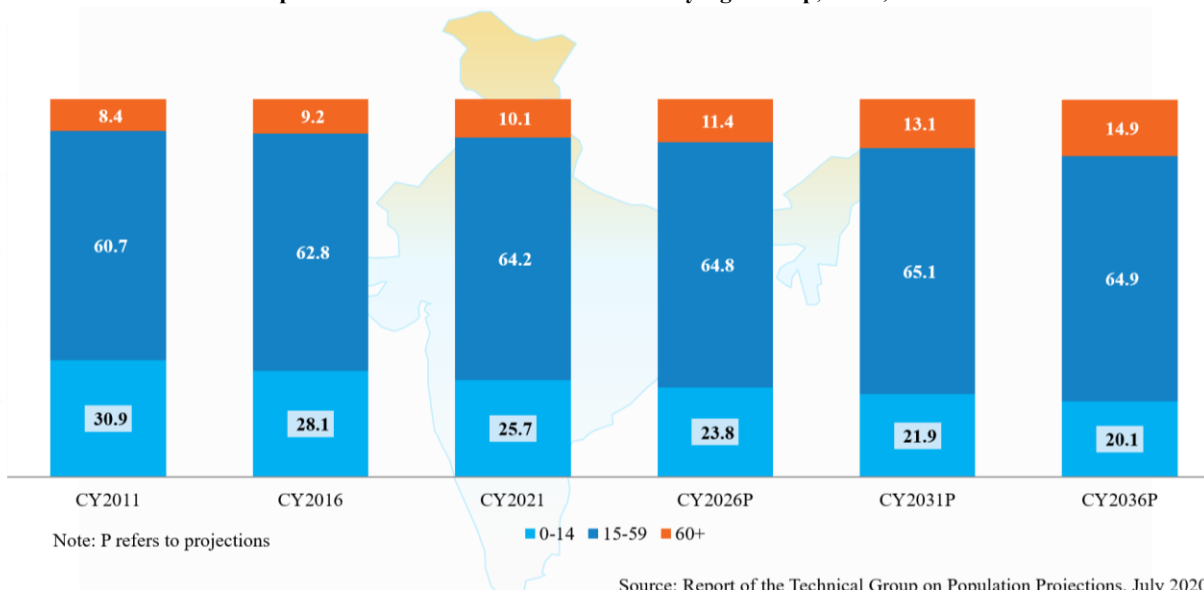
Exhibit 3.1: Population Forecast, India, CY2000 – CY2050P



Demographic Dividend – Working Age Population Growth

A demographic dividend is a key factor for economic growth as the working age population (15–59 years of age) is usually more productive.

Exhibit 3.2: Population Forecast Percent Breakdown by Age Group, India, CY2011 – CY2036P

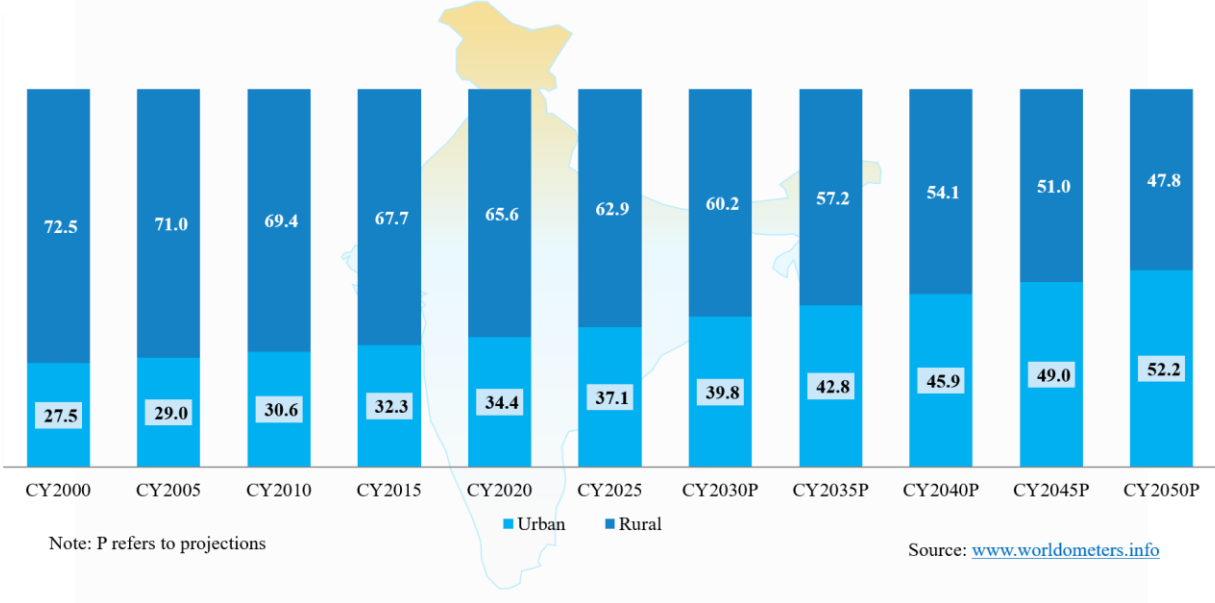


India is set to witness a considerable increase in its working population over the next decade. The Indian economy has the potential to grow at a rapid rate as the working age population was 64.2% of the total Indian population in CY2021 and is projected to reach 64.9% by CY2036P.

Urbanisation

The growing urban population of India has led to increase in urbanisation. There are almost 10 million people migrating to cities and towns every year. The high economic growth, higher standard of living and increasing opportunities in the cities have led to rapid urbanisation. This has led to investments in housing, road networks, urban transport, water and power utility infrastructures, smart cities, and other forms of urban management.

Exhibit 3.3: Percent Breakdown of Urban and Rural Population, India, CY2000 - CY2050P



By CY2050P, India's population is expected to be 1.7 billion, with 52.2% of this population living in urban areas; the urban population contributed to 34.4% of the total population in CY2020. Delhi is expected to be 100% urban by CY2036P. Tamil Nadu, Kerala, Maharashtra, Telangana, and Gujarat are expected to be more than 50.0% urbanised by CY2036P. According to Worldometers, urban population made up 37.1% of the total population in India with 542.7 million people living in urban areas in India in CY2025.

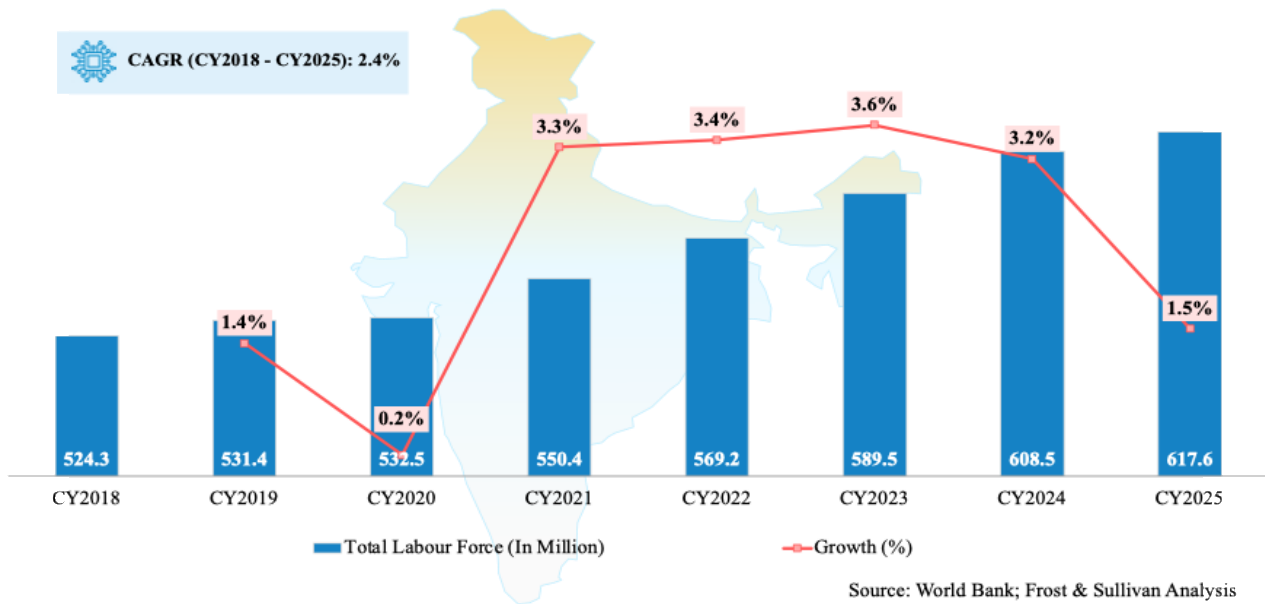
Large population base and working-age group along with a high urbanisation rate set a high-growth trajectory for the services and manufacturing sector by increasing the domestic demand in various segments such as education, healthcare, offices, consumer goods etc. With the skilling initiatives and the job creation through growth in services and industrial sectors, the per capita income levels are expected to increase, and this would lead to an increase in disposable spending, which would lead to demand for services from hospitality, restaurants, leisure, entertainment etc. All these factors eventually drive the demand for facility management services, security services and staffing services.

Indian Labour Market Overview

Labour Force Growth

The total labour force in CY2025 was 617.6 million in India. 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.

Exhibit 3.4: Total Labour Force, India, CY2018 – CY2025

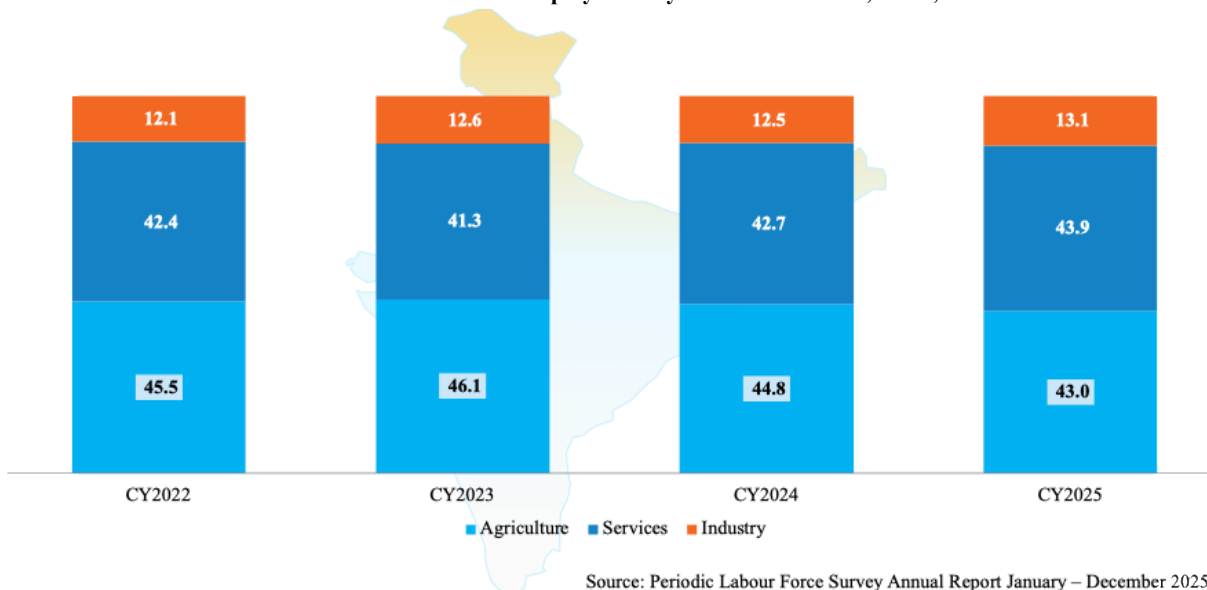


Employment Demand across Sectors

Service sector is currently the backbone of the Indian economy and contributing around 52.6% of the Indian GVA in FY2026. Job opportunities were the highest in the services sector in India, driven by IT and ITeS, e-commerce and telecom sectors. Agriculture's sectoral contribution to the economic growth is the second largest and has created employment opportunities in the past decade.

The Industrial sector includes mining and quarrying, manufacturing, gas, electricity, construction and water supply. This is also known as the secondary sector of the economy. It accounts for around 27.6% of the Indian GVA in FY2026. Several government initiatives to expand the manufacturing sector in India has resulted in increasing investments and this has resulted in employment generation across manufacturing.

Exhibit 3.5: Percent Distribution of Total Employment by Economic Sectors, India, CY2022 – CY2025



Average 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 the level of income, paying capacity, prices of essential commodities, productivity, and local conditions.

Exhibit 3.6: Minimum Wages by Skill Set (Construction Sector), India, CY2021, CY2025 & CY2026 - Rates of wages including Variable Dearness Allowance (VDA) per day (in Indian Rupees)

Category	CY2021			CY2025			CY2026		
	Class A Towns	Class B Towns	Class C Towns	Class A Towns	Class B Towns	Class C Towns	Class A Towns	Class B Towns	Class C Towns
Un-skilled	645	539	413	805	674	541	827	693	556
Semi-skilled	714	609	505	893	760	632	918	781	650
Skilled	784	714	609	981	893	760	1,008	918	781
Highly skilled	853	784	714	1,065	981	893	1,094	1,008	918

Source: Labour Commission of India

CHAPTER 4: OVERVIEW OF EMPLOYMENT INFRASTRUCTURE IN INDIA

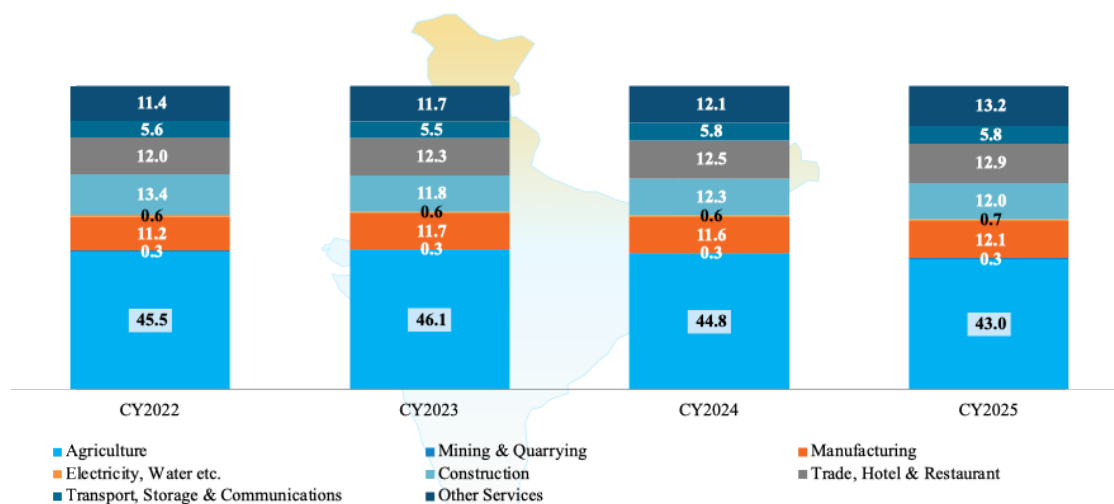
Employment Overview

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 July 2025 was at 21.04 lakh members, an increase by 5.5% from July 2024⁶. The hiring activity was strong in FY2026 driven by economic growth. As per the Employees' Provident Fund Organisation (EPFO), the net additions in formal jobs in FY2026 were at 68.94 lakh⁷, up to July 2025. In the past the EPFO's net additions in formal jobs have recorded a CAGR of 1.9% from FY2022 – FY2025.

Industry-wise Percentage Distribution of Workers

Within the industrial sector, manufacturing is a key contributor to employment with an overall share of 12.1% of the total employment during CY2025. Within the services sector, construction, trade, hotel & restaurant and other services (that includes IT & Banking Financial Services and Insurance (BFSI) etc.) are the major employment contributors and account for a combined share of 38.1% of the total employment during CY2025.

Exhibit 4.1: Percent Distribution of Total Employment by Broad Industry Division, India, CY2022 – CY2025



Source: Directorate General of Employment, Ministry of Labour and Employment, Periodic Labour Force Survey Reports

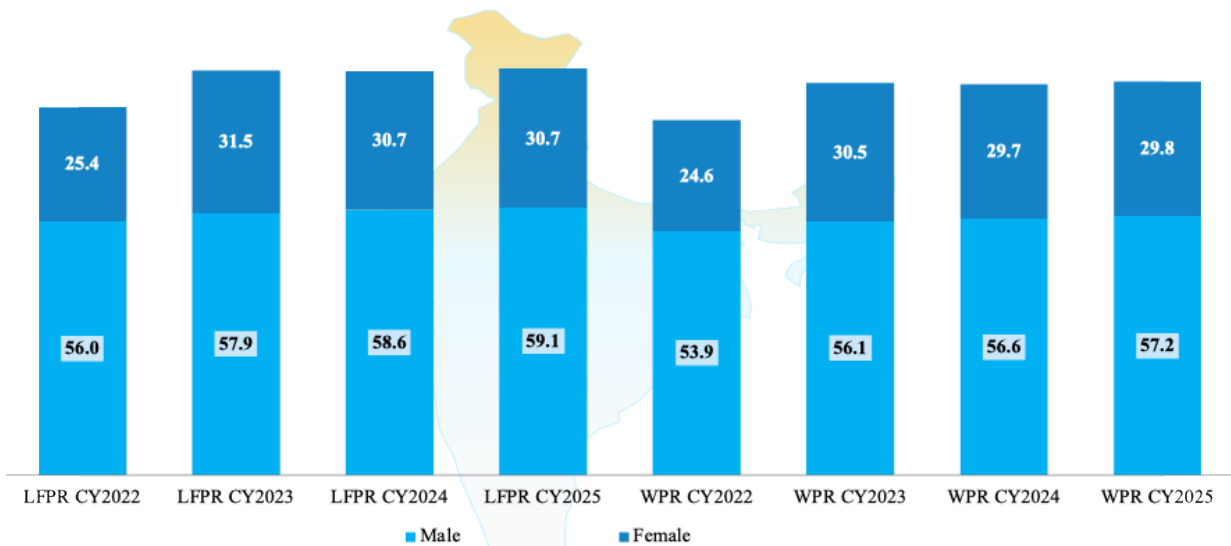
Gender-wise Employment Indicators

The labour force participation rate (LFPR) is the percentage of people in the labour force among the total population of India. The worker population ratio (WPR) is the percentage of people employed among the total population of India. Both LFPR and WPR have shown strong growth in the past three years across male and female population.

⁶ Press Information Bureau, Government of India (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2169975®=3&lang=2>)

⁷ <https://www.news18.com/business/economy/india-adds-21-lakh-formal-jobs-in-july-as-job-growth-accelerates-epfo-payroll-data-shows-ws-l-9595187.html>

Exhibit 4.2: Gender Wise LFPR and WPR, India, CY2022 – CY2025

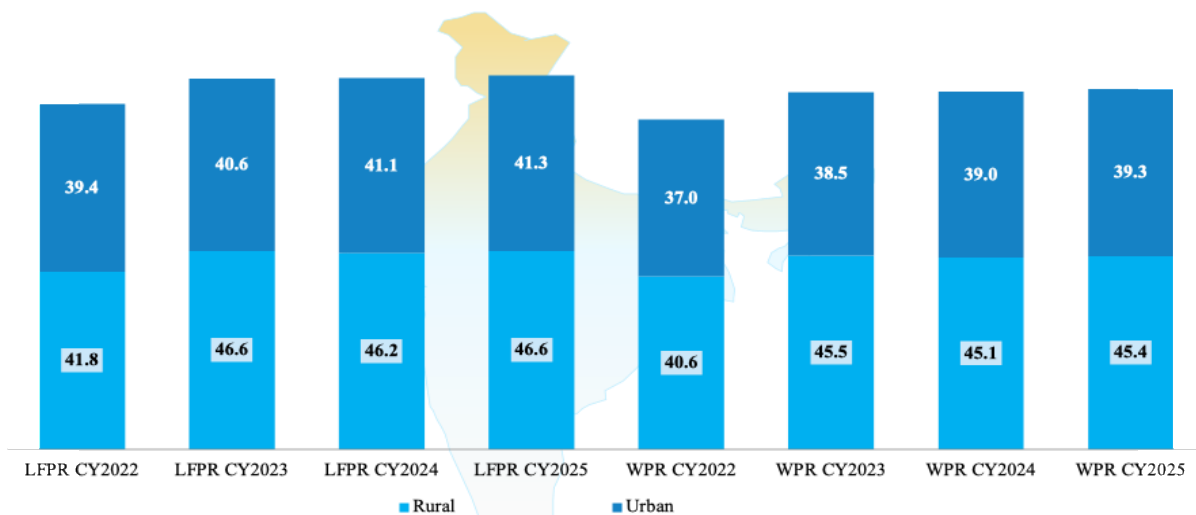


Source: Directorate General of Employment, Ministry of Labour and Employment, Periodic Labour Force Survey Reports

Urban versus Rural India Employment Indicators

Rural population has larger LFPR and WPR than the urban population, mainly driven by the presence of agriculture in the rural areas. Labour force and employment have been increasing in both urban and rural areas in the past three years.

Exhibit 4.3: Urban versus Rural LFPR and WPR, India, CY2022 – CY2025



Source: Directorate General of Employment, Ministry of Labour and Employment, Periodic Labour Force Survey Reports

Government Initiatives for Job Creation

Government of India has launched several programs in the past decade to improve the employment situation. The efforts comprise of various long-term schemes/ programmes/ policies for making the country self-reliant and creating employment opportunities.

Exhibit 4.4: Highlights of Key Government Initiatives for Employment Generation, India

Name of the Initiative/ Scheme/ Programme	Responsible Ministry	Insights
PLI Scheme	13 Ministries	PLI scheme was launched with an outlay of INR 1.97 lakh crores for 14 key sectors and to create 60 lakh new jobs. As of December 2025, more than 14.39 lakh direct and indirect jobs have been created under the scheme ⁸ .
Digital India	Ministry of Electronics and Information Technology	Digital India is a flagship programme of the Government of India, launched in July 2015, with a vision to transform India into a digitally empowered society and knowledge economy. Digital India initiative has been a catalyst for job creation across various sectors by fostering digital literacy, promoting entrepreneurship, and developing infrastructure to support the digital economy.
Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	Ministry of Housing and Urban Affairs	AMRUT was launched in June 2015 with the objective to improve infrastructure and service delivery in urban areas, especially related to basic services like water supply, sewerage, urban transport, and green spaces. This mission involves the development of large-scale construction and infrastructure projects which create employment opportunities for skilled and unskilled workers.
Make in India	Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry	The initiative aimed to create 100 million jobs by 2025. While the manufacturing sector jobs increased, the scale of achievement was below the target, partly due to automation and global economic pressures.
Smart Cities	Ministry of Housing & Urban Affairs	Smart Cities Mission was launched in 2015 to develop 100 cities into sustainable, citizen-friendly urban centers through integrated infrastructure, technology, and governance. The mission has created substantial employment in construction and urban infrastructure segments.
Start Up India	DPIIT, Ministry of Commerce & Industry	As of October 2024, 1.7 million direct jobs have been created through this program across various sectors including agriculture, construction, education, finance technology, food & beverages, healthcare & life sciences, human resources, IT services, professional and commercial services etc. ⁹
The National Apprenticeship Promotion Scheme (NAPS)	Ministry of Skill Development and Entrepreneurship (MSDE)	The scheme was launched in August 2016 and continued as NAPS-2 from FY2023. NAPS supports apprenticeship engagement in the country. In CY2025, apprentices engaged under NAPS stood as 11.84 lakh ¹⁰ .

Source: Frost & Sullivan Research

⁸ Press Information Bureau, Government of India (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2246085®=3&lang=1>)

⁹ Press Information Bureau, Government of India (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2081538>)

¹⁰ Press Information Bureau, Government of India (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2226495®=3&lang=2>)

Impact of the New Labour Codes

The Government of India reformed the labour laws recently by summarising the existing codes into four unified codes such as Code on Wages, Industrial Relations Code, Social Security Code and Occupational, Safety, Health and Working Conditions (OSHWC) Code. These new labour codes are intended to improve worker welfare and formalisation of jobs. Compliance to these new labour codes would directly impact the labour costs, particularly for service industries such as security, facility management and staffing. Increase in labour costs and other compliance costs would lead to spike in overall service delivery costs and the service providers are expected to face short-term pressures on operating margins. In the long-term these industries are expected to witness increase in technology adoption and market consolidation.

CHAPTER 5: GLOBAL SECURITY SERVICES MARKET

Market Definitions

Security services involve the deployment of trained security personnel to safeguard people, assets, and property in various end user segments such as offices, hospitals, airports, shopping malls, educational institutions, residential, industrial and others. Security services include a range of solutions such as static/physical guarding, mobile patrols, and specialised security for events or high-risk areas.

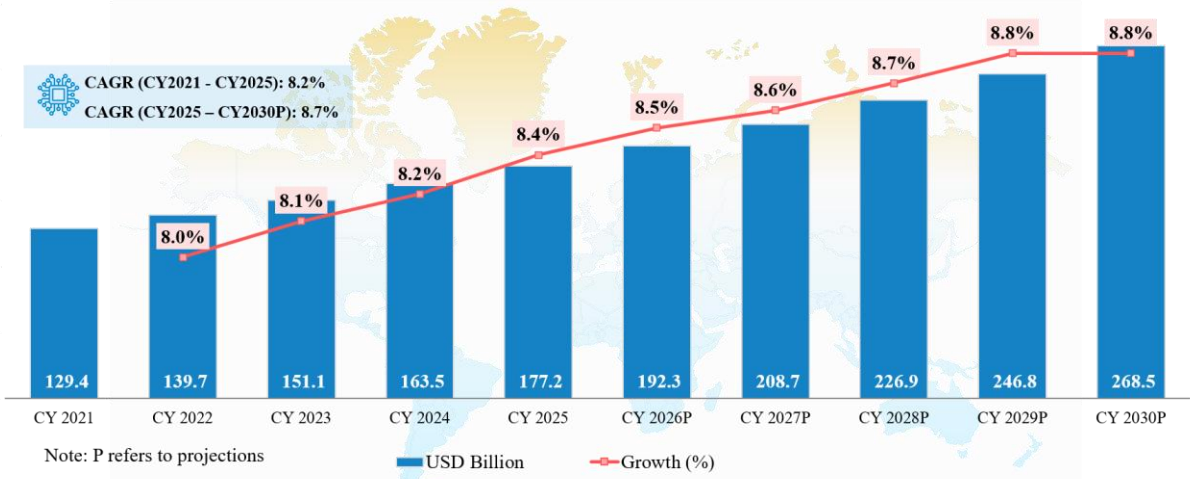
Market Overview

Security services play a crucial role in the security industry by providing physical presence and human intuition that are essential for effective guarding of people and assets. The presence of physical guards enables the prevention of unauthorised access and criminal activity. The recent trend in the security industry is to integrate the manned guarding services with electronic security systems to provide a comprehensive security solution. The adoption of mobile devices, real-time data sharing and advanced communication tools enhance the delivery of overall security solutions. Other technological solutions such as AI and biometric authentication are being widely used by premium end users; facial recognition technology is used to identify known threats or unauthorised presence with a specific area, alerting guarding to potential security breaches. The trend of integrating private security guards with technological solutions are called “smart guarding” and this trend is expected to become a norm in the forecast period.

Market Size and Revenue Trend

The global Security Services Market has demonstrated steady growth over the historical period, increasing from USD 129.4 billion in CY2021 to USD 177.2 billion in CY2025, registering a CAGR of 8.2%. The market expansion has been supported by rising concerns regarding public and private security, increasing urbanization, growing investments in critical infrastructure, and heightened demand for professional security services across commercial, industrial, residential, and government sectors.

Exhibit 5.1: Security Services Market: Historic and Forecast Revenue Trend, Global, CY2021 – CY2030P



Source: Security Industry Association (SIA) and Frost & Sullivan Analysis

The increasing incidence of security threats, coupled with stringent regulatory requirements and growing awareness regarding workplace and asset protection, has driven the adoption of manned guarding, surveillance, risk management, and specialized security solutions worldwide. Additionally, rapid technological advancements, including the integration of AI, IoT, remote monitoring systems, and advanced video surveillance technologies, have enhanced the effectiveness of security services and contributed to market growth.

Going forward, the global Security Services Market is projected to expand from USD 177.2 billion in CY2025 to USD 268.5 billion by CY2030P, reflecting a CAGR of 8.7% during the forecast period. The anticipated growth is expected to be driven by increasing security requirements across critical infrastructure, data centers, transportation hubs, healthcare facilities, educational institutions, and commercial establishments. Furthermore, growing digitalisation, rising cybersecurity concerns, increasing adoption of integrated security solutions, and continued investments in smart city initiatives are expected to create additional opportunities for security service providers globally.

Competitive Overview

The Security Services Market is highly competitive with major players providing services and solutions to national and international markets. Key service providers are focusing on strategies for technological solutions, research and development for product innovations and custom-made solutions for end users to capitalize on market growth. Major service providers in the global market are G4S Plc – the United Kingdom (UK), Securitas – Sweden, Allied Universal – the USA, Prosegur – Spain, OCS Group – the UK, Mitie Group – the UK, Garda World Security Corporation – Canada, ICTS Europe – France/ Netherlands, Secom Co., Ltd. – Japan, Transguard Group LLC – the United Arab Emirates (UAE), Croma Security Solutions Group – the UK among others.

Key Regulations and Developments

The global Security Services Market is impacted by several legal and regulatory requirements and these play a crucial role in shaping the structure and composition of local security markets. Regulations and its implementation levels vary significantly, not only between different countries but also within the same country. For example, in the USA, training and other requirements for security guards differ widely on a state-by-state basis. Major areas that are impacted by regulations globally are

- Licensing and training of security guards
- Use of arms by security guards
- Penalties and consequences of false alarms
- Access to personal information

Regulatory requirements in two of the major global markets – the USA and the UK are provided below:

The USA: Regulations for security services are governed at the state level and the laws and requirements vary significantly across the states. However, some of the general standards and common elements are

- Minimum age requirement of 18 years old.
- Background checks – criminal background checks cleared through Federal Bureau of Investigation (FBI) or state agencies, finger printing, drug testing clearance etc.

- Training – pre-deployment training, on-the-job training and annual training programs
- Licensing – License or registration from/with state police department, department of public safety, private security board etc.
- Armed guards have additional requirements such as firearms training, firearms license/ permit, and on a case-to-case basis stringent background checks such as physiological evaluations.

There are no federal regulatory requirements in the USA but certain federal standards are applicable in specific contexts such as security services for federal facilities such as General Services Administration (GSA) regulated buildings.

The UK: Security Services Market in the UK is highly regulated through Private Security Industry Act 2001, with stricter compliance that includes licenses, adherence to health and safety requirements, compliance with data protection laws, insurance coverage etc.

- Licensing requirements: Every guard must have a license from Security Industry Authority (SIA). The requirements for getting a license includes SIA-approved training courses that includes topics such as access control, closed-circuit television (CCTV) monitoring, physical security etc., take and pass a licensing examination and then apply for the individual's license.
- Health and safety regulations: This includes procedures to be adhered to for emergency situations, conducting regular safety checks on equipment, reporting hazards, unsafe conditions or worker behaviors etc. Physical security guards for construction sites, schools or sports venues must follow site-specific safety protocols.
- Data protection and privacy considerations: Physical guards deals with several sensitive information so they need to follow certain procedures while collecting such information. For example, guards need to stay within their legal authority when asking for personal information, access logs and CCTV footages must be stored securely and deleted when no longer needed.

CHAPTER 6: INDIAN SECURITY SERVICES MARKET ANALYSIS

Market Definitions

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

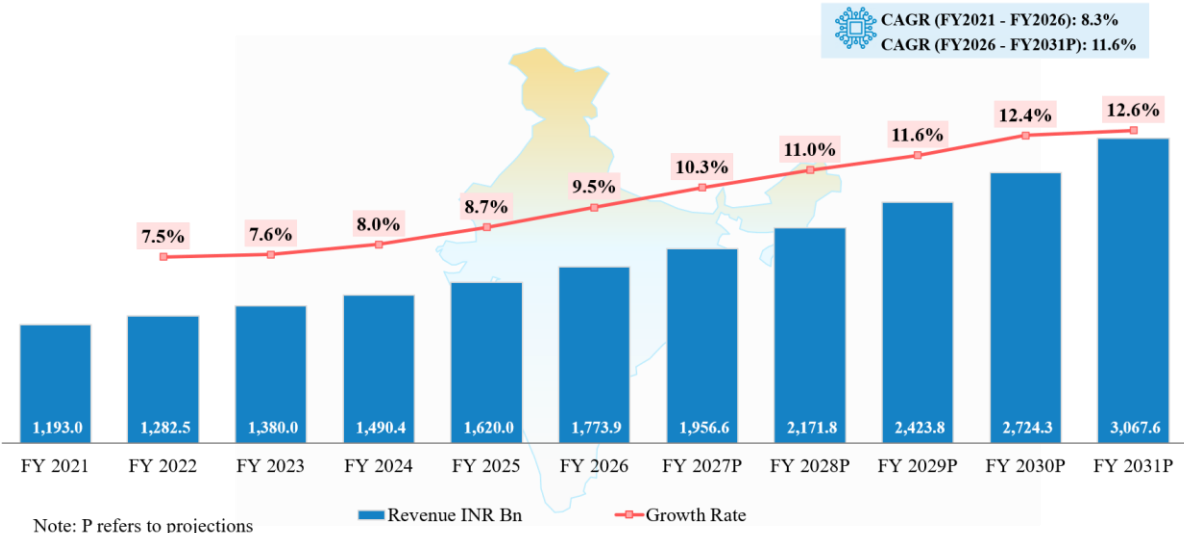
Market Overview

Similar to the global trend, the physical security services in India are being integrated with evolving technology solutions to enhance service delivery; this along with investments in training and education of manpower have resulted in increased client confidence and willingness to outsource security services. Increase in outsourcing rates has also contributed to the growth of the security 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 during the recent years.

Market Size and Revenue Trend

Today, private security/ manned guarding is responsible not only for protecting the nation's people, property and critical infrastructure systems, but also for protecting intellectual property and sensitive information. The Security 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.

Exhibit 6.1: Security Services Market: Historic and Forecast Revenue Trend, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

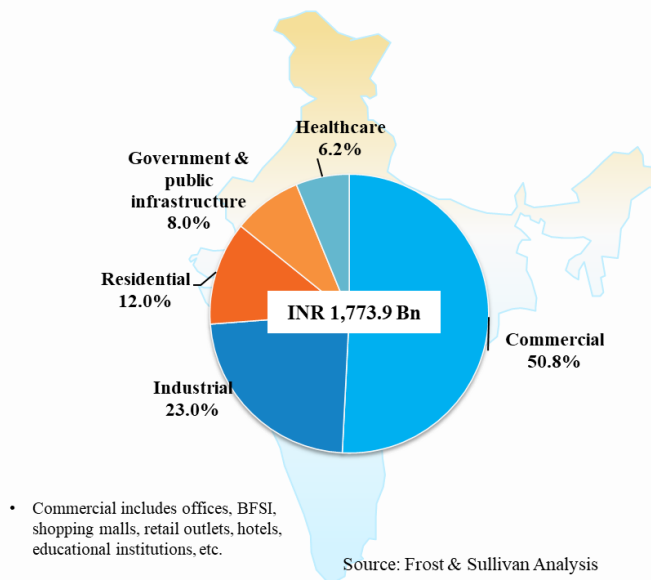
The increase in demand and the gap between requirement and availability of government-employed police personnel has led to substantial growth in Security Services Market in India across end user segments.

The Security Services Market is valued at INR 1,773.9 billion in FY2026 and has recorded a CAGR of 8.3% from FY2021 - FY2026. 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 11.6% from FY2026 – FY2031P to reach INR 3,067.6 billion.

Market Segmentation by End User Segments

Commercial segment that includes BFSI, offices, shopping malls, educational institutions etc. is the largest end user with a market share of 50.8% of the total market in FY2026. Within the commercial segment BFSI and retail are the largest revenue generators for security services. Increase in banking services and growing number of bank branches and Automated Teller Machines (ATMs) are driving the demand for security services from BFSI segment. Investments in organised retail spaces across Tier 1 (defined as the largest and most developed metropolitan cities; for example, Mumbai, Delhi, Chennai etc.) and Tier 2 cities (defined as the fast-growing mid-sized cities with improving infrastructure; for example, Indore, Lucknow, Mysuru etc.) in India are also contributing to the demand for security services from retail segment. Industrial is the second largest end user segment with a share of 23.0% of the total market in FY2026. The end user segments with relatively high penetration among organised companies include BFSI, IT/ Information Technology enabled Services (ITeS), hospitality, retail and public infrastructure. BFSI and manufacturing segments have higher entry barriers compared to other sectors. The segments that are expected to drive the demand for security services in the long-term are BFSI, IT/ITeS, hospitality, retail, public infrastructure, healthcare and residential.

Exhibit 6.2: Security Services Market: Segmentation by End User Segments, India, FY2026

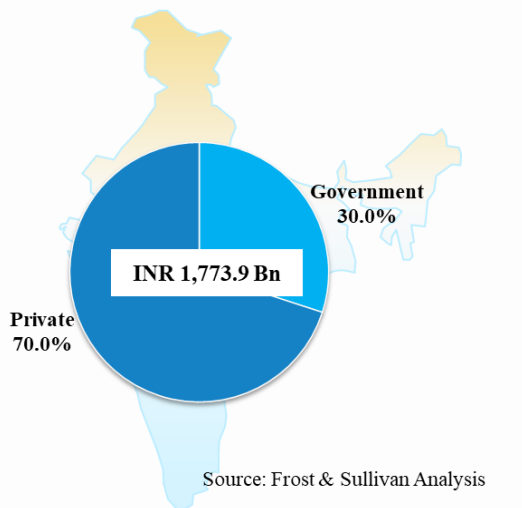


Market Segmentation by Government versus Private

Private sector is the largest contributor to the Security Services Market in India with a share of 70.0% of the total market in FY2026. Private investments in sectors such as commercial offices, IT parks, hotels hospitals, leisure and entertainment, schools and colleges, retail outlets and residential are contributing to

the growth of the security services demand. Government sectors account for the remaining 30.0% of the total market in FY2026. Key segments within government creating demand for security services are museums, monuments, archaeological sites, coal fields, schools, primary health care centres and hospitals, infrastructural assets such as metros, airports, public sector units such as power plants, seaports, communication networks etc. and mega projects among others.

Exhibit 6.3: Security Services Market: Segmentation by Government versus Private, India, FY2026



Industry Operations

The major trends in the Security Services Market today are integration of technology, focus on training, and focus on specialised services. Security personnel who can double up as a first responder, including Cardiopulmonary Resuscitation (CPR) knowledge and stress reduction, are expected to be in demand in the long-term; End users are prioritising a proactive culture with strong risk management procedures that go beyond physical security and to include intrusion detection and digital security.

Integration of technology: End users prefer hybrid security solutions that integrate physical guards with technology such as CCTV, access control, alarm systems etc. to enhance the efficiency of service delivery. Hybrid systems enable remote monitoring and also help in expanding the surveillance area and capabilities. The integration of advanced technologies such as AI, machine learning and threat intelligence in security systems enable situational awareness, enabling immediate action against potential threats. Integrating technology with physical guarding services improve efficiency, responsiveness, and overall safety.

Focus on training: Service providers are increasing focusing on training their manpower to reduce the skills shortage and upskill their personnel to meet the evolving security needs. Use of technology is a key area of focus for upskilling; security personnel are trained to operate advanced systems to effectively deal with hostile situations.

Focus on specialised services: There's a growing demand for specialised security services tailored to specific sectors like aviation, maritime, events, and retail. For example, in events segment, guards with expertise in crowd control, access management and proactively identifying security risks and minimizing/eliminating them are in high demand.

Eco-friendly security services: Sustainability is also catching up in the security services delivery in the form of green patrol vehicles and energy-efficient security technologies and solutions. Environmentally

conscious end users and regulations are enabling this shift and it is expected to gain momentum in the coming years.

Market Outlook

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

Exhibit 6.4: Market Drivers and Impact, India, FY2026 – FY2031P

Market Drivers	Impact		
	1-2 Years	3-4 Years	5-7 Years
Urbanisation and increasing safety concerns	High	High	High
Workplace safety and productivity	High	High	High
Growth in events	High	High	High
Government policies & initiatives for infrastructure development	High	High	High

Source: Frost & Sullivan Analysis

Urbanisation and increasing safety concerns: Large population and high urbanisation rates are leading to densely populated urban areas and this is creating the need for security services to protect people and assets against crimes, crime against women, terrorism and other security threats. While the crime rates have shown a slight decline in CY2023, in CY2020, the crime rate stood at 487.8 incidents per 100,000 population, decreasing to 448.3 in CY2023 as per the National Crime Records Bureau’s Crime Rate Report for 2023 which was published in September 2025, it still calls for increased protection to maintain low crime rates. While the overall crime rates have shown reduction, crime against women have been increasing from 58.8 per 100,000 women in CY2018 to 66.2 in CY2023 as per the National Crime Records Bureau’s Crime Rate Report for 2023, published in September 2025, and this increases the requirement for security services. Insufficient police force to protect the large population is another factor driving the growth of the Security Services Market in India.

Workplace safety and productivity: Corporate 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 security services in workplaces and high-footfall commercial spaces such as offices, hospitals, banks etc. Compliance in certain end user segments such as banks and financial companies are generating demand for security services round the clock. Growing adoption of technology across end user segments has redefined the scope for security services, Today, in addition to people and assets, data security is also coming under the purview of security services. Data breaches, downtime and compliance issues affect employee productivity and result in significant revenue losses too; this creates the need for an efficient security, incident response and cyber security systems. Physical security combined with other security systems with advanced technology such as AI, machine learning, and threat intelligence, play a critical role in scalable security solutions and the end users are preferring such solutions to safeguard their people and assets.

Growth in events: There are several events across segments – such as arts, music and entertainment, sports, corporate business, and personal events such as weddings, that happen year-round in India. The growth of meetings, incentives, conferences and exhibitions (MICE) in India is one of the major drivers for security services in India. Indian government has launched several initiatives to support the growth of MICE segment in India. One such example is the Ministry of Tourism’s National Strategy for the MICE Industry, launched in 2022; this strategy aims to position India as a global MICE destination through development of infrastructure and promoting regional destinations to attract international events and conferences. Backed by such initiatives, the MICE industry size is expected to cross USD 100.0 billion¹¹ by CY2030P, with an estimated CAGR of 13.0% from CY2025 to CY2030P. Growth in MICE has a positive implication on the demand for security services and is expected to remain a long-term growth enabler for the Security Services Market. Growth in MICE is also contributing to tourism demand and this also adds to the demand for security services across major tourist hubs in India. Similarly, growth in sporting events, music and dance concerts, high-profile weddings etc. are also contributing to the growth of the security services to manage crowds, prevent disturbances, and to ensure the event runs smoothly.

Government policies & initiatives for infrastructure development: Infrastructure development is one of the core pillars of economic development in India and several policies and initiatives are being launched by the central and state governments to support this development. Smart Cities Mission, Make-in-India, PLI Schemes, PM Gati Shakti National Master Plan, National Infrastructure Pipeline, Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0 are some of the major initiatives to promote urban development, and facilities across energy, transportations, manufacturing etc. This infrastructure development necessitates protection and thereby growth in demand for security services.

Exhibit 6.5: Market Restraints and Impact, India, FY2026 – FY2031P

Market Restraints	Impact		
	1-2 Years	3-4 Years	5-7 Years
Skilled labour shortage	High	High	High
High attrition rates	High	High	High
Competition from technology-driven solutions	Low	Low	Low

Source: Frost & Sullivan Analysis

Skill labour shortage: The security services are manpower intensive and requires trained and skilled personnel. However, there is a shortage of adequately trained security professionals in India, affecting the quality of services.

High attrition rates: The security services industry is facing severe attrition issues driven by various factors such as demanding working conditions, limited career progressions, low wages and compensation packages etc.

¹¹ <https://tourism.gov.in/sites/default/files/2025-05/PIB2126905.pdf>

Competition from technology-driven solutions: Manned guarding services face challenges from technology-driven security solutions such as remote-monitoring and automated security systems. While these technology solutions do not eliminate the need for physical guards, it has an impact on the number of guards deployed.

Technology Trends and Impact

Technology has played a key role in the evolution of service delivery in security 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 security service provided, bespoke needs of the client, and budget allocations. Security service providers are adopting technology to improve efficiency, responsiveness and overall safety. A few of the major trends associated with technology in security services are listed below:

1. **AI-powered surveillance:** AI in video analytics systems is helping physical guards to monitor large areas, detect anomalies real-time and respond to threats immediately and more effectively. They also enable predictive analytics to anticipate security issues and prevent them.
2. **IoT based security solutions:** Smart alarm systems with motion control sensors are used to differentiate between normalcies and anomalies, minimising false alarms.
3. **Advanced video surveillance systems:** Modern CCTV systems are built with high-definition cameras, night vision cameras and real-time streaming capabilities, that improve security solutions. Traditional CCTV surveillance systems suffer from critical limitations including their reactive nature wherein security teams review footage only after incidents occur, information overload whereby human operators cannot effectively monitor hours of footage which further lead to missed events and wasted operational data hidden in video feeds.
4. **Drones and robotics:** Aerial surveillance drones and autonomous security robot patrol solutions are being deployed to monitor perimeters, especially in large areas, offering increased coverage and real-time data collection. This enables cost optimisation and efficiency in perimeter control and crowd control.
5. **Biometric systems:** Biometric authentication, such as fingerprint, facial recognition, retina scanning, are being incorporated into access control systems to enhance security and accuracy in identifying individuals.
6. **Communication tools:** Security personnel are using advanced communication tools like two-way radios, mobile phones, and mobile applications to maintain real-time contact with their supervisors and respond promptly to incidents.
7. **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.
8. **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.
9. **Incident reporting software:** Digital incident reporting software is being used to document and report security incidents in a more efficient and organised manner.

10. **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.

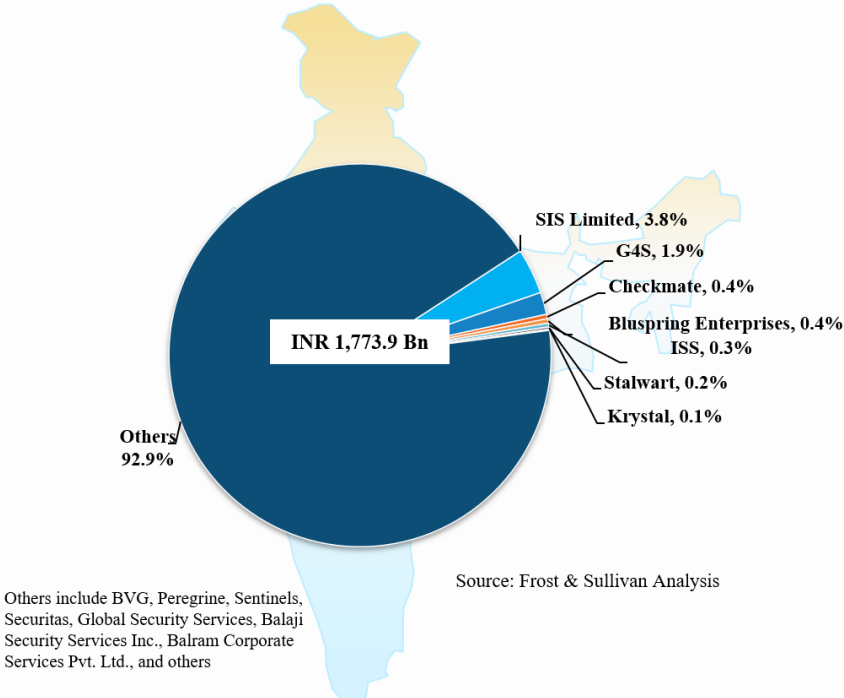
Regulatory Overview

The Security Services Market in India is regulated by the Private Security Agencies Regulation Act (PSARA), 2005. This act, introduced in 2005, requires the private security service providers to get a license from their respective state government. The service providers are also expected to comply with other business and labor regulations, including but not limited to registration for GST, EPF and employee state insurance (ESI).

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 space. Key factors influencing the growth of the organised market in India are the strict enforcement of regulations such as certifications, minimum wages and social security requirements and increasing preference for organised companies by the end users. Evolving technology requirements are leading to high mergers and acquisitions in this market. This is also helping companies to scale up their operations. Small and mid-sized companies prefer strategic partnerships to mergers and acquisitions because of the high cost of acquisitions.

Exhibit 6.6: Security Services Market: Competitor Share Analysis, India, FY2026



SIS Limited, G4S Secure Solutions, Checkmate Services Pvt. Ltd., ISS Facility Services, Bluspring Enterprises (formally known as Qess Corp), Sentinels Security Private Limited, Securitas, Stalwart Group, Global Security Services, Krystal Integrated Services Limited, Kapston Services Limited, Peregrine

Guarding Private Limited, 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 3.8% in FY2026. The company was established in 1974 and since then has transformed into a market leader in most of their service offerings. The company provides security services to India and other countries through their innovative and proprietary technology applications. SIS Limited provides security solutions for specialised guarding, technology-enabled security solutions, e-surveillance, system integration, alarm monitoring and response services to a wide range of end users across the private and public sector in India. They deliver security solutions through a network of Original Equipment Manufacturers (OEMs) and technology partners. They have more than 170,000 security professionals and twenty-two training centres across India.

Stalwart Group Overview

Stalwart Group is a business services provider offering its primarily corporate clients solutions to streamline routine operations by managing their various business support service needs, thereby enabling them to focus on their core business activities.

The Company offers a wide range of security solutions encompassing both manned guarding and AI enabled video surveillance and analytics through its proprietary platform 'Intelisenz', facilities management services including hard and soft facility management services, and staffing services across diverse organisational requirements.

Stalwart Group offers its services with a staff strength of 25,070 personnel as on April 30, 2026.

Stalwart Group is a comprehensive service partner offering security, facility management and staffing solutions under a single umbrella, reducing client dependency on multiple vendors and simplifying contract management.

As of April 30, 2026, the Company serviced over 1,099 clients across 2,752 locations spanning across 23 states and three union territories and two middle east countries.

Stalwart Group's customer base increased from 655 in Fiscal 2023 to 684 in Fiscal 2024 to 846 in Fiscal 2025 and further to 997 in the nine-month period ended December 31, 2025, while the number of customer locations serviced grew from 1,207 as on March 31, 2023, to 1,351 as on March 31, 2024, to 1,756 as on March 31, 2025 and 2,407 in the nine-month period ended December 31, 2025.

Stalwart Group caters to a broad and diversified client base across more than 15 sectors, including aviation, banking and financial services, healthcare, IT/ITeS, logistics, retail, education, PSUs, quick commerce and infrastructure sectors.

Stalwart Group is one of the few companies that provides all 3 offerings - security services, facility management and staffing solutions. The major client benefits of providing integrated solutions include single point of accountability, cost optimization, operational efficiency, improved safety and risk management, data and technology integration, scalability across sites, workforce flexibility etc.

Stalwart Group's Strengths

- Long standing relationships with its diversified customer base with high client retention rates reflecting strong execution and service capabilities.
- One stop integrated solution provider with diversified product offerings

- Established global footprint with operations across India and UAE.
- Proven track record of 22 years as a trusted partner to over 1,099 corporate clients, reflecting industry leadership and credibility.
- Strong in-house technology and product development capabilities, powering proprietary platforms like 'Intelisenz'
- Asset light business model resulting in robust financial parameters.
- Experienced management team.
- Catering to rapidly growing markets/industries.

Security Services Overview

Stalwart Group's security services vertical provides guarding services such as physical/manned guarding, armed guarding, quick response team, canine squad services for explosive tracking and detection and aerial drone services.

Its security services encompass an all-round approach to mitigate risk, combining highly skilled manned guarding with advanced AI and cloud-based central monitoring system enabling real-time threat assessment and proactive asset protection.

Most of AI-based solutions require large capital expenditure; but Stalwart Group has developed its proprietary AI-based video surveillance platform 'Intelisenz', which leverages cloud technology to eliminate the need for on-premises infrastructure, thus able to give offerings at a much lesser price compared to competitors and being cost effective. The platform enables scalable remote monitoring and is equipped with advanced features such as real-time threat alerts and video forensics for enhanced situational awareness and incident response. Intelisenz is customizable with multiple model options for customers such as Subscriber Identity Module (SIM) based models. Intelisenz also can use an automatic pinging system (integrating sensors and cameras) into one dashboard. Intelisenz is also specifically tuned for the Indian environment offering distinct accuracy advantages over generic western AI models.

CHAPTER 7: THE UNITED ARAB EMIRATES SECURITY SERVICES MARKET

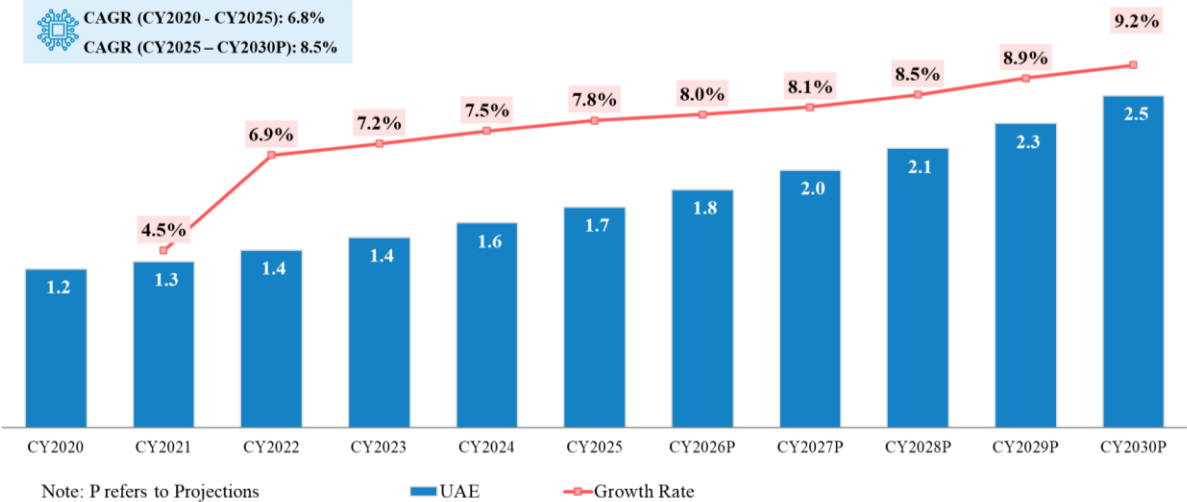
Market Overview

The Security Services Market in the UAE is a significant part of the larger security industry in the region. Security services, which is primarily physical security, is poised for growth, backed by infrastructural developments, technological advancements, and increasing security needs in the region. Security services are evolving every day, being integrated with advanced technologies, and service providers are expanding their offerings to meet the region's dynamic security demands.

Market Size and Revenue Forecasts

The Security Services Market in the UAE is valued at USD 1.7 billion in CY2025 and the same is expected to grow at a CAGR of 8.5% from CY2025 – CY2030P to reach USD 2.5 billion. Similar to the global market, the Security Services Market in the UAE is being integrated with technology solutions to enhance service delivery.

Exhibit 7.1: Security Services Market: Historic Revenue Trend and Forecast, the UAE, CY2020 – CY2030P



Source: Frost & Sullivan Analysis

Key Demand Drivers

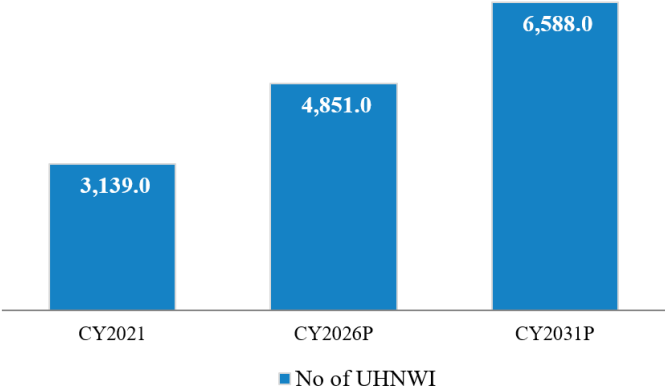
Infrastructure and real estate development in the UAE: Strong economic growth, increasing FDI, population growth, rising tourism activity, and ongoing economic diversification initiatives are creating a positive outlook for infrastructure and real estate development across the UAE, particularly in Dubai and Abu Dhabi. Government-led development programs, investment-friendly regulations, long-term residency initiatives, and smart city development strategies continue to support investor confidence and stimulate demand for residential, commercial, hospitality, industrial, and mixed-use real estate projects. The UAE is witnessing substantial investments in transportation and urban infrastructure projects, including the Etihad Rail network, Dubai Metro Blue Line expansion, Dubai Creek Harbour, waterfront developments in Abu Dhabi, and various master-planned residential and mixed-use communities across the country. These projects are enhancing connectivity, supporting economic activity, and driving urban expansion. As the built environment expands, demand for security services is expected to increase due to the need for safeguarding

residential communities, commercial establishments, transportation infrastructure, hospitality assets, logistics facilities, and critical infrastructure. Consequently, continued growth in infrastructure and real estate development is expected to support long-term demand for manned guarding, electronic security, surveillance, and integrated security solutions across the UAE.

Focus on tourism in the UAE: The government is highly committed to expand the tourism sector in the UAE and it is becoming a major contributor to the economic development, accounting for 15.0% of the GDP in CY2025¹². The National Tourism Strategy 2031 has an ambitious target of attracting 40 million¹³ hotel guests by CY2031P. According to the Department of Economy and Tourism, Government of Dubai, the city welcomed 19.6 million international overnight visitors in CY2025, a 7.1% annual increase from 17.1 million in CY2023. Dubai is expected to remain the top attraction in the UAE driven by the government initiatives to diversify their economy. Increasing tourist footfall is expected to drive the infrastructure for hotels, restaurants, shopping malls, leisure & entertainment centres, and other tourist attraction places and this would create a demand for security services to protect the tourists and assets.

Growth in high-net-worth individuals in the UAE: Attractive business environment, fiscal advantages such as tax benefits, lifestyle and visionary government are attracting ultra-high-net-worth-individual (UHNWI) to the UAE. UHNWI, defined as individuals with more than USD 30 million, is expected to reach 6,588 in CY2031P from 4,851 in CY2026P as per the 2026 Knight Frank Wealth Report.

Exhibit 7.2: Security Services Market: Population of UHNWI, the UAE, CY2021, CY2026P & CY2031P



Source: Knight Frank

The growth in UHNWI increases the demand for manned guards to protect their families and their properties. In addition to this, these UHNWI invest in real estate such as corporate offices, hotels, resorts, educational institutions etc. and these investments also create the demand for security services.

Growth in industrial sector in the UAE: As part of its diversification strategy, the UAE has launched several initiatives in the past to develop its industrial sector. These initiatives include Operation 300bn, Make it in the Emirates, Abu Dhabi Industrial Strategy etc. and the objective of these strategies is to position the UAE as a regional and global industrial centre. These initiatives focus on developing specific sectors such as advanced manufacturing, chemicals, electrical, machinery & equipment, food, transport metals, pharmaceuticals, rubber, plastics, wood & paper etc. The UAE has announced its plan to provide industrial

¹²<https://www.ttnworldwide.com/ArticleTA/332057/tourism-sectors-contribution-to-uae-gdp-hits-%247924bn>

¹³<https://www.thenationalnews.com/business/economy/2025/04/07/uae-hotels-tourism/>

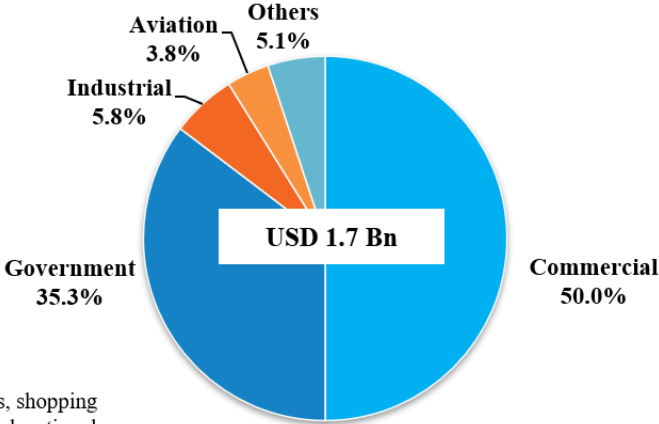
companies with more than USD 10.9 billion¹⁴ in financing over the next five years to boost growth. The country is also launching Emirates Growth Fund, an AED 1.0 billion investment platform under the Emirates Development Bank to support small and medium enterprises in strategic sectors such as manufacturing, health, food security, and advanced technology. Such investments and funding are expected to increase the asset base and as a result the demand for security services are expected to increase to ensure safety of people and industrial assets.

The UAE’s growing significance in global trade: To complement their diversification strategies, the UAE government is focusing on partnerships with global companies and investors to make the country a global trading hub. The country’s strategic location, favourable government policies, strong infrastructure such as ports and airports and fiscal incentives are supporting factors for this vision, and this leads to several multinational companies expanding their operations to the UAE and establishing offices. This would increase the assets and also the manpower to efficiently run these offices. The growth in manpower and assets would require security services to prevent safety breaches, and other security concerns and this would drive the demand for security services in the country.

Market Segmentation by End Users

Commercial segment is the largest with a share of 50.0% of the total market in CY2025 in the UAE. Urban centres in the UAE have rapidly grown into a global business hub and this has led to the development of commercial real estate in these urban areas such as Dubai, Abu Dhabi, Sharjah and Doha. The development of commercial buildings such as office towers, shopping malls and other retail outlets, hotels, educational institutions, hospitals etc. creates the demand for security services. The anticipated high growth in the commercial segments is expected to drive the demand for security services and this segment is expected to retain its dominating position in the forecast period.

Exhibit 7.3: Security Services Market: Segmentation by End Users, the UAE, CY2025



- Commercial includes offices, shopping malls, retail outlets, hotels, educational institutions, healthcare etc.
- Others include residential, leisure & entertainment parks etc.

Source: Frost & Sullivan Analysis

¹⁴<https://www.thenationalnews.com/business/economy/2025/05/19/uae-to-provide-11-bn-in-financing-to-industrial-firms-over-next-five-years/>

Government is the second largest segment and account for 35.3% of the total market. This segment includes government administrative buildings, ministry buildings, metros and other transport infrastructure, ports, royal places, mosques and other religious places etc. Public safety is the primary driver for security services from this segment. Other segments such as industrial, aviation, residential, leisure, entertainment etc. account for the remaining 14.7% of the total market.

Competitive Landscape

The competitive landscape in the UAE is very similar with global and regional companies competing for business opportunities. The market is fragmented and the major companies in the UAE are G4S, First Security Group, Transguard Group, Emrill Security Services, Magnum Security, Gentur Security Services, Perfect Protection Security Services, Power Group Facilities Management Services, Orion Security, MBK Security Services, Top Star Group, Forever Brave Security Services, Star Security Services LLC and others.

CHAPTER 8: GLOBAL INTEGRATED FACILITY MANAGEMENT MARKET ANALYSIS

Market Definitions

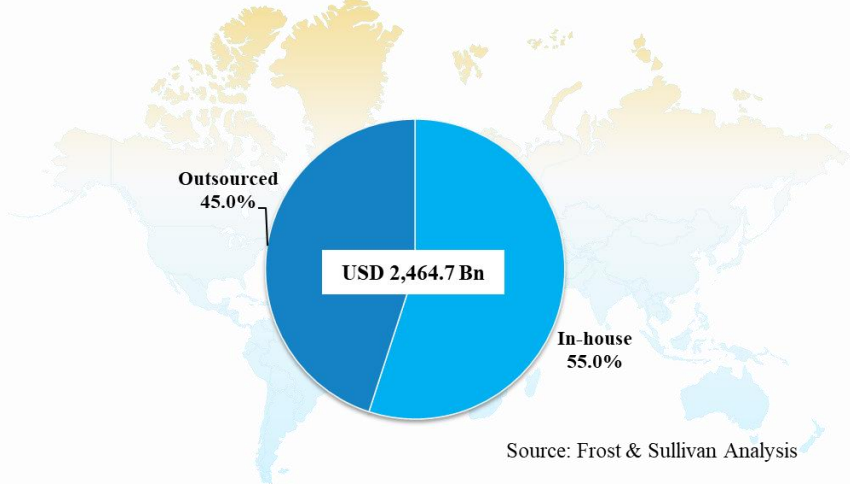
Integrated Facilities Management (IFM) refers to a coordinated effort involving space and people to maintain buildings and properties. IFM is a professional service focusing on the efficient and effective delivery of services that help organisations function optimally. The global IFM market for this report is defined as below:

- **Soft Services:** This includes cleaning, catering, vending, courier services, laundry services, mailroom staffing and management, production, reception staffing and security & safety.
- **Hard Services:** This includes mechanical & electrical services, heating, ventilation & air conditioning (HVAC), plumbing, building service control & management systems, building fabrics, appliance testing, fire protection systems, fire alarm and detection systems.
- **Additional Services:** This includes space planning and design, landscaping, property acquisitions and disposals, relocation management, energy management services, waste management, recycling services, establishment of IT systems, maintenance of IT hardware and software, data centers, and introduction of new software packages.

Global Integrated Facility Management Market Overview

The global Integrated Facility Management Market is valued at approximately USD 2,464.7 billion in CY2025 and is expected to grow steadily over the next decade. It includes a wide range of services that support the functionality, safety, and efficiency of built environments. The market is shifting from single-service models to integrated facility management, where multiple services are managed under one contract.

Exhibit 8.1: Integrated Facility Management Market: In-house versus Outsourcing, Global, CY2025



In CY2025, 45.0% of the market was outsourced to third party service providers globally. North America region has recorded the highest outsourcing for facility management services, followed by Europe and Asia. Companies and corporations are increasingly outsourcing facility management services to gain strategic advantages such as strengthening their market position and staying competitive. While cost reduction was the main focus in the past, organisations today are more interested in freeing up internal resources for more

valuable, core activities. By outsourcing facility management, businesses can shift their focus to what they do best, while benefiting from the expertise and efficiencies offered by specialised service providers.

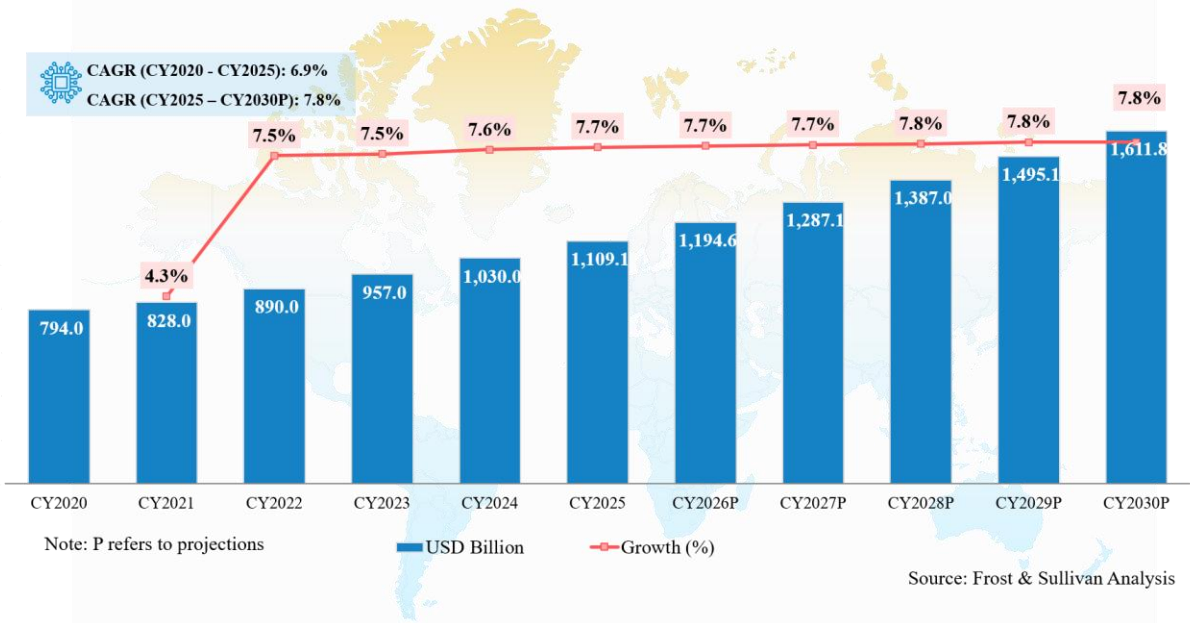
Digital technologies such as IoT, AI, and cloud-based platforms are transforming how facilities are managed today, enabling real-time monitoring and predictive maintenance. Sustainability and energy efficiency are becoming top priorities, especially in developed markets like North America and Europe. The COVID-19 pandemic accelerated demand for hygiene services and flexible workspace management.

Market Size and Forecasts

The global Outsourced Integrated Facility Management Market for CY2025 is valued at USD 1,109.1 billion and has recorded a CAGR of 6.9% from CY2020 - CY2025. 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. The major factors driving the demand for facility management services globally are the increasing investments construction and infrastructural projects, higher outsourcing of services from the public/ government entities, growth in industrial segments, and growing focus on energy management, environmental services and sustainability concepts. The Outsourced Integrated Facility Management Market is expected to reach USD 1,611.8 billion by CY2030P, recording a CAGR of 7.8% from CY2025 - CY2030P.

The global Outsourced Integrated Facilities Management Market is characterised by the presence of single service contracts, bundled contracts and integrated contracts. Integrated contracts are prominent in advanced markets such as the North America and Europe.

Exhibit 8:2: Outsourced Integrated Facility Management Market Size: Historic and Forecast, Global, CY2020 – CY2030P



The facility management industry is experiencing a digital revolution, with many service providers, both established and upcoming ones, exploring technologies or digital advancements to enhance and monitor various processes and operations within the facility management supply chain. The accelerated use of digital technology in service delivery, the increasing importance of sustainability, and the increase in user

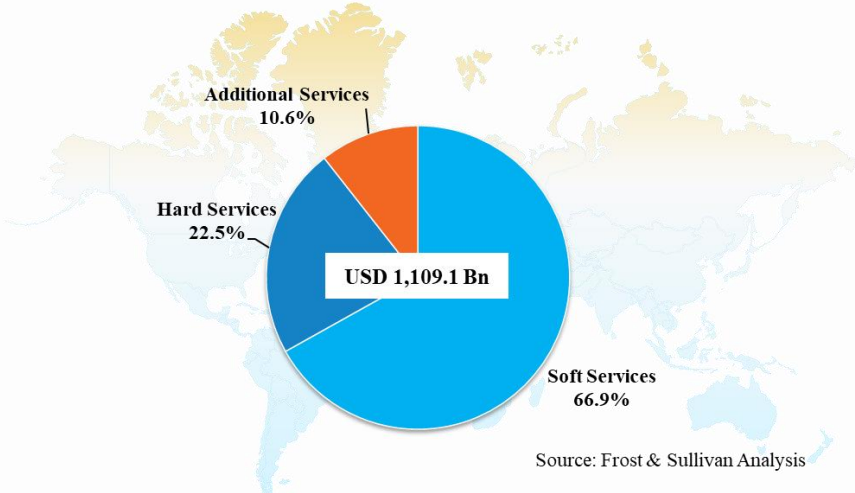
experience outcomes will be the biggest drivers of post-pandemic recovery in the global facility management market.

Stakeholder collaboration plays a crucial role in driving the facility management market’s sustainable growth. Progress in sustainable facility management operations and delivery hinges on the creation of more eco-friendly technologies and the formation of cross- industry partnerships to enable convergence. A value proposition based on sustainability, business productivity, risk mitigation, and business resilience will be vital for large customers. Facility management of the future is about improving customers’ business performance and employee experience rather than the performance of their assets and buildings.

Market Segmentation by Service Types

Soft services is the largest segment in the Outsourced Integrated Facility Management Market globally with a share of 66.9% of the total market in CY2025. Soft services are expected to see modest, long-term revenue growth and would experience the effects of intense pricing pressure the most. Service excellence and delivery innovation are expected to be vital to success in this large commoditising market segment. Soft services will see a solid growth in the Asian market. The mature markets of Europe and North America will see much slower growth in soft services.

Exhibit 8:3: Outsourced Integrated Facility Management Market: Segmentations by Service Types, Global, CY2025



For hard services, the negative impact was less in CY2020. Future revenue growth is anticipated to depend on increased technical services outsourcing and the impact of technologies, such as IoT, cloud services, connectivity, and remote maintenance (especially in HVAC and Mechanical & Electrical (M&E)). Self-delivery of services is the most critical aspect for service providers for long-term sustainable growth. Service providers need to adopt advanced technologies, particularly for servicing the industrial sector, as this segment would expect “added customer value” as they transition to advanced technologies such as additive manufacturing, robot deployment and industrial IoT.

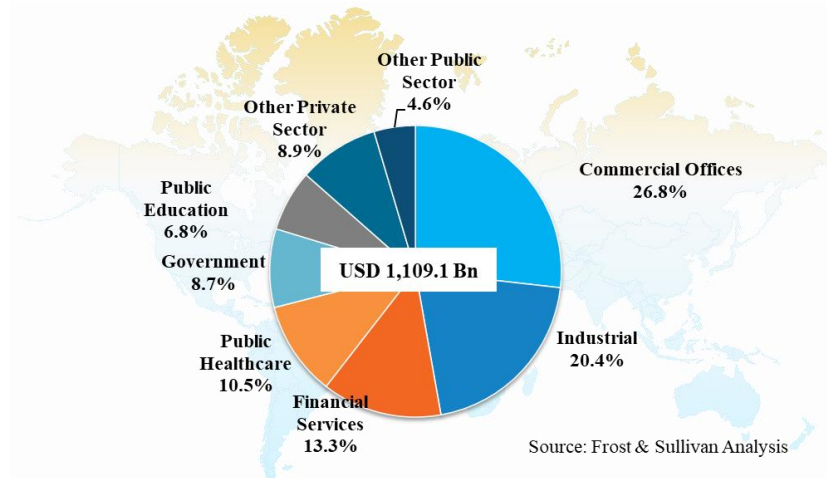
The additional services segment will remain the smallest but will see strong revenue growth because of the importance of energy, sustainability, and workplace services. Successful suppliers need to prioritise sustainability, energy services, and workplace optimisation in their service offerings to capitalise on this revenue growth potential.

Market Segmentation by End User Segments

The private sector is the largest demand driver for facility management services globally. Within the private sector, commercial offices, industrial and financial services are the important segments, especially for soft services and integrated facility management delivery contracts. Service integration is growing in importance in these sectors.

Among the public sector, education is the fastest-growing segment for facility management services followed by healthcare. Healthcare is one of the few segments that saw a positive impact from the COVID-19 pandemic as service demand increased. It will remain a strong segment throughout the forecast period; however, the rigorous demands of selling and catering to the healthcare sector mean that only companies with specialised strategies will participate. The demand for integrated facility management solutions is also expected to grow across public sector applications as hospitals, schools, and universities are opening up to integrated solutions.

Exhibit 8:4: Outsourced Integrated Facility Management Market: Segmentations by End User Segments, Global, CY2025



Market Segmentations by Regions

Asia is the largest market for integrated facility management services with a share of 34.8% of the total market in CY2025, followed by North America and Europe. Asia includes China, India, Japan, South Korea, Australia, and Southeast Asia¹⁵, and the Rest of Asia¹⁶. The Asian Integrated Facility Management Market is focusing on value-added service solutions, with service providers' focus shifting away from merely firefighting the impact of the COVID-19 pandemic and cost pressure. Furthermore, service providers focus on collaboration and consolidation, data analytics, energy management, and technology-supported solutions for medium- to long-term success.

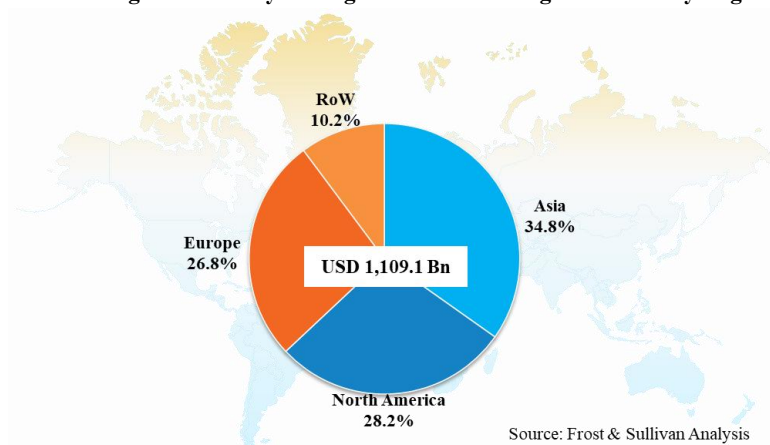
North America includes the USA and Canada. North America is the most mature facility management industry. Mature end users and attractive opportunities from large end-user sectors have contributed to the outsourcing culture and sizeable market. Facility management development in the region is expected to be driven by the potential of non-traditional end-user sectors, such as industrial, healthcare, aviation, and retail. During the next five years, growth will be driven by high awareness of technology, sustainability, and

¹⁵ Malaysia, Singapore, Indonesia, the Philippines, Thailand, and Vietnam

¹⁶ Pakistan, Bangladesh, Sri Lanka, Nepal, Afghanistan, Myanmar, Cambodia, Laos, Brunei, Taiwan, Mongolia, Bhutan, and New Zealand

energy management, as well as above-global-average service integration and acceptance of sophisticated solutions, demonstrating industry maturity.

Exhibit 8:5: Outsourced Integrated Facility Management Market: Segmentations by Regions, Global, CY2025



Europe includes the UK, France, Germany, Italy, Spain, the Nordics (Sweden, Denmark, Norway and Finland), Benelux (Belgium, the Netherlands, and Luxembourg), Central and Eastern Europe (CEE¹⁷) and the Rest of Europe¹⁸. The COVID-19 pandemic expedited the adoption of digital technologies in European market, solidifying the region's position as a leader in service innovation, sustainability, workplace change management (WCM), and business productivity. Integrated facility management and bundled services are witnessing the most growth, presenting significant opportunities in energy management, sustainability, and environmental services.

Rest of World includes Middle East, Brazil, Mexico, South Africa, Russia and Others¹⁹. The Middle East will continue to lead the regional market, while Brazil, Mexico, South Africa, and Turkey will propel the next phase of facility management growth. Rest of World will witness rapid growth in the integrated facility management approach. While some countries (South Africa and Brazil, for example) have well-established facility management outsourcing cultures, many others, including Mexico and Russia, are still in the nascent stages of development.

Exhibit 8:6: Outsourced Integrated Facility Management Market: Future Trends, Global, CY2025 – CY2030P

	FROM (CY2025)	TO (CY2030P)
Region	Asia has overtaken North America and Europe to be the largest facility management market.	The highest revenue growth is expected to come from Asia and Rest of World. Asia will remain the largest facility management market through 2030.
Segment	The private segment accounts for approximately two-thirds of the facility management market	The public and private segments will see revenue growth, but the public sector will grow faster. Technology and connectivity will mean that no customer is too small.
Business model	Contract-based and outsourced services have strong growth in service bundling, integration, and internationalisation.	Technology-enabled and outcomes-based circular business models, such as anything as a service (XaaS), will open new and diverse opportunities.

¹⁷ Poland, the Czech Republic, Slovakia, Romania, Bulgaria, Ukraine, Hungary, Latvia, Lithuania, Estonia, Turkey, Belarus, Moldova, Serbia, Bosnia, Croatia, Slovenia, Albania, Macedonia, and Montenegro

¹⁸ Austria, Switzerland, Portugal, Greece, and Ireland

¹⁹ Central Asia, the Rest of Latin America, and the Rest of Africa

Supply	Suppliers sell labour and services with a strong focus on cost optimisation.	Customer relationships, selling outcomes, user experience, and business improvements that focus on value creation will increase.
Customer	Customers focus on process and asset efficiency and problem-solving.	Customers will focus on human and building/facility assets to drive productivity and profitability.
Competitive environment	Incumbent suppliers with long market histories dominate the environment and focus on international expansion.	Consolidation among top-tier suppliers and collaboration with multiple new entrants, especially technology and XaaS companies, will increase.

Source: Frost & Sullivan Analysis

CHAPTER 9: INDIAN INTEGRATED FACILITY MANAGEMENT MARKET ANALYSIS

Market Definitions

The Integrated Facility Management Market for the purpose of this report includes the segments below:

- Facility Management Services
 - Soft Services
 - Housekeeping / Cleaning Services
 - Sanitation Services
 - Landscaping & Gardening Services
 - Hard Services
 - City Maintenance Services (Municipal solid waste management services)
 - HVAC/ MEP Services
 - Pest Control Services
 - Façade Cleaning Services
- Other Services
 - Catering Services
 - Warehouse Management Services
 - Production Support Services
 - Airport Management Services
- Cash Logistics Services
- Electronic Security Services

Facility Management Services Market Analysis

Market Overview

India's Facility Management Services Market is experiencing steady growth, underpinned by strong macroeconomic fundamentals. Over the past decade, the market has seen consistent expansion, with the exception of a temporary slowdown during the COVID-19 pandemic. Looking ahead, growth is expected to accelerate, driven by increased investment in the services and manufacturing sectors.

The country's liberal economic policies have encouraged a significant rise in FDI, creating ample opportunities for private sector participation. As a result, industries such as banking, aviation, pharmaceuticals, and IT have flourished, attracting multinational corporations through India's favorable business environment.

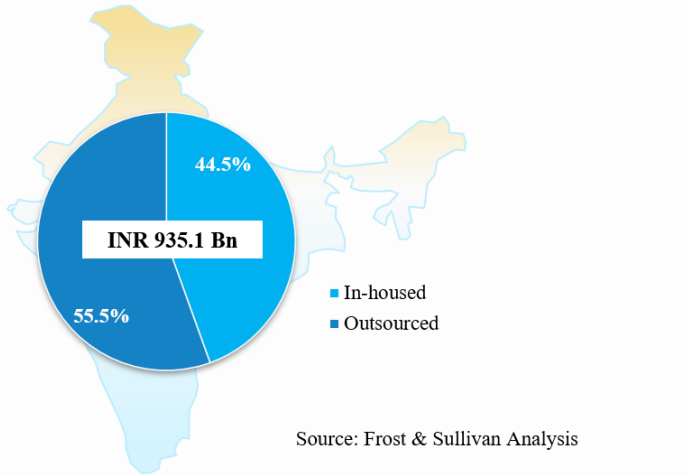
The IT and ITeS sectors, in particular, have seen a surge in business activity, spurring investments in real estate and increasing the demand for commercial infrastructure. Alongside this, the growth of organized

retail across India has contributed to the expansion of the built environment, further boosting the need for comprehensive facility management services. 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.

Total Facility Management Services Market Analysis

The Total Facility Management Services Market refers to the market size that includes both outsourced and in-house segments and is valued at INR 935.1 billion in FY2026. Around 55.5% of this market is outsourced to third-party service providers.

Exhibit 9.1: Total Facility Management Services Market: In-house versus Outsourcing, India, FY2026



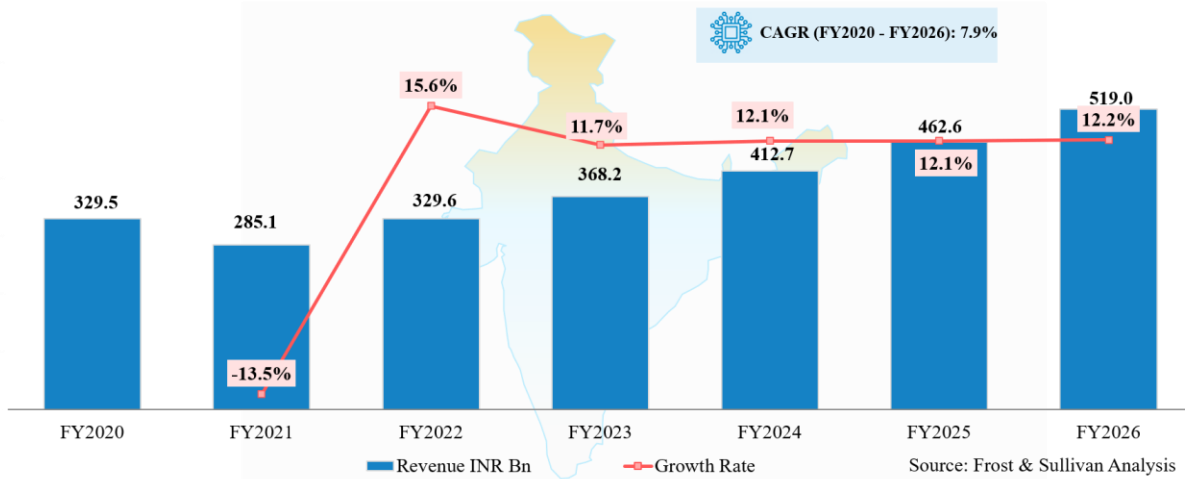
Historical Trends in Facility Management Outsourcing

Outsourcing of facility management services is gaining strong traction across major end user segments such as commercial, healthcare, industrial and residential segments. A notable trend in the market is the increasing adoption of facility management outsourcing by government entities, reflecting growing confidence in third-party service providers. Within the residential segment, high-rise residential complexes and premium villas/homes in urban areas are more inclined to outsourcing. As more organisations and households prioritise a safe, clean, secure, and sustainable built environment, the demand for professional facility management services continues to rise.

The Outsourced Facility Management Services Market is estimated at INR 519.0 billion in FY2026 and recorded a growth of 12.2% over FY2025. The market witnessed a degrowth of 13.5% in FY2021 due to the global pandemic and recovered in the second half of FY2022. Continued investments in commercial real estate, healthcare, manufacturing facilities, transportation infrastructure and public sector assets, along with increasing outsourcing adoption, supported market growth in FY2026.

The facility management industry is witnessing a transition from single-service contracts to integrated services models, as they consolidate multiple functions under a single contract and management team. This shift is primarily driven by the benefits of enhanced building performance, streamlined communication, and simplified day-to-day operations, making them increasingly attractive to organisations seeking efficient and cohesive management solutions.

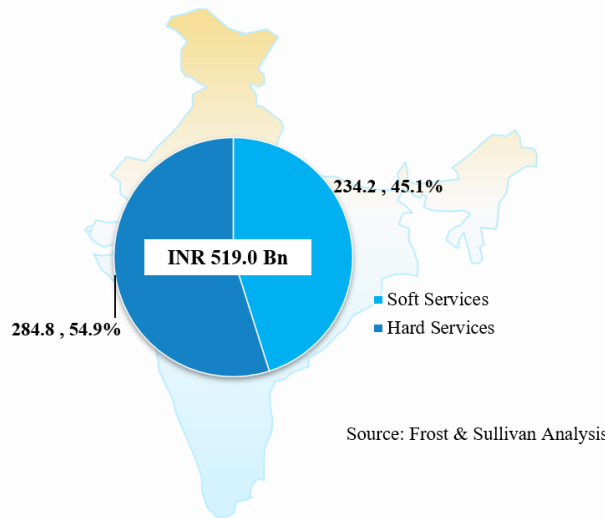
Exhibit 9.2: Outsourced Facility Management Services Market: Historic Revenue Trend, India, FY2020 - FY2026



Facility Management Services Market Segmentations: Market Segmentation by Service Types

The Outsourced Facility Management Services Market is segmented into hard services and soft services; hard services dominate the market and account for 54.9% of the total market in FY2026. Major services contributing to the revenues in hard services are HVAC/ Mechanical, Electrical and Plumbing (MEP) services and city maintenance services. Soft services account for 45.1% of the total market in FY2026, with housekeeping/cleaning services remaining the largest revenue-generating segment.

Exhibit 9.3: Outsourced Facility Management Services Market: Segmentation by Service Types, India, FY2026

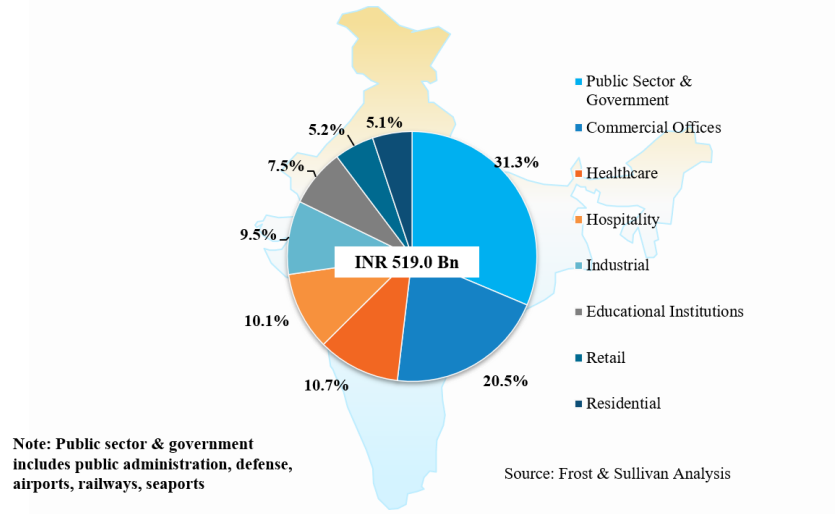


Market Segmentation by End User Segments

Public sector & government, commercial offices and healthcare are the top three end user segments for Outsourced Facilities Management Services Market in FY2026 with a combined market share of 62.6%. Increase in outsourcing by government clients, investments in commercial real estate are the major factors that are expected to drive the facility management services demand from these segments over the long term. Other prominent end user segments contributing to the market revenues are hospitality, industrial and

educational institutions. Growth in stock building and increasing outsourcing rates are expected to remain the key growth enablers across these end-user segments for market growth.

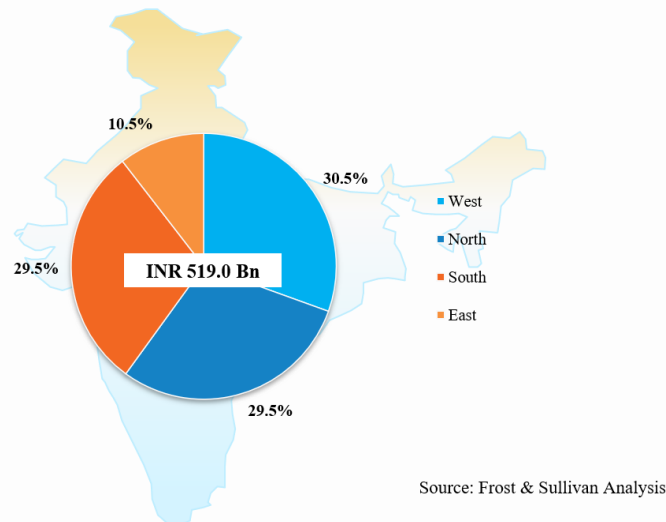
Exhibit 9.4: Outsourced Facility Management Services Market: Segmentation by End User Segments, India, FY2026



Market Segmentation by Regions

The western region continues to be the largest market for facility management services in India, followed by the northern and southern regions. The presence of major commercial hubs, global capability centres (GCCs), manufacturing facilities, logistics infrastructure, and a large base of domestic and multinational companies has contributed to the strong demand for outsourced facility management services in these regions. Availability of skilled manpower, relatively mature outsourcing practices, and continued investments across commercial real estate, healthcare, industrial, and infrastructure sectors have further supported market growth.

Exhibit 9.5: Outsourced Facility Management Services Market: Segmentation by Regions, India, FY2026



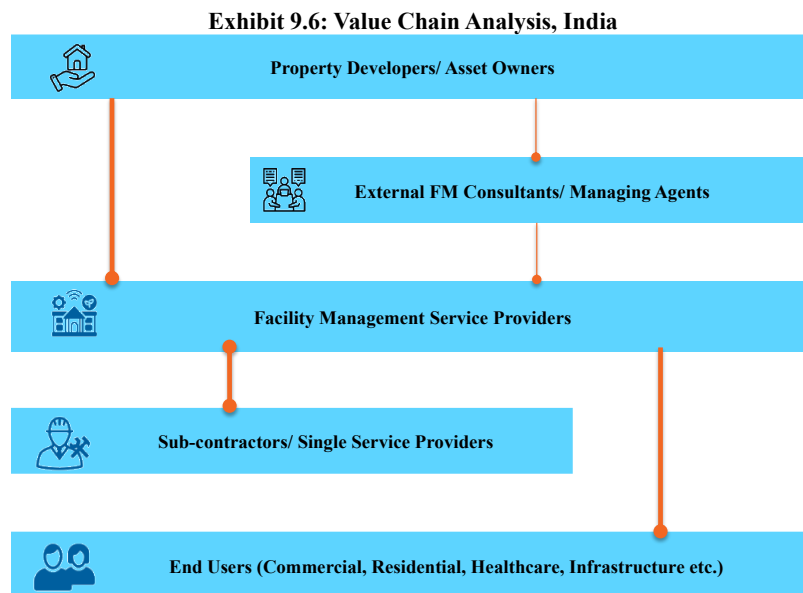
The western, northern, and southern regions continue to attract a significant share of investments in commercial offices, manufacturing facilities, logistics parks, data centres, airports, and transportation

infrastructure, resulting in higher demand for integrated facility management services compared to the eastern region.

While Tier 1 cities remain the primary demand centres, growth opportunities are increasingly emerging beyond major metropolitan areas. Expansion of banking and financial services, IT and ITeS operations, manufacturing investments, logistics infrastructure, and government-led development initiatives are creating demand for facility management services in Tier 2 cities. Improving infrastructure, growing commercial activity, and increasing awareness regarding the operational benefits of outsourcing are expected to support higher outsourcing penetration in these locations over the long term. Key Tier 2 cities expected to drive future growth include Jaipur, Chandigarh, Lucknow, Kanpur, Vadodara, Indore, Nagpur, Coimbatore, Tiruchirappalli, Visakhapatnam, Kochi, and several emerging industrial and commercial hubs across the country.

Value Chain Analysis

Property developers, facility management consultants, facility management 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.



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

- **Property developers:** They are mostly the asset owners and the final decision makers in facility management service provider selection. On a case-to-case basis they work with consultants to procure facility management services.
- **External facility management consultants:** This stakeholder group is also called as managing agents. They assist the asset owners in choosing the right kinds of services and service providers. They help in preparing request for quotations, evaluating bids and service provider capabilities.

- Facility management service providers: Facility management companies in most cases bundle the services based on the client’s need. Most of the large companies have all the resources and capabilities internally to provide these services. Others take help of one or more single service providers who have expertise in the specific area of operation.
- Sub-contractors/ single service providers: The single service providers offer 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.
- End users: They are the end users of the services provided and are across commercial, residential, healthcare and government segments.

SWOT Analysis

Exhibit 9.7: SWOT Analysis, India, FY2026

ATTRIBUTE	INSIGHTS
Strengths	<ul style="list-style-type: none"> • Operational efficiency • Preventive maintenance capabilities • Workforce scalability • Technology-enabled service delivery • Industry experience • Customised solutions • Cost optimisation
Weakness	<ul style="list-style-type: none"> • High manpower dependency • Rising labour costs • Margin pressures • Presence of unorganised players • Limited scale among smaller providers
Opportunities	<ul style="list-style-type: none"> • Commercial real estate growth • Government outsourcing • Infrastructure investments • Industrial expansion • Growth in GCCs and data centres • Sustainability and energy management services • Smart city initiatives
Threats	<ul style="list-style-type: none"> • OEM-led maintenance services • Low switching costs • Price-based vendor selection • Skilled manpower shortages • Increasing automation

Outlook of the Indian Outsourced Facility Management Services Market: Market Drivers

Growth in the real estate sector: Ongoing investments across office, residential, retail, industrial, and warehousing segments are rapidly expanding the built environment, creating a rising demand for professional facility management services. One notable trend is the growing preference for coworking and flexible office spaces, especially post-pandemic. With hybrid work models gaining traction, companies are opting for flexible workspaces that offer scalability and adaptability.

Exhibit 9.8: Market Drivers and Impact, India, FY2026 – FY2030P

MARKET DRIVERS	IMPACT		
	1-2 YEARS	3-4 YEARS	5-7 YEARS

Growth in real estate sector	High	High	High
Operational benefits due to outsourcing facility management services	High	High	High
Health and safety issues	Medium	High	High
Focus of government initiatives such as Swachh Bharat Mission, Clean Cities, etc.	Medium	Medium	High
Government focus on tourism industry and increasing demand from hospitality industry	Low	Medium	High
Increasing complexity of commercial buildings	Low	Medium	Medium
Energy conservation and optimum usage of building solutions	Low	Low	Medium

Source: Frost & Sullivan Analysis

Operational benefits due to outsourcing facility management services: 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 of the services as per the changing specifications. Outsourcing also helps in better utilisation of time for other business activities.

Health and safety issues: In a post COVID -19 business environment, companies are continuing to prioritise the health and hygiene of the facility. 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 facility management services to experts.

Focus of government initiatives such as Swachh Bharat Mission, Clean Cities, etc.: Government of India is continuing to spend more on the maintenance of public infrastructure such as municipal parks, government hospitals and government-run schools. 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 consider including waste management as one of the top offers. Apart from public infrastructure, railways, metros, government hospitals and educational institutions are also expected to increase their outsourcing in the long-term.

Government focus on tourism industry and increasing demand from hospitality industry: Travel and tourism segment is receiving major boost in India. Cleanliness, hygiene, amenities and experience are becoming unique selling propositions in the hotels industry, and this is expected to open up more business opportunities for facility management companies in the long-term.

Increasing complexity of commercial buildings: Buildings are becoming more connected and smarter with the adoption of technology, and this is increasing complexity of commercial buildings, which in turn demands professional companies to operate and maintain them. With the emergence of innovative technology, engineering, administrative and regulatory compliances, the demand for professional facility management will increase.

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 facility management services for the maintenance of energy-intensive equipment.

Market Restraints

Inflation leads to increase in management costs: High inflation costs have a direct impact on facility management services as the service delivery is largely dependent on labor, consumables, utilities, transportation, etc. Higher inflation leads to increase in overall service costs, which leads to price escalations and this could impact outsourcing of services.

Exhibit 9.9: Market Restraints and Impact, India, FY2026 – FY2030P

MARKET RESTRAINTS	IMPACT		
	1-2 YEARS	3-4 YEARS	5-7 YEARS
Inflation leading to an increase in management costs	High	High	High
Presence of large unorganised segment	Medium	Medium	High
Adoption of technology still at nascent stage in India	Low	Medium	Medium

Source: Frost & Sullivan Analysis

Presence of large unorganised segment: The facility management services market consists of a large share of unorganised companies. Ease of market entry has led to a large number of companies providing facility management services across end-user segments. 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; this provides the space for the growth of the unorganised sector. Lack of quality standards, lack of understanding in client requirements etc. are resulting in poor service quality and this leads to in-housing of services, which deters the growth of the market.

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 facility 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.

Outlook of Key End User Segments

Public Sector & Government – Airports: India is investing heavily in its airport infrastructure to meet its growing demand. India has a target to add 50 additional airports over the next five years²⁰. Recently completed projects include Navi Mumbai International Airport that became operational in the last quarter of 2025 while Noida International Airport was operationalised in March 2026. Major programs driving the investment in airport infrastructure are

²⁰<https://www.livemint.com/news/india/india-targets-50-more-airports-in-next-5-years-to-boost-huge-real-estate-opportunities-says-ram-mohan-naidu-11770967378282.html>

- **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 country fly, to boost inclusive national economic development, job growth, and air transport infrastructure development of all regions and states of the country. The central government approved the launch and implementation of the RCS – Modified UDAN for a period of ten years from FY2027 to FY2036 with a total outlay of INR 28,840 crore²¹.
 - 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.
 - Government of India has approved INR 1,000.0 crore²² for the development of 50 additional airports, heliports, and water aerodromes under the UDAN scheme in FY2025.
- **NextGen Airports for Bharat (NABH):** The government unveiled a new initiative in February 2018, called NABH 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

Key investment highlights:

- Cabinet Committee on Economic Affairs approved the Airports Authority of India's proposal to develop a New Civil Enclave at Bagdogra Airport in Siliguri, West Bengal. The project has an estimated budget of INR 1,549.0 crore. The airport is expected to feature a 70,390 square meter terminal designed for 3,000 Peak Hour Passengers and an annual capacity of 10 million passengers.
- Adani Airports is expected to invest USD 7.0 billion in expanding its airport operations in India, focusing on improving its current portfolio and landside developments²³.
- Magellan Aerospace and Aequus have signed a MoU to jointly develop an aircraft engine MRO facility in Belagavi, Karnataka.
- New integrated terminal building, apron, and associated works at Netaji Subhas Chandra Bose International Airport, with an estimated cost of INR 1,400.0 crore²⁴.
- Construction of new domestic terminal (T3) at Bhubaneswar Airport at an estimated project cost of INR 955.0 crore.

²¹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2245096®=3&lang=1>

²² https://www.civilaviation.gov.in/sites/default/files/2025-03/Annual%20Report%20Civil%20Aviation%20for%20the%20year%202024-25%20English_0.pdf

²³ <https://www.ibef.org/industry/indian-aviation>

²⁴ https://www.civilaviation.gov.in/sites/default/files/2025-03/Annual%20Report%20Civil%20Aviation%20for%20the%20year%202024-25%20English_0.pdf

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 standards. The government has proposed leasing out operations of 26 state owned airports to private players between FY2026 and FY2030, under its National Monetisation Pipeline 2.0. This privatisation effort is expected to increase the outsourcing of airport management services and drive the business potential for Facilities Management Services Market during the forecast period.

Public Sector & Government – Railways: This segment has been a key contributor for Facility Management Services Market recently as the outsourcing from this segment has been on the rise. India has the fourth-largest railway system in the world, following the USA, Russia, and China. In the FY2027 budget, the capital expenditure to the segment is at INR 2.93 trillion²⁵ and this fund is expected to be utilised for the development of infrastructure, modernisation of stations and trains, enhancement of connectivity, safety and comfort for the passengers. Other key highlights of the budget include

- Allocation of INR 367.21 billion²⁶ in FY2027 for construction of new railway lines.
- Allocation of INR 7,500 crore for signalling, telecom and others.
- New dedicated freight corridor of 2,052 kilometers was announced between Dankuni in West Bengal and Surat to strengthen trade.
- Seven high-speed rail corridors spanning about 4,000 kilometers between cities as ‘growth connectors’ to promote environmentally sustainable passenger transport systems

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 more than 12 billion per year by CY2031P²⁷. Government initiatives such as the Viksit Bharat, dedicated freight corridor, modernisation of existing railway stations, 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 1,095 kilometers²⁸ of metro railway network was operational by the end of December 2025, making India the third largest in the world. 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, specialised 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 facility management solution providers.

Amrit Bharat Station Scheme: Through the scheme, the Indian Railways is redeveloping more than 1,300 stations²⁹ to provide better travel experience to the passengers. Some of the amenities being developed

²⁵ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221838®=3&lang=2>

²⁶ <https://economictimes.indiatimes.com/industry/transportation/railways/railways-fm-sitharaman-allocates-rs-2-77-lakh-crore-for-capital-expenditure/articleshow/127841369.cms?from=mdr>

²⁷ <https://www.investindia.gov.in/sector/railways>

²⁸ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2240324®=3&lang=2>

²⁹ <https://infra.economictimes.indiatimes.com/news/railways/et-infra-rail-show-indian-railways-to-see-completion-of-400-500-amrit-bharat-stations-in-2024-says-anil-khandelwal-member-infrastructure-railway-board/111281241>

include access, waiting halls, toilets, escalators, Wi-Fi, and multimodal connectivity. Of the proposed 1,337 stations, only 180 has been completed while works on 1,157 stations are on-going. The scheme also anticipates to redevelop around 4,000 stations by CY2047.

Key investment highlights:

- Western Railway has launched the redevelopment of 124 railway stations across its network, focusing on providing passengers with modern and efficient facilities. Key stations include 30 stations in the Mumbai Central Division, 18 in the Vadodara Division, 19 in the Ratlam Division, 20 each in the Ahmedabad and Bhavnagar Divisions, and 17 stations in the Rajkot Division³⁰.
- The Rajasthan government is contemplating the expansion of the Jaipur Metro network to connect towns and cities within a 45 – 50.0-kilometer radius of the state capital³¹.
- Indian Railways has proposed a 69.0-kilometre railway line from Kokrajhar in Assam to Gelephu in Bhutan to enhance cross-border connectivity³².
- In CY2024, India's Cabinet Committee on Economic Affairs (CCEA) approved eight new Indian Railways projects across the country to be implemented in seven states and increase the existing network of Indian Railways by 900.0 kilometers³³.

Commercial Offices: Rapid urbanisation, growth in tourism and service sectors are driving the demand for commercial spaces in India. The demand for office space in the country is driven by flexibility, comfort, and convenience. Most businesses are intending to expand to new areas, open remote or satellite offices, or both, in order to explore their business opportunities. 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 Q4 of CY2025 stood at 13.83 million square feet³⁴. Bengaluru, Hyderabad, and Pune were some of the hotspots for commercial real estate in the country, accounting for a combined share of 64.3% of the total new completions in Q4 of CY2025.

Within the commercial offices segment, IT remains a key growth contributor since the last two decades. The IT industry accounted for 7.5% of the GDP in FY2023 and is expected to contribute around 10.0% of the GDP by CY2026P. The major sub-segments of this industry are IT services, business process management, software products & engineering services and hardware. Growth in exports, adoption of cloud and digital transformation, increasing investments in the industry, and government support such as the PLI Scheme 2.0 for IT hardware with an allocated budget of INR 17,000.0 crores are the major drivers for the growth of the IT industry in India. Data centers market is expected to witness significant growth in India with its value projected to reach USD 22.0 billion by CY2030P from USD 10.0 billion in CY2025³⁵. Rise in investments in IT industry would create the demand for built spaces and this would create the demand for facility management services.

Today, there is growing demand from BFSI, manufacturing, engineering, e-commerce etc. BFSI is expected to be a key growth area driving demand in the long-term. The Indian banking system consists of 13 public

³⁰ <https://www.newsonprojects.com/news/western-railway-launches-redevelopment-initiative-for-124-railway-stations>

³¹ <https://www.newsonprojects.com/news/rajasthan-government-sets-metro-network-expansion-in-motion>

³² <https://www.newsonprojects.com/news/6904-km-railway-line-to-link-assams-kokrajhar-with-bhutans-gelephu-nfr-cpro>

³³ <https://www.railwaypro.com/wp/eight-new-indian-railways-projects-approved/>

³⁴ <https://www.jll.com/en-in/insights/market-dynamics/india-office>

³⁵ <https://www.ibef.org/industry/information-technology-india>

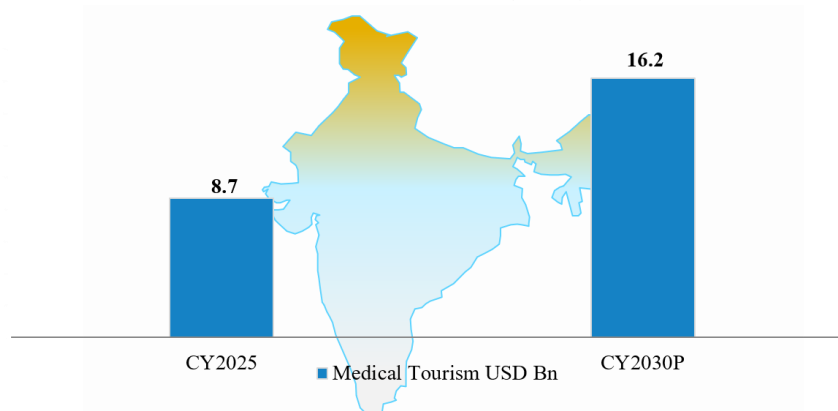
sector banks, 21 private sector banks, 44 foreign banks, and 12 small finance banks³⁶. Government schemes such as Pradhan Mantri Jan Dhan Yojana and Post Payment Banks have enabled in increasing the reach of the banking sector. Also, reforms such as digital payments, neo-banking, rise in Indian Non-banking Financial Company (NBFC) and fintech companies have significantly enhanced the country's financial inclusion. Key factors driving the growth in the BFSI segment are a large untapped credit population, the increasing consumption of a growing middle class, an openness to credit, and an increasing ability of players to offer credit through both offline and digital expansion. The financial services sub-segment is poised to witness high growth in the coming years owing to innovative lending practices, instant loan disbursals, and no-cost Equated Monthly Instalments (EMI).

Key investment highlights:

- DLF Cyber City Developers Ltd, is expected to invest around INR 6,000.0 crore to develop 7.5 million square feet of premium office and retail spaces in Gurugram³⁷.
- Larsen & Toubro has signed a MoU with the Gujarat government to set up an IT and ITeS Park in Vadodara at an investment of INR 7,000.0 crore³⁸.
- The Tamil Nadu government has planned to develop a 2 million square feet IT hub in Coimbatore through a Public-Private Partnership (PPP) model. This IT Park would focus on AI, as per the State's growth strategy³⁹.

Healthcare: 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. This consists of hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance, pharmaceuticals and medical equipment.

Exhibit 9.10: Medical Tourism Market, India, CY2025 & CY2030P



Source: PIB, Frost & Sullivan Analysis

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

³⁶ <https://www.ibef.org/industry/banking-india>

³⁷ <https://www.newsonprojects.com/news/dlf-to-invest-6000-cr-in-75-lakh-sq-ft-office-retail-spaces-in-gurugram>

³⁸ <https://www.newsonprojects.com/news/lt-inks-pact-with-gujarat-govt-to-establish-it-ites-park>

³⁹ <https://www.newsonprojects.com/news/tn-to-build-2-million-sq-ft-ai-focused-it-hub-in-coimbatore-via-ppp-model>

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.

Hospitals is the largest segment within the healthcare sector and accounts for around 80% of the total healthcare revenues in India. India has only 0.79 public hospital beds per 1000 person⁴⁰ as against 5.0 in China, 2.7 in North America and 5.3 in European Union⁴¹. In the past decade India has been focusing on improvements in healthcare infrastructure and capacity building, which are expected to continue in the long-term. Despite the increasing investments, the demand for hospital beds remains high at 2.4 million beds to meet the global average bed-to-population⁴². Several initiatives have been launched by the government to support the inflow of investments. 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 12.25 billion investments have been received in hospitals and diagnostic centers from April 2000 to June 2025⁴³.

The Indian healthcare sector has been undergoing consolidation since the COVID-19 as customers are seeking higher-quality healthcare services. The customers are moving from smaller nursing homes to bigger hospitals in search of quality healthcare. This has resulted in small and independent hospitals seeking partnerships with hospital chains or attaching themselves with larger hospital networks. This has resulted in market consolidation and the market share of organised companies has been growing steadily. Many of the major companies have announced significant expansion plans and these focus on commissioning nearly 22,000 beds over the next three to five years by the private sector⁴⁴.

Investments in healthcare and hospital infrastructure are anticipated to drive the demand for facility management services over the forecast period. Outsourcing rates are also expected to improve in this segment driven by the need for specialised skills, compliance and to ensure high-quality environment for patient care.

Key investment highlights:

- The All-India Institute of Medical Sciences (AIIMS) in Bilaspur is expected to build a 300-bed trauma center.⁴⁵
- Dozee, a health-tech start-up specializing in AI-based contactless remote patient monitoring (RPM) and early warning systems (EWS), is expected to expand its Indian footprint to over 2,000 hospitals and 100,000 beds by CY2028P. Currently they have partnerships with nearly 280 hospitals, covering over 17,000 beds across India.⁴⁶

⁴⁰ <https://thesouthfirst.com/health/india-has-only-0-79-beds-per-1000-population-in-government-hospitals-short-by-2-4-million-hospital-beds/>

⁴¹ World Bank

⁴² <https://thesouthfirst.com/health/india-has-only-0-79-beds-per-1000-population-in-government-hospitals-short-by-2-4-million-hospital-beds/>

⁴³ IBEF Healthcare Industry Report, November 2025

⁴⁴ <https://theprint.in/economy/india-will-see-an-addition-of-over-22000-hospital-beds-in-private-hospitals-over-next-3-5-years/2272593/>

⁴⁵ <https://newsonprojects.com/news/aiims-bilaspur-to-establish-300-bed-trauma-centre>

⁴⁶ <https://newsonprojects.com/news/dozee-aims-to-expand-local-presence-to-over-2000-hospitals-by-2028>

- KIMS Hospitals targets top-three status in India by FY2027, aiming to double its capacity to 8,000 beds through aggressive expansion efforts.⁴⁷
- Max Healthcare has announced plans to invest INR 6,000.0 crore by FY2027 to expand its bed capacity to 9,000 beds

Hotels: The Indian hotel industry’s contribution to the GDP is estimated to reach USD 1 trillion by CY2047P as per Hotel Association of India’s Vision 2047 report. This would be driven by significant increase in domestic and international tourists in India. Beyond leisure travel, demand from MICE, including weddings, and business travel have driven demand for hotel rooms in CY2025 and this trend is expected to continue in CY2026P. Revenues for the Indian hospitality industry is expected to grow by 9.0 – 12.0% in FY2026P⁴⁸. Domestic tourism has been the prime driver for the demand in CY2024. The Vision 2047 report also states that in the mid-term (CY2027P - CY2037P), domestic tourist visits are expected to increase from 677 million in CY2021 to 1.5 billion by CY2030P and are further expected to jump to 15 billion by CY2047 in the long term (CY2037P – CY2047P). Business and recreational activities are the key reasons for the increase in tourists and this has created demand for hotels and facility management services.

Medical tourism is another factor contributing to the growth of the hotels industry in India. While medical tourism is well established in the country, wedding tourism is a niche and the government is focussing on wedding tourism currently by launching the Wedding Tourism Campaign “India says I do”. Through this campaign the Ministry of Tourism aims to showcase India as a premier wedding destination. The campaign was developed in consultation with various stakeholders such as industry experts, associations, and wedding planners. The campaign has short-listed 25 key destinations and these locations would be pitched across the world. All such initiatives are expected to drive the demand for hospitality services and facility management services.

Key investment highlights:

- Marriot is expanding into Tier 2 and Tier 3 (defined as smaller cities or large towns that are less urbanised but developing rapidly; for example, Udaipur, Salem, Nashik etc.) cities with projects lined up in Jaipur, Surat, Shimla, Jalandhar, and Coorg⁴⁹.
- Hilton’s Waldorf Astoria in Jaipur is under development and is expected to come online by 2027⁵⁰.
- Lemon Tree Hotels is expanding in India with “Keys Select” project, which is under development in Bokaro. This is expected to be completed by FY2027P⁵¹.
- IHG Hotels & Resorts has announced its plan to expand its footprint in India with a pipeline of 60 new hotels scheduled to open over the next three to five years⁵².

⁴⁷<https://ehealth.eletsonline.com/2024/11/leading-indian-hospitals-announce-aggressive-expansion-plans-amidst-heightened-competition-in-healthcare/>

⁴⁸https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/indias-hospitality-sector-set-for-9-12-revenue-surge-by-2025-26-icra-report-reveals/articleshow/129025625.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

⁴⁹<https://www.hotelierindia.com/development/marriotts-record-breaking-2024-with-42-deals-7000-rooms-and-20000-room-pipeline-in-south-asia#:~:text=Marriott's%20premium%20brands%20strengthened%20their,Shimla%2C%20Jalandhar%2C%20and%20Coorg.>

⁵⁰ <https://www.hotelnewsresource.com/article134131.html>

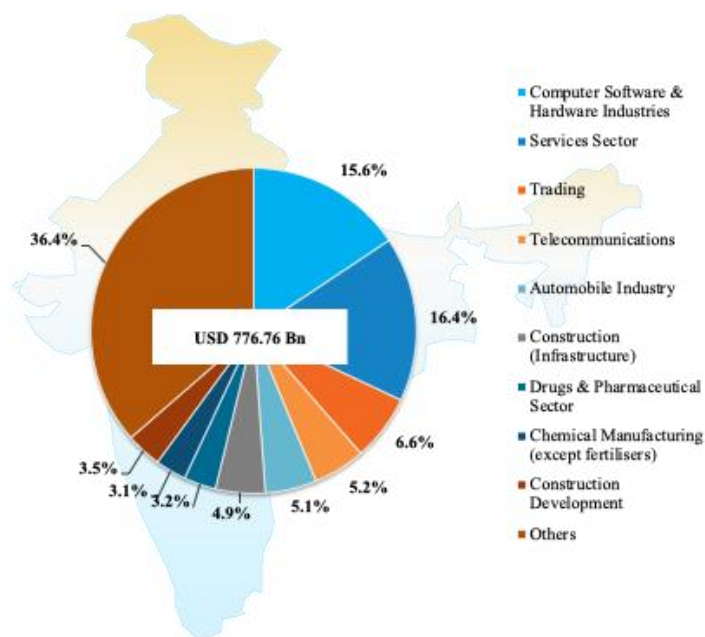
⁵¹ <https://www.newsonprojects.com/news/lemon-tree-hotels-expands-footprint-with-new-property-in-bokaro>

⁵² <https://www.newsonprojects.com/news/ihg-plans-to-add-60-hotels-in-india-over-next-3-5-years>

- Sangu Chakra Hotels Pvt Ltd, known by Sangam Hotels brand, has announced an ambitious INR 400.0 crore expansion project to double its room inventory over the next four to five years⁵³.

Industrial/Manufacturing: Manufacturing sector is emerging as an integral pillar of India’s economic growth, backed by the performance of key segments such as automotive, pharmaceuticals, engineering, chemicals, and consumer durables. The Indian manufacturing industry generates around 17% of India’s GDP and is projected to be one of the fastest growing sectors. Domestic investments, backed by strong policies, is a major driver for new units being established in the country. This is being complimented by FDIs, which stood at USD 25.17 billion during April - June 2025⁵⁴. Between April 2000 and December 2025, cumulative the FDI stood at USD 776.76 billion⁵⁵.

Exhibit 9.11: FDI Investments in Manufacturing Sector, India, April 2000 – December 2025



Source: IBEF February 2026 Manufacturing Report

Key investment highlights:

- Honda Motor Japan has announced plans to build a dedicated electric 2-wheeler production facility in India by CY2028. The new plant is expected to be operational by CY2028 and manufacture a wide variety of electric two-wheelers⁵⁶.
- In March 2024, Tata Motors Group signed a facilitation MoU with the Government of Tamil Nadu to explore setting-up of a vehicle manufacturing facility in the state.
- Hyundai Motors has revealed its plan to invest INR 32,000.0 crore between CY2023 – CY2033 in expanding its EV range and enhancing its current passenger car and SUV segments.

⁵³ <https://www.newsonprojects.com/news/supreme-power-equipment-and-danya-electric-win-20-crore-orders-2>

⁵⁴ IBEF Report on Manufacturing, November 2025

⁵⁵ IBEF Report on Manufacturing, February 2025

⁵⁶ <https://www.ibef.org/industry/india-automobiles>

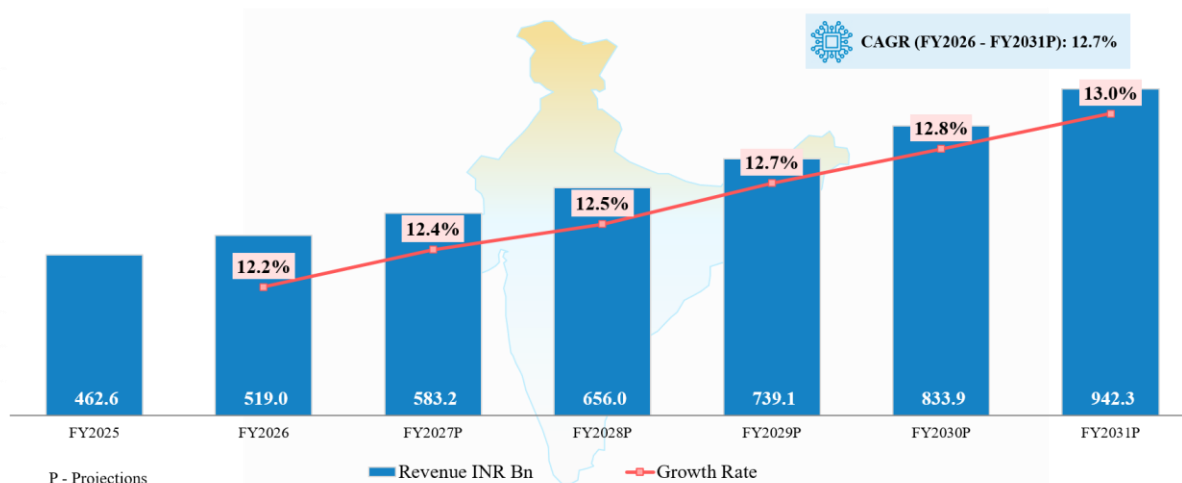
- Amul India’s major dairy brand has announced a project to develop the world’s largest curd manufacturing plant in Kolkata with an investment of INR 600.0 crore⁵⁷.
- TechEagle has expressed its interest in investing INR 100.0 crore over the next three years from CY2025, to manufacture drones for disaster relief and law enforcement⁵⁸.
- Paras Defence & Space Technologies is expected to invest INR 12,000.0 crore in India’s first optics park in Maharashtra. The project is expected to be launched in phases from CY2028 to CY2035.

Market Revenue Forecast

Based on the outlook analysis of major end-user segments, the Outsourced Facility Management Services Market is expected to maintain strong growth momentum over the forecast period. Increasing investments across commercial real estate, healthcare, manufacturing, logistics, retail, transportation infrastructure, and public sector assets are expected to support the demand for outsourced facility management services. In addition, growing awareness regarding the operational, compliance, and cost benefits of outsourcing is anticipated to drive higher outsourcing penetration across end-user segments.

Following a growth of 12.2% in FY2026, the Outsourced Facility Management Services Market is projected to grow at a CAGR of 12.7% from FY2026 to FY2031P, reaching INR 942.3 billion by FY2031P. Demand is expected to be driven by increasing adoption of integrated facility management services, expansion of healthcare and commercial infrastructure, growth in manufacturing and logistics facilities, and rising investments in data centres, GCCs, industrial parks, airports, and transportation infrastructure.

Exhibit 9.12: Outsourced Facility Management Services Market: Revenue Forecasts, India, FY2025 - FY2031P



Source: Frost & Sullivan Analysis

End-user segments such as IT/ITeS, healthcare, logistics, manufacturing, retail, and BFSI are expected to continue generating consistent demand for facility management services. The BFSI and manufacturing segments are expected to remain attractive due to their large operational footprint, stringent compliance requirements, and increasing focus on operational efficiency. Growing demand for specialised technical

⁵⁷ <https://www.ibef.org/industry/food-processing>

⁵⁸ <https://www.ibef.org/industry/defence-manufacturing>

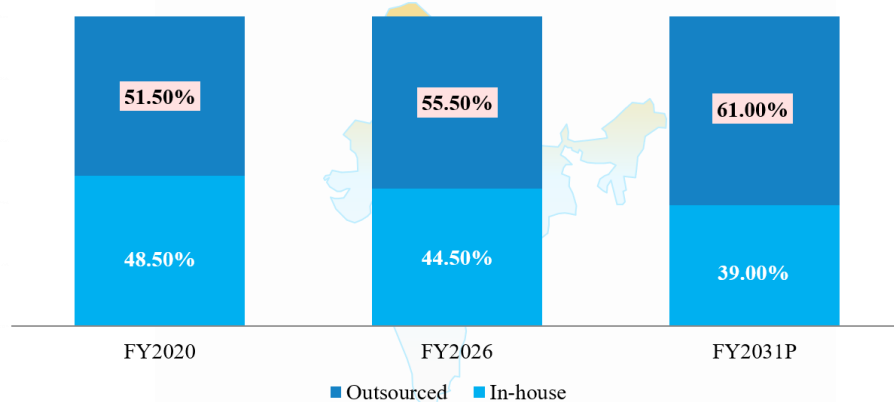
services, sustainability-focused facility operations, and integrated service delivery models is expected to further support market growth over the forecast period.

Key Market Characteristics: Outsourced versus In-house Market

Outsourcing of facility management services has steadily grown in the past decade driven by strategic, operational, and economic factors. Some of the critical ones are

- Focus on core business: End users prioritising primary business operations and delegating non-core activities to specialist service providers.
- Cost optimisation: Outsourcing enables cost reductions under operational and human resources heads. End users also benefit from economies of scale achieved by service providers.
- Access to expertise, technology and innovations: Facility management service providers bring in specialised skill sets, industry best practices, latest technologies etc. which would not be economically feasible for end users.
- Scalability and flexibility: The resources for facility management services, when outsourced, can be scaled up or down depending upon the requirements and scope changes.
- Regulatory compliance: Outsourcing partners ensure regulatory compliance related to labour, safety and environmental factors.
- Improved service quality: Outsourcing facility management services leads to better accountability and measurable outcomes, particularly in a service-level agreement (SLA) based contracts. Service providers also ensure greater service quality as the end users have the ability to switch to different service providers at the end of a contract period.
- Risk distribution: Outsourcing of services allows the end users to transfer operational risks related to workforce shortages, service breakdowns, or emergencies to the service provider.

Exhibit 9.13: Total Facility Management Services Market: Outsourcing Trends, India, FY2020, FY2026 and FY2031P



Note: P refers to projections

Source: Frost & Sullivan Analysis

Growing awareness among domestic companies, digitalisation of buildings, focus on sustainability and reduction in carbon emissions, and other building maintenance services are slowly widening the scope of facility management solutions today, and with this increasing complexity, the outsourcing rates are expected to increase in the long-term.

Facility Management Services Outsourcing from the Government Sector

The government sector is anticipated to provide significant long-term growth opportunities for facilities management services. The key segments expected to contribute to this opportunity are industrial, public administration (state government entities, municipal bodies and other government offices), airports, public schools and hospitals, and railways & metros. Growing challenges such as skilled manpower shortages, the need for greater asset efficiency, and the push for improved service delivery are leading government entities to increasingly consider outsourcing facility management services. Moreover, the government sector is focusing on improving its quality standards and performance metrics, which is a positive development for organised and professional facility management service providers. This shift creates a favorable environment for private players to expand their footprint in public sector projects and contribute to improved infrastructure management across the country.

Contract period in government sector: Typically, government contracts are one to three years, depending on the terms negotiated between the public entity and the service provider. Based on the performance of the service provider, the contract tenure may get extended on yearly basis, for a maximum of five years. The price escalation is addressed through minimum wages, cost indices etc., as approved by both parties.

Facility management service procurement process and contract types: There are four main types of procurement/tendering processes, such as:

- **Open Tendering:** An open tendering process is an invitation to tender by public advertisement. There are no restrictions placed on who can submit the tender. However, service providers are required to submit all the required information and are evaluated against the stated selection criteria.
- **Select Tendering:** A select tender is only open to select number of service providers. The companies may be shortlisted through pre-qualification process or be a compilation of companies that the public organisation has worked with previously.
- **Multi-stage Tendering:** Multi-stage tendering is used when there are a large number of respondents. At each stage in the process, the suppliers are evaluated and selected on a set of pre-determined parameters.
- **Invited Tendering:** An organisation contacts a select number of service providers directly and requests them to perform the contract. It is generally used for specialist work, emergency situations or for low value, low risk and off-the-shelf options.

The government has transitioned from manual tendering to a fully electronic tendering (e-tendering) and e-procurement system across all departments and public sector bodies. This shift was implemented to ensure greater transparency, efficiency, and accountability in the procurement process. Under this system, every step, from advertising bids to submitting and evaluating tenders, is conducted online. The Central Public Procurement Portal (CPPP) platform is used to manage the process. This platform covers a wide range of procurement functions, including vendor registration, tender preparation and upload, tender document purchase, bid preparation and submission, bid evaluation and comparison and final tender award. Public access is also a key feature of this system. Critical details such as tender notices, winning bids, bidder names, the nature of the work, and the awarded contract value are all available for public review, thereby promoting fairness and openness in government contracting.

The current procurement methodology for facility management services remains unstructured and highly dependent on the specific needs of the end user. Traditionally, most clients opted for single-service

contracts, which were evaluated based on headcount, predefined machines, materials, and other tangible resources. These contracts often included penalties for not providing the specified resources outlined in the agreement. Today, the hard and soft services are bundled into a single contract, but many of these contracts still rely on manpower-based models, rather than being structured around SLAs.

Globally, especially in mature markets, SLA-based contracts are the standard. These contracts clearly define the expected service levels and serve as a performance management tool between the client and the service provider. SLAs help establish transparency, accountability, and continuous improvement in service delivery. Each SLA outlines specific criteria for key service components, which are periodically reviewed by both entities. The services are measured and scored line by line, giving a detailed view of performance across the contract. When any service area underperforms, corrective actions and improvement goals are set, which are then closely monitored. Operational reports are generated regularly (weekly or monthly), and exception reports are issued when thresholds are breached or risk being breached, providing an early warning system. Periodic SLA reports are shared with stakeholders in advance of review meetings, ensuring any discrepancies are resolved proactively. These reports include performance against SLA targets, trends in service delivery and improvement initiatives underway. SLA monitoring dashboard for a high-level performance overview of how achievements have measured up against targets are also included in the report. There is a growing awareness of the benefits of SLA-based contracts in the government sector. Although adoption is still in its early stages, a long-term shift toward SLA frameworks is anticipated, driven by the need for greater service quality, operational efficiency, and accountability. This shift will offer significant advantages for organised facility management service providers, enabling them to demonstrate value and build stronger, performance-driven relationships with their clients.

Vendor evaluation and selection in the government sector: Government contracts are usually awarded to the lowest (L1) bidder and not to a service provider with much more sophisticated resources or professionalism that may be costlier than L1. This trend is moving towards Combined Quality cum Cost-Based Selection (CQCBS) basis that entails evaluation based both on the cost committed and the technical qualifications of the bidder. CQCBS is a selection process to determine the most appropriately qualified service provider based on quality-cum-technical competitiveness attributes, leading to a negotiated award of services on a fair and reasonable basis. The most important quality-based attributes by which to judge a service provider's suitability to carry out a particular project, regardless of the selection process stages, generally are professional competence, managerial ability, availability of resources, and professional integrity. The evaluation of the proposals in this model are also carried out in two stages: first the quality, and then the cost. Like the L1 regime, the evaluators of technical proposals do not have access to the financial proposals until the technical evaluation is concluded. The total score is obtained by weighting the quality and cost scores and adding them. The weight for the "cost" is chosen, taking into account the complexity of the assignment and the relative importance of quality. The proposed weights for quality and cost are specified in the bid document. The service provider obtaining the highest total score is invited for negotiations.

Parameters to Short-list Facility Management Service Providers

End users outsource the facility management services to get certain desired benefits, but they can be achieved only when the right service provider is chosen. The service provider must offer the right skills, processes, and resources that go above and beyond what an organisation can manage in-house. To select the right service provider, the below key evaluation criteria are used by different end user segments.

Exhibit 9:14: Selection Parameters, India, FY2026

SELECTION PARAMETER	WEIGHTAGE	INSIGHTS
Technical capability and experience	High	Service providers should have the capability to scale up manpower with specialised skill sets as per client requirements. They should also have expertise across all systems, processes, delivery models - from managed services to traditional IT and strategic outsourcing. This helps the clients achieve an integrated multi-sourcing strategy to achieve maximum benefits.
Service excellence	High	Quality of service delivery is considered crucial and this can be delivered through expertise, efficiency, customer service, innovation, and smooth operations. Focusing on the quality of the facility management service would eventually result in sustainability, cost reductions and improved efficiency of the asset, which are critical aspects in client's perspective.
Price	High	A vast majority of the clients are price sensitive and have a natural tendency to resist any price increase in the services provided by service providers. Pricing is a key determinant for success and often facility management service providers need to balance their operational costs and client requirements.
Technology and innovation	Medium	Facility management service providers are expected to have the capability to contribute towards the organisational success of their customers. In the future, service providers need to transform how they operate if they are to remain competitive, and are able to manage larger, more integrated contracts. Digital technology and innovations are central to this transformation.

Source: Frost & Sullivan Analysis

Apart from the above criteria, financial stability (especially in government segment), compliance, certifications, workforce strength and training, service customisation, sustainability practices etc. are also evaluated by the end users.

Technology Trends

Technology for facility management is evolving at a rapid pace, and it is crucial for service providers to keep up to the evolving client requirements through technology adoption. New tools, from wearables to AI and augmented reality/ virtual reality, are evolving every day to enable facility managers to optimise service delivery and operational efficiency. The increasing adoption of internet and cloud connected devices and assets has led to the development of mobile applications to remotely manage a building/ multiple buildings 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 common technologies adopted by Indian facility management service providers are

- 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.
- Computerized Maintenance Management Systems:
 - This is a software that centralises maintenance information of assets/ facilities. This helps in optimising the utilisation of resources.
 - It also enables prioritisation of urgent tasks and assign technicians automatically, track work orders, preventive maintenance schedules etc.
- Automated Facility Maintenance:
 - Unorganised work environment leads to complex situations which in turn leads to poor management and underutilisation of resources. Automated processes make everything easy to manage and they also help in maintaining an organised work environment.
 - These systems also help in automatically assigning tasks to employees and monitor their activities.
- Deployment of AI and Robots:
 - Assigning robots to complete complex cleaning and simple repair task helps to free up time of critical resources.
 - Use of AI for scheduling of cleaning, security, utility services etc.
 - Chatbots for helpdesk, service requests etc.
 - The adoption of AI is at a nascent phase and yet to be fully explored by service providers in India.
- 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 25.0% 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.
- Cloud Solutions:
 - Facility management software which are cloud-based, brings in opportunities for 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.

Mature markets such as North America and Europe have adopted advanced technologies such as digital twins, augmented reality (AR) & virtual reality (VR) and blockchain and these technologies are expected to be adopted in India in the long-term.

- Integrated Workplace Management Systems:
 - This is a unified platform for integrating space planning, asset management, leasing, and maintenance, which enables data-driven decision-making and strategic planning.
- Digital Twins:
 - Digital twins are used to create a digital replica of assets under maintenance and are used for remote monitoring, energy modeling, and scenario simulations. This helps in lifecycle planning and proactive maintenance.
- Augmented Reality & Virtual Reality:
 - AR is used for real-time guidance during equipment repair or inspections to effectively reduce downtimes of equipment/ systems.
 - VR is used for virtual building tours, training, and safety simulations.
- Blockchain:
 - Blockchain provides transparency in vendor and contract management, security, and efficiency, especially in complex, multi-vendor environments in facility management.
 - This technology enables tamper-proof maintenance records and asset history, automated payment to service providers via smart contracts based on performance data, inventory tracking among others.

Value-added Services

Built environment is one of the most focused areas from carbon emissions perspective and several technological solutions are being used to improve operational efficiency and to achieve net-zero buildings or carbon neutral buildings. This also has an impact on the facility management services, as the service providers need to accommodate the dynamic requirements of the asset and the vision of the asset owners.

Facility management service providers with standard service offerings run the risk of losing out of these bespoke growth opportunities and eventually market revenues. Given the current digital revolution across end user segments, the global facility management services market is already witnessing multiple partnerships or mergers and acquisitions towards energy management, digital solutions and workplace management among others. In India, facility management service providers concentrate on value-added services and are a critical pathway to stay competitive in the market and to tap into niche growth areas associated with facility management. Some of the value-added services provided or that have potential in the long-term in India include energy management services, building management systems, and remote monitoring solutions.

Energy Management Services: Energy management which was a disparate service is now being included under the purview of facility management contract. Growing awareness on environmental sustainability

and India’s commitment to carbon neutrality would pave the way for a better regulated energy management services market in the long-term. There is a high growth potential for facility management companies in this space. Facility management companies with sound understanding of the needs of the property being managed are well-positioned to capitalise on the opportunities for energy related services.

Building Management Systems (BMS): This is a computer-based control systems installed in buildings to monitor and manage key mechanical and electrical components such as ventilation, lighting, power, fire safety, and security systems. These systems play a crucial role in optimising building performance, energy usage, and occupant comfort. A growing trend in the industry is the integration of building analytics with BMS platforms. These analytics tools enable automated diagnostics to detect faults and inefficiencies in building systems before they impact performance or occupant comfort. Modern BMS platforms are increasingly embedding advanced analytics into their software, allowing for automated responses to issues, thereby preventing costly breakdowns and minimising energy wastage.

Remote Monitoring System (RMS): This is an advanced solution that enables the monitoring and control of equipment and systems across one or more buildings from a centralised/ remote location. By leveraging cloud-based technology, RMS allows facility managers to efficiently oversee geographically dispersed facilities, enhancing operational productivity and reducing costs. RMS supports predictive and proactive maintenance, minimising downtime caused by disruptions or system failures. The growing adoption of remote data management and analytics-driven insights are playing a key role in boosting building efficiency in India. Leading facility management companies are shifting towards technology-enabled services, incorporating IoT-based solutions. These services offer data analytics, multi-system management, fault detection, and real-time smart alerts that empower facility managers to make informed, timely decisions.

Industry Risks and Challenges

The Indian Outsourced Facility Management Services Market is facing a few challenges, despite its high growth prospects. One of the critical challenges is the 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. While inflation impacts all types of contracts, medium and short-term contracts are easier for many service providers to keep up than long-term ones because the latter will result in price increases which may or may not be passed on to the customers.

Exhibit 9.15: Industry Risks and Challenges, India, FY2026

INDUSTRY RISKS AND CHALLENGES	DESCRIPTION	IMPACT ON GROWTH FY2026 – FY2030
Tight 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.	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.	High

Price sensitivity	Customers are highly price sensitive, and this has resulted in increasing preference for companies who are non-compliant with regulations related to social security such as EPF, Employees' State Insurance Scheme (ESIC) etc., as these companies are able to provide services at much lower prices than the organised companies.	High
Increasing operational costs	Increasing wages, compliance costs, material expenses etc. create pressure on profit margins. Higher energy and maintenance costs affect operational efficiency.	Medium to High
Payment delays	Extended receivables period from customers creates cash flow challenges for service providers.	Medium to High
Lack of market maturity	The Indian market lags in areas such as market maturity and appreciation for high standards of service delivery.	Low to Medium

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

Source: Frost & Sullivan Analysis

Key Success Factors

The Outsourced Facility Management Services Market is expected to see unprecedented growth over the next decade driven by the investments in end user segments and improvements in outsourcing rates. As the industry evolves, the service delivery in terms of quality and customer experience are also expected to see significant enhancements – technology adoption is expected to increase and the business models are expected to move from labour-centric to output-centric.

Exhibit 9.16: Key success factors in Outsourced Facility Management Services Market, India, FY2026

FACTORS	IMPACT	INSIGHTS
Ability to adopt advanced technologies	High	The facility management companies are rapidly adopting advanced technologies to enhance service delivery. Technology now plays a crucial role in the success of facility management service providers. Key technology to focus on includes AI, remote monitoring, cloud-based solutions etc.
Retention of skilled workforce	High	Facility management services currently rely heavily on manpower and man hours. Because of this, it's essential for service providers to maintain a strong workforce with the right skills. As technology evolves, new skill sets will be needed to manage modern facilities effectively. To stay competitive, it's crucial for companies to focus on training and upskilling their existing employees, rather than constantly hiring new staff— especially in today's challenging and competitive job market.
Pan India presence	High	The demand for facility management services is rising due to growing population in Tier 1 cities and the expanding IT/ITeS and banking sectors in Tier 2 cities. Additionally, government initiatives such as Smart Cities are contributing to the growth of infrastructure and assets across India.

		Therefore pan-India presence offers a significant advantage, enabling service providers to expand their reach and capture greater market share.
Competitive pricing	High	The presence of numerous low-cost, unorganised service providers and price-sensitive customers across various end-user segments puts constant pressure on pricing and profit margins for organised players. In such a competitive landscape, adopting effective and competitive pricing strategies are essential for winning contracts and sustaining growth.
Differentiated services/ Value-add services	Medium	Service providers who offer innovative and specialised services, tailored to align with client business needs are more likely to gain a competitive edge in the market.
One stop solution	Medium	The industry is shifting towards one-stop solution providers that offer all outsourced services under a single umbrella. This model minimises contact points between the client and the service provider, enabling both the company and the facilities team to focus more effectively on core facility needs and customer service. Integrated service delivery also allows for streamlined operations and cost efficiencies by combining services where possible.
Customer retention	Medium	The most common contract duration is annual, and therefore, companies with the ability to retain clients have a competitive advantage.
Forging value chain partnerships	Medium	Forging value chain partnerships to provide bespoke solutions in a short period of time is important to stay ahead of competition. Partnerships provide easy access to customer network, increase manpower strength, widen service portfolio, and expand geographic footprints to increase brand visibility.
Brand reputation	Medium	Brand reputation is a critical component for the success of the business. Creating brand awareness and complying to quality standards will enhance brand recall and eventually result in client retention.
Alliances with real estate developers	Medium	Partnerships with real estate developers would enable the discussion on facility management service much earlier and this gives an advantage to the service providers. This also enables the opportunity to tap into larger contracts for energy management or building management systems.

Source: Frost & Sullivan Analysis

Outsourced Facility Management Services Market Competitive Landscape

Competitive Structure

Indian Outsourced Facilities Management Services Market is extremely fragmented with about 500 companies operating across the country. Seven large companies make up the Tier 1 category and have their presence across geographies and provide a vast range of services across all end user segments. The Tier 1 category controls about 26.5% of the total market in FY2026. 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 sometimes sub-contract their services to gain access to various regional markets, manpower and customers.

Exhibit 9.17: Outsourced Facility Management Services Market: Key Competitive Insights, India, FY2026

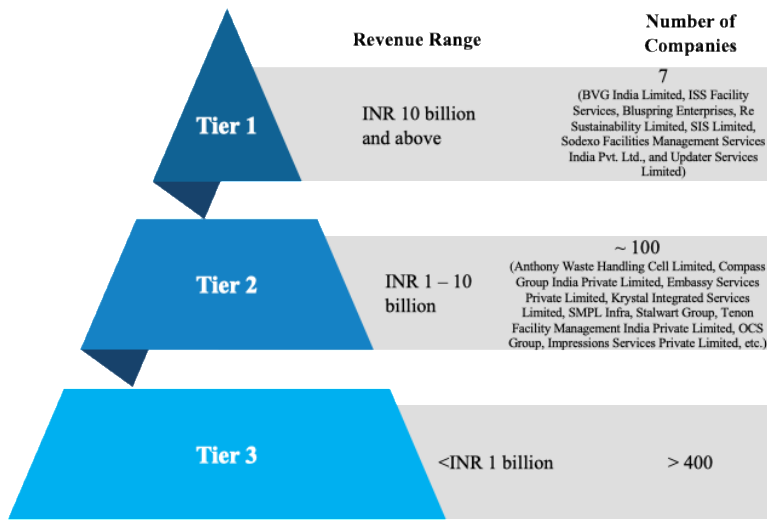
ATTRIBUTES	FACILITIES MANAGEMENT MARKET
Number of Companies	<ul style="list-style-type: none"> • ~ 500
Major Market Participants	<ul style="list-style-type: none"> • BVG India Limited • ISS Facility Services • Bluspring Enterprises • Re Sustainability Limited • SIS Limited • Sodexo Facilities Management Services India Pvt. Ltd. • Updater Services Limited
Other Notable Market Participants	<ul style="list-style-type: none"> • Anthony Waste Handling Cell Limited • Compass Group India Private Limited • Embassy Services Private Limited • Krystal Integrated Services Limited • Rentokil Initial Hygiene India Private Limited/ PCI • Stalwart Group • Kapston Services Limited • Tenon Facility Management India Private Limited
Facility Management Consultants/ Managing Agents	<ul style="list-style-type: none"> • JLL Property Consultants India Private Limited • CBRE South Asia Private Limited • Knight Frank India Private Limited • Cushman & Wakefield India Private Limited • Others • The above companies sub-contract facility management projects to companies like BVG India Limited etc.
Key Competitive Factors	<ul style="list-style-type: none"> • Local market know-how. • Retention of skilled manpower. • Regulatory compliance. • Brand reputation/ brand recall. • Financial capabilities. • Ability to incorporate advanced technologies. • Preventive maintenance techniques. • Ability to integrate end-to-end manpower & business services catering to entire range of customer's requirements. • Value-added services. • Customer retention: In facilities management business, the most common form of contract is annual and therefore companies with the ability to retain clients have a competitive advantage.

Source: Frost & Sullivan Analysis

The Outsourced Facilities Management Services Market in India is predominantly fragmented and unorganised. A significant portion of the market is controlled by small and medium enterprises. Motivated

by the necessity for a structured approach among end users and the rising demand for professional facilities management services, the market is witnessing a trend towards consolidation. Customers’ awareness regarding the risks linked to unorganised service providers that fail to meet quality and safety standards is also contributing to market consolidation.

Exhibit 9.18: Outsourced Facility Management Services Market: Competitive Structure, India, FY2026



Source: Frost & Sullivan Analysis

Small and regional businesses encounter several significant challenges when trying to scale up, including capital investment, regulatory compliance, and the need to enhance their capabilities. The implementation of the GST in India is anticipated to foster greater transparency, as clients are likely to rely on formal banking methods to settle their service and labor costs, thereby promoting the expansion of the organised sector.

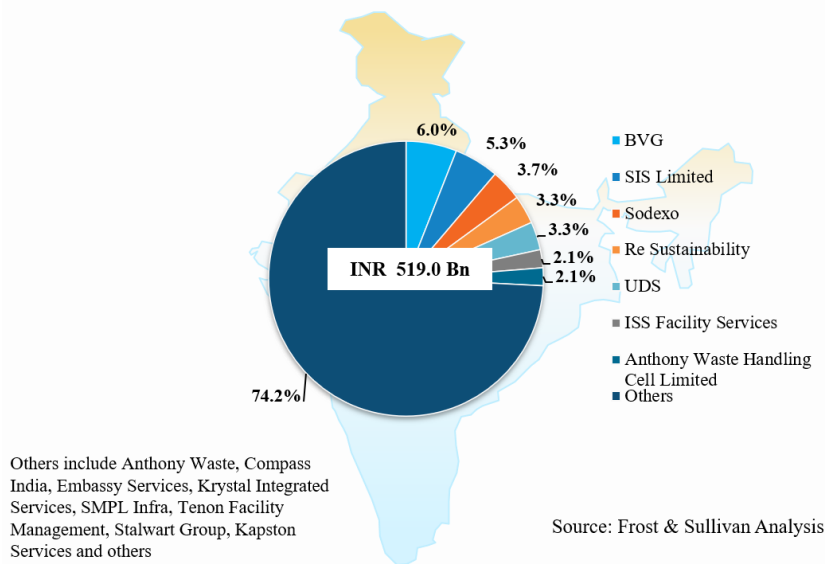
Furthermore, the rising demand for a unified point of contact for all facility management services, energy efficiency, rigorous quality and compliance requirements are predicted to boost the need for structured procurement, which is likely to lead to market consolidation. This trend would enhance growth prospects for organised service providers such as BVG India Limited, ISS Facility Services, Sodexo Facilities Management Services India Pvt. Ltd., Bluspring Enterprises, SIS Limited, Updater Services Limited, Stalwart Group, Krystal Integrated Services Limited, Kapston Services Limited and others.

Market Share Analysis

The top three companies in the Outsourced Facilities Management Services Market are BVG India Limited, SIS Limited and Sodexo Facilities Management Services India Pvt. Ltd. These companies have a combined market share of 15.0% in FY2026. BVG India Limited was founded in 1993 and is the leading facility management service provider in India. Their other business lines include emergency response services, sustainability and renewable energy solutions and special projects. The company focuses on a wide range of end user segments such as automotive, healthcare, banks, chemicals, pharmaceuticals, educational, and government. BVG India Limited 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.

SIS Limited is the second largest facility management company in India providing cleaning, housekeeping, technical and pest control services under integrated contracts. The 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, 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.

Exhibit 9.19: Outsourced Facility Management Services Market: Competitor Share Analysis, India, FY2026



Sodexo Facilities Management Services India Pvt. Ltd. is another leading company offering 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.

Stalwart Group under its facility management services provide soft services such as housekeeping, landscape and gardening/horticulture, front desk and guest relations, pantry management, pest control and façade cleaning services. It also provides hard services such as electrical, plumbing, mechanical, carpentry, HVAC and AMC management. The facility management business vertical delivers comprehensive facility management solutions, spanning soft and hard services, to streamline clients' daily operations and enable them to focus on their core business activities. The Company is well-positioned to capitalise on growth across end user segments such as infrastructure, manufacturing, residential, IT, logistics, and others, driven by rising demand for integrated manpower and facility management solutions. Many other companies providing facility management solutions to the retail segment work within small premises wherein technical maintenance AMC vendors are not always reliable; but Stalwart Group has developed cluster maintenance (at 5-10 locations) Under this model, geographically clustered locations are serviced by mobile, multi-skilled technician teams, enabling rapid response times and consistent service quality. This solution improves asset uptime and operational continuity for small-format retail outlets, quick service restaurants, and bank branches that do not maintain full-time on-site technical staff.

Rising investments in end-user sectors, improving outsourcing rates from the government sector, and an expanding range of facility services are all projected to benefit the long-term growth of organised companies. Major companies are preparing to take advantage of this growth potential by leveraging technology, improving skills and service delivery, and prioritising customer experience, among other strategies.

Competitor Service Mapping

Exhibit 9.20: Outsourced Facility Management Services Market: Competitor Service Mapping, India, FY2026

COMPANY NAME	SOFT SERVICES	HARD SERVICES	CITY MAINTENANCE SERVICES	PRODUCTION SUPPORT SERVICES	CATERING SERVICES	STAFFING SERVICES	SECURITY SERVICES
BVG India Limited	✓	✓	✓		✓		✓
Bluspring Enterprises	✓	✓		✓	✓		✓
Re Sustainability Limited	✓	✓	✓				
SIS Limited	✓	✓				✓	✓
Sodexo Facilities Management Services India Pvt. Ltd.	✓	✓			✓		
Stalwart Group	✓	✓		✓		✓	✓
Updater Services Limited	✓	✓		✓	✓	✓	

Source: Frost & Sullivan Analysis

Overview of Soft Services Market in India

Market Overview

Soft services are non-technical and people-oriented services to make the buildings and assets safer, cleaner and operationally efficient. Soft services are further segmented into housekeeping/ cleaning services, sanitation services and landscaping & gardening services. While the above three are the major services under a soft services contract, several other services such as mailroom management, waste management, concierge, and help desk management are also included in an integrated soft services contract, depending upon the client requirements.

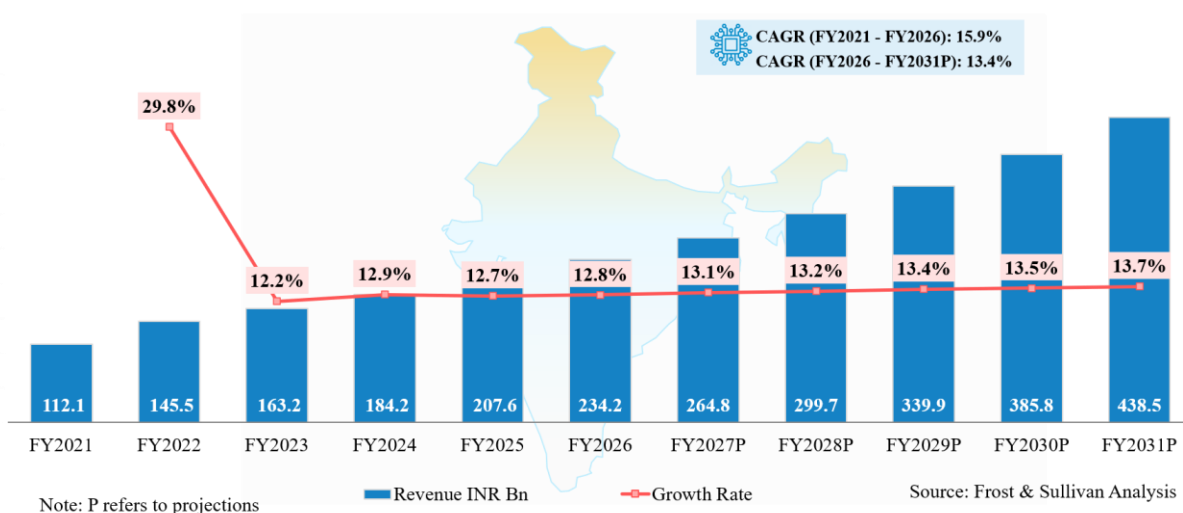
Rise in urbanisation, growth in IT/ITeS segments, and expansion of organised retail have contributed to the development of Soft Services Market in India. Outsourcing of soft services is driven by cost efficiency, scalability, flexibility, access to technology, improved service quality, compliance etc. the key challenges are that the service delivery is reliant on manpower and given the shortage of skilled manpower, the industry witnesses high attrition rates.

Similar to the facility management contract, the soft services contracts are also moving towards outcome-based, especially in the organised segment. Other market trends include technology integration – for example use of software applications for workflow, service delivery, attendance, quality audits, customer feedback etc. The soft service delivery is expected to remain labour-driven, but the adoption of technology would augment service delivery and improve user experience. Green practices in service delivery are also gaining traction currently and this is expected to only increase in the long-term as more companies start to focus on Environmental, Social, and Governance (ESG) concepts in their businesses.

Market Size and Revenue Forecast

Soft Services Market is estimated at INR 234.2 billion in FY2026 and recorded a CAGR of 15.9% during FY2021–FY2026, supported by strong growth across commercial offices, healthcare facilities, residential complexes, retail establishments, and transportation infrastructure. The market witnessed a de-growth of 15.8% in FY2021 due to the COVID-19 pandemic, followed by a strong recovery driven by the resumption of economic activity and increased focus on hygiene, cleanliness, and workplace safety.

Exhibit 9.21: Soft Services Market: Historic and Forecast Revenues, India, FY2021 – FY2031P



The commercial office segment witnessed a strong return-to-office trend during FY2023–FY2026, resulting in increased demand for housekeeping, cleaning, disinfection, pest control, landscaping, and support services. Growth in healthcare infrastructure, airports, logistics facilities, educational institutions, and premium residential developments has further supported demand for outsourced soft services.

With increasing outsourcing adoption and continued investments across key end-user segments, the Soft Services Market is projected to reach INR 438.5 billion by FY2031P, recording a CAGR of 13.4% from FY2026 to FY2031P. Growing preference for integrated service delivery, higher compliance requirements, and increasing focus on occupant experience are expected to support market growth over the forecast period.

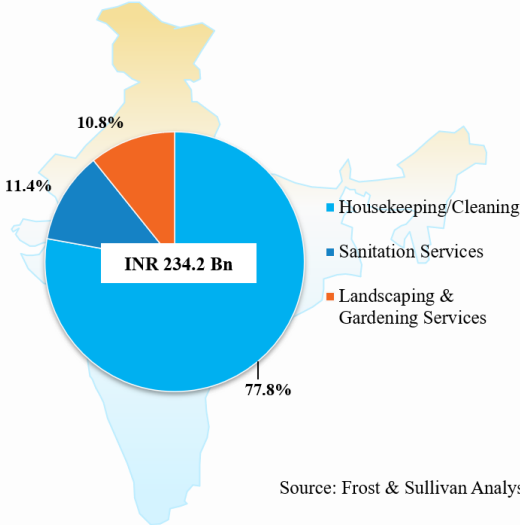
Market Segmentation by Services

Housekeeping/ cleaning services (also called as janitorial services) is the largest contributor to market revenues in Soft Services Market with a market share of 77.8% in FY2026 and this segment is expected to maintain its domineering position during the forecast period.

Housekeeping/ cleaning services: The significance of maintaining clean and sanitary workplaces is fuelling the demand for housekeeping/ cleaning services across end user segments. A clean business environment enhances focus and improves productivity by alleviating stress and anxiety, especially during health crises like the COVID-19 pandemic. The provision of housekeeping/ cleaning services has progressed over time by incorporating technological advancements. Numerous innovations in cleaning equipment and tools have enabled workers to deliver exceptional service quality while boosting productivity among on-site personnel.

Sanitation services: The pandemic brought significant focus on workplace hygiene, leading to a surge in demand for sanitation services across various commercial offices in the recent years. The need for sanitation services in the commercial sector is projected to stay elevated throughout the forecast period and would be driven by the growing awareness for hygiene and sanitisation. Hygiene standards are becoming a business expectation and this would create demand for sanitation services in the long-term. Additionally, other sectors such as hospitals, hospitality, and educational institutions are also anticipated to maintain a strong demand for sanitation services as they are mandated to maintain high sanitation standards.

Exhibit 9.22: Soft Services Market: Segmentation by Services, India, FY2026

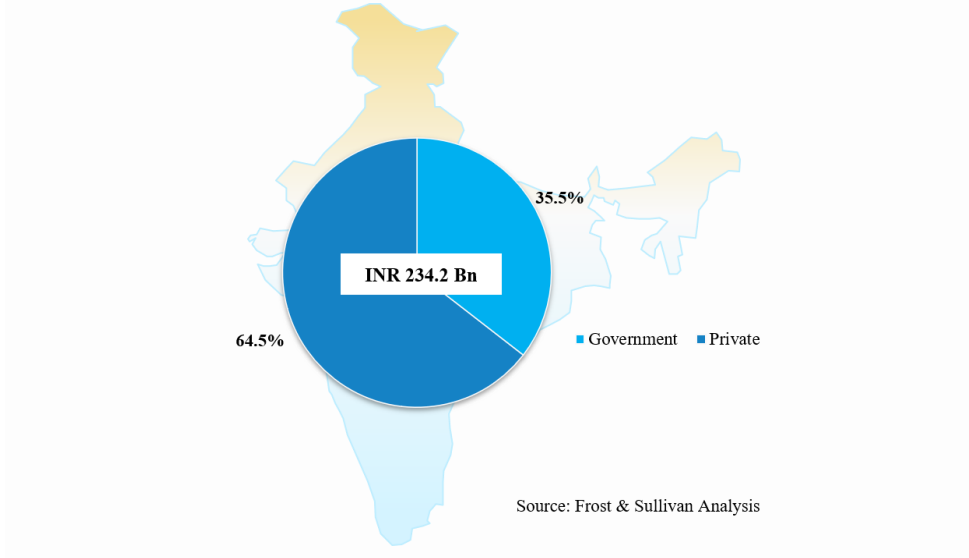


Landscaping & gardening services: Increasing per capita income and the shift towards more progressive lifestyles have contributed to the development of landscaping and gardening services in India. The demand for these services is enabled by the rise in urbanisation, environmental awareness, growing interest in aesthetic and sustainable living. Investments in green buildings and green concepts are also driving the need for open spaces, and this is also contributing to the demand for landscaping and gardening services.

Market Segmentation by Government versus Private Sector

Soft Services Market is dominated by the private sector with a share of 64.5% of the total market in FY2026. Commercial offices, healthcare, industrial, airports and residential segments are the key contributors of the soft services demand across private and government segments.

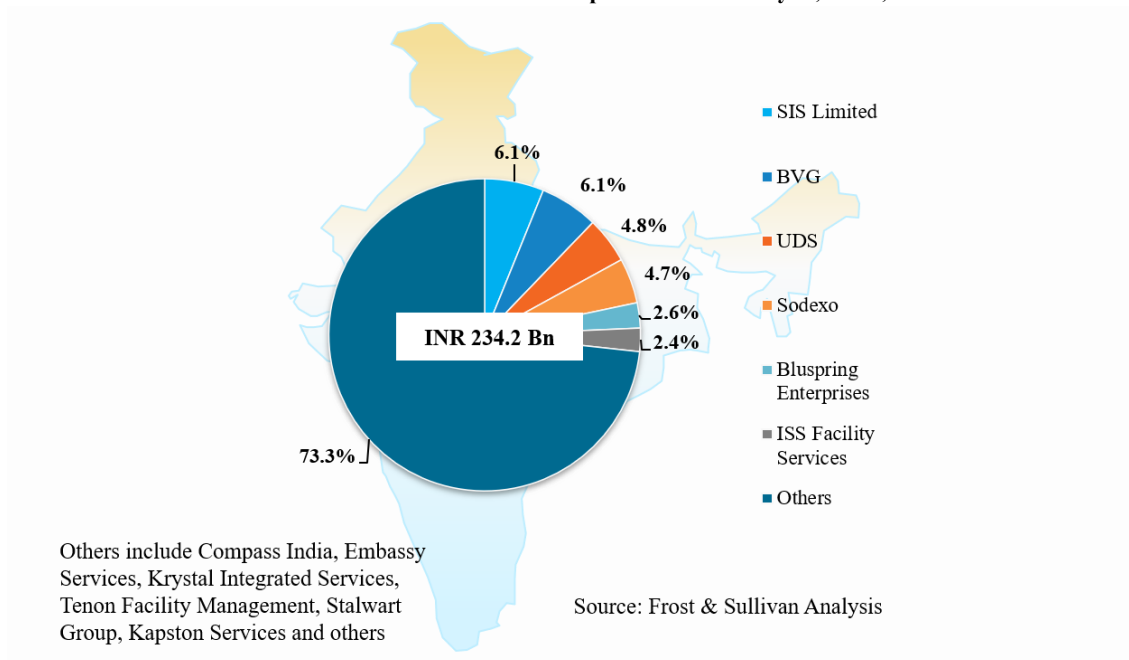
Exhibit 9.23: Soft Services Market: Segmentation by Government versus Private Sector, India, FY2026



Competition Overview and Market Share Analysis

Almost all of the facility management service providers offer a wide range of soft services in India. The top five companies in this segment are SIS Limited, BVG India Limited, Updater Services Limited, Sodexo Facilities Management Services India Pvt. Ltd. and Bluspring Enterprises. These five companies account for a combined share of 24.3% of the total market in FY2026. Soft Services Market is extremely fragmented in India, with the market leader, SIS Limited & BVG, having a share of 6.1% each, of the total market in FY2026.

Exhibit 9.24: Soft Services Market: Competitor Share Analysis, India, FY2026



Overview of the Cleaning Services Market in India

Market Overview

Cleaning services are also called housekeeping and janitorial services and is part of the soft services contracts. The primary services provided under cleaning contracts are daily and deep cleaning, floor maintenance, carpet maintenance, toilet sanitation services, waste segregation and disposal etc. across all end user segments. Within the industrial segment, the cleaning services are also extended to machinery & equipment, pressurised water cleaning, cleaning of tanks, vessels, ducts, exhausts etc. On a case-to-case basis, sanitation services are also combined with the cleaning services.

Industry Operations

Demand for cleaning services is driven by the need for hygiene in facilities and buildings across end user segments. With increasing costs and unavailability of manpower, the service delivery is shifting towards mechanised cleaning solutions through technology adoption. Other major market trend that is expected to define the future service delivery are sustainable and green products for cleaning.

Technology adoption: Mechanised cleaning solutions are emerging as a game-changing solution for end users that focus on operational efficiency and safety. These solutions not only enhance cleanliness and improve hygiene, but also streamline operations, reduce labor costs, and improve overall productivity.

- **Scrubbers:** Scrubber driers, high-pressure steam cleaners, industrial vacuum cleaners, walk-behind sweepers and robotic scrubbers are some of the common cleaning equipment used in India for mechanised cleaning solutions. These equipments' are being used across all major end user segments in India and the major value derived from these solutions for customers include improved employee safety and well-being, compliance with regulatory requirements, improved lifespan, better indoor air quality and lower downtime.
- **Cleaning robots:** Early adopters for cleaning robots in India are end users that have large spaces and that are hygiene conscious. So, the demand was coming from industrial segments such as food processing, pharmaceutical, warehouses and other manufacturing companies. Product advancements and innovations lead to development of cleaning robots for a wide range of applications including carpets, soft floors etc. and this enabled the deployment of cleaning robots in hospitality, commercial offices and residential segments.
- **IoT and analytics:** The integration of IoT and analytics into cleaning services in India is transforming traditional methods into smart, efficient, and data-driven operations. IoT and analytics are used to monitor cleanliness levels real-time, track cleaning schedules and workforce movements, manage supplies, and predict cleaning needs using occupancy and usage data. This is gaining popularity in urban infrastructure, healthcare, IT and ITeS, airports, shopping malls etc.

Sustainable and green products: The growing consciousness about environmental sustainability has resulted in a transition towards eco-friendly cleaning agents in cleaning solutions provided by facility management companies. Conventional cleaning products typically include harsh substances that can adversely affect human health and the environment. In contrast, green chemicals are chemical free, non-toxic and biodegradable and are sourced from renewable materials, reducing their carbon impact. These eco-friendly options are equally effective at cleaning, disinfecting, and freshening spaces without posing a risk to occupants or harming ecosystems. Water-saving cleaning methods, eco-label certified cleaning products, automated/ sensor-based dispensers and energy-efficient cleaning equipment are also gaining attention among end users for sustainability in cleaning solutions. The adoption of sustainable cleaning

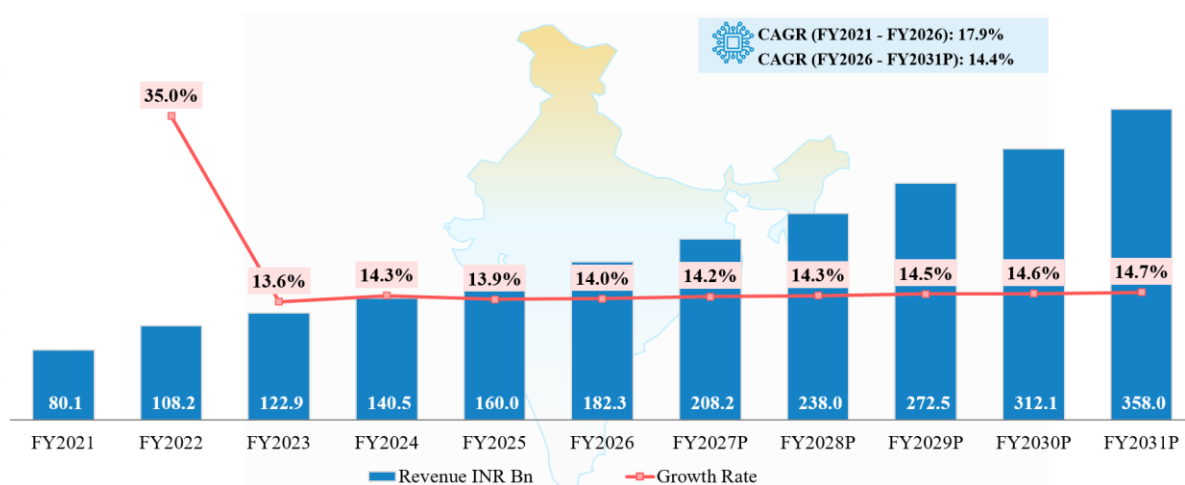
products and methods would grow in significance in the long-term driven by corporate ESG mandates and adoption of green building certifications.

While most of the industry challenges in facility management are applicable for cleaning services market, a major concern specific to cleaning services in the recent times is the inconsistent and unpredictable distribution of work volumes through the week, which result in work scheduling challenges, rationalisation of human resources, and maintaining stock of essential supplies. These challenges are also limiting the end users in adopting robust technology, especially in the commercial offices segment.

Market Size and Revenue Forecast

The Cleaning Services Market is valued at INR 182.3 billion in FY2026 and recorded a growth of 13.9% over FY2025. Demand for cleaning services continues to be driven by increasing investments across healthcare, hospitality, commercial offices, organised retail, residential complexes, transportation infrastructure, and industrial facilities. Growing emphasis on hygiene, sanitation, occupant well-being, and regulatory compliance is further supporting demand for professional cleaning services across end-user segments.

Exhibit 9.25: Cleaning Services Market: Historic and Forecast Revenues, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

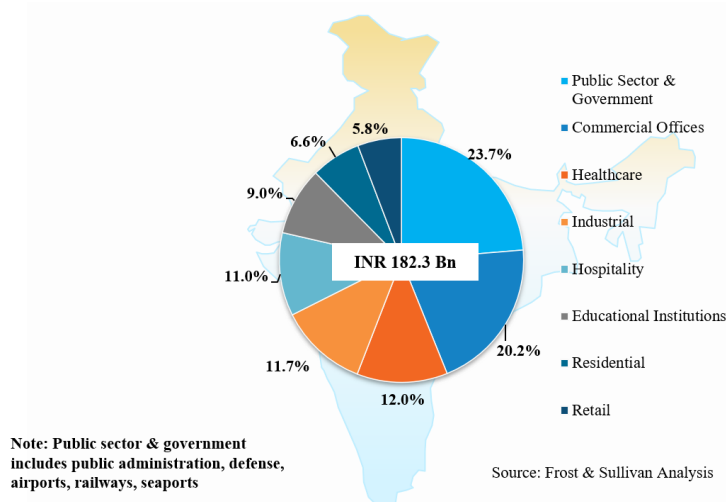
The expansion of commercial and economic activity beyond Tier 1 cities, coupled with increasing outsourcing adoption across healthcare, education, retail, and government facilities, is expected to create additional growth opportunities for service providers. Demand for specialised cleaning, disinfection, façade cleaning, and mechanised cleaning solutions is also expected to increase over the forecast period.

Backed by these factors, the Cleaning Services Market is projected to grow at a CAGR of 14.4% from FY2026 to FY2031P, reaching INR 358.0 billion by FY2031P.

Market Segmentations by End User Segments

Cleaning services demand from all end user segments remains high and the highest outsourcing rate can be seen in commercial offices, healthcare, industrial, educational institutions, airports, and railways. Public sector & government, commercial offices and healthcare were the top three segments with a combined

Exhibit 9.26: Cleaning Services Market: Segmentation by End User Segments, India, FY2026



market share of 55.9% of the total market in FY2026. Outsourcing from the public hospitals, schools and other government buildings is expected to increase in the long-term and this would continue to be the top revenue generator for facility management companies.

Competitive Landscape

The Cleaning Services Market is extremely fragmented due to the low entry barriers associated with service delivery. A vast majority of the services also require low- to medium-skilled manpower, and this also adds to the fragmented nature of the market. The organised segment is dominated by large facility management companies across commercial offices, industrial, healthcare, hospitality, and institutional segments. Organised companies focus on automation, technology, service quality, labour compliance etc. Small companies and individual service providers make up the un-organised segment and they dominate the residential and low-budget commercial spaces. Price is the pitch point for the unorganised companies and the service delivery is commoditised with minimal differentiation and technology.

Overview of Hard Services Market in India

Market Overview

Hard services refer to the physical, structural, and technical services required to operate and maintain a built environment. Hard services are critical for safety, compliance, operational continuity, longevity of assets, energy efficiency and occupant comfort and satisfaction. Demand for hard services is driven by the increasing number of buildings across end user segments, the need for preventive and predictive maintenance to reduce downtimes and the growing demand for smart buildings.

Similar to the soft services, technology is playing a critical role in hard services delivery in India. IoT integration, cloud-based building management systems, AI & data analytics, computer-aided maintenance management systems, mobile workforce management applications etc. are some of the technologies used by the hard service solution providers.

Market Size and Revenue Trend

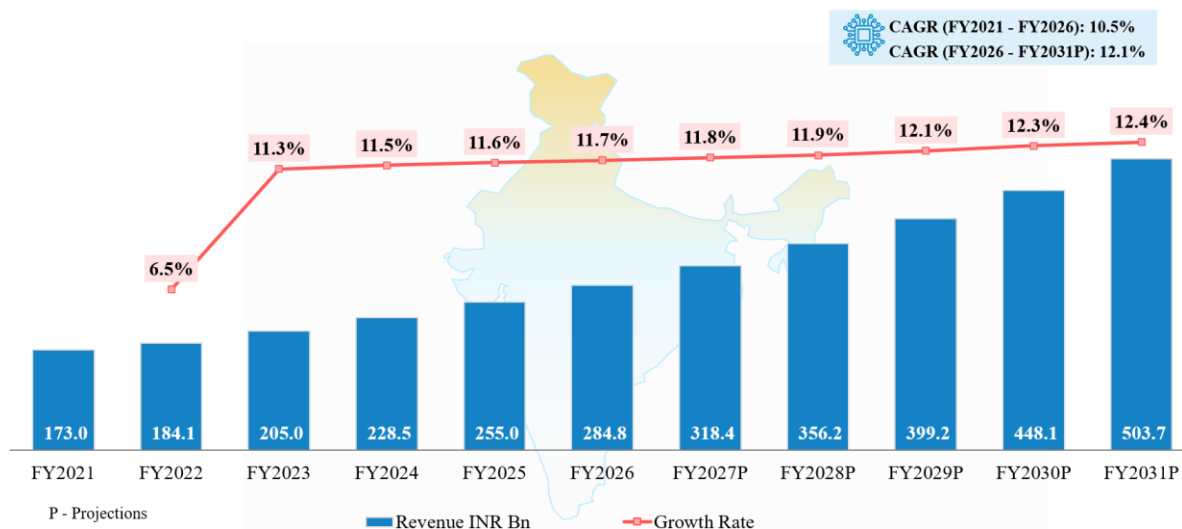
The Hard Services Market is valued at INR 284.8 billion in FY2026 and recorded a CAGR of 10.5% during FY2021–FY2026. The market witnessed a de-growth of 11.9% in FY2021 due to the COVID-19 pandemic,

followed by a steady recovery driven by investments across commercial real estate, manufacturing facilities, healthcare infrastructure, airports, logistics parks, and public infrastructure.

Increasing adoption of smart building technologies, integration of building systems, growing emphasis on energy efficiency, and sustainability targets are expected to broaden the scope of HVAC, MEP, energy management, and technical maintenance services over the long term. Urbanisation, infrastructure development, waste management initiatives, and sustainability-focused building operations are expected to remain key growth drivers for the hard services market.

The Hard Services Market is projected to reach INR 503.7 billion by FY2031P, recording a CAGR of 12.1% from FY2026 to FY2031P.

Exhibit 9.27: Hard Services Market: Historic and Forecast Revenues, India, FY2021 – FY2031P

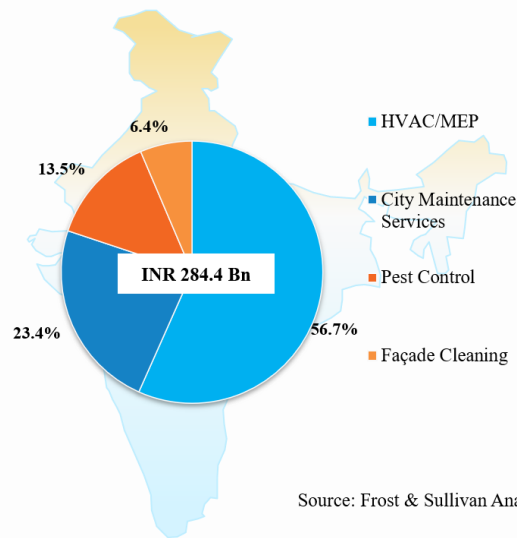


Source: Frost & Sullivan Analysis

Market Segmentation by Services

HVAC/ MEP services are the largest revenue contributors to the Hard Services Market in FY2026 with a share of 56.7% of the total market. Within the HVAC/MEP services, HVAC is the most predominant solutions provided under hard services contracts historically. However, in the past decade the segment has evolved to include diverse range of services, adopting 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, elevators & escalators, data and voice cabling etc. This widens the scope of services provided and thereby opportunities under hard services.

Exhibit 9.28: Hard Services Market: Segmentation by Services, India, FY2026



HVAC/MEP services: The demand for HVAC services is on the rise and is driven by urbanisation, growing expectation for occupant comfort & energy efficiency, climate change, infrastructure development and technological advancements. India is witnessing frequent and severe heatwaves, which is creating demand for air-conditioning services. Growing investments in high-rise buildings, IT parks, shopping malls etc. are also creating demand for advanced HVAC solutions to ensure indoor comfort and air quality. Growth in data centers in India is also contributing to the demand for air-conditioning systems and thereby hard services outsourcing. The most common HVAC services outsourced are air duct cleaning, filter replacement, chiller/ boiler system servicing, air handling unit inspections, thermostat and sensor calibration, energy efficiency audits etc.

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 HVAC 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 HVAC/MEP services

City maintenance services: City maintenance services for the purpose of this report includes municipal solid waste (MSW) management services only. MSW, commonly known as garbage or trash is a waste from everyday items that is discarded by us. Urbanisation is a critical factor driving the MSW generation in the country. Changing lifestyle patterns and 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 10.4% from FY2026 to FY2031P to reach 109.6 million metric tonnes per annum.

MSW management services refers to the door-to-door collection of domestic waste, treatment and transporting the waste to the landfills. This is primarily referred to as collection and transportation, waste treatment and disposal of waste. Municipal authorities and urban local bodies contract third party service providers for various waste management services. Different services provided under municipal solid waste management contracts include collection and transportation of waste, processing or waste treatment, landfill management etc. There is a growing focus towards waste treatment and recycling in recent years. Recycling

of solid waste, particularly the plastic waste is gaining popularity in India and this segment is expected to witness higher demand in the long-term.

Major factors driving the demand for MSW management services in India are government schemes and budgets, regulations, and sustainability & circular economy targets/ initiatives.

- **Government schemes/ budget allocations:** Many developmental schemes to improve the standards of municipal solid waste management in India have been announced in the past. The most prominent of them are the AMRUT Scheme, Swachh Bharat Mission, and Smart City Mission. Budget allocations through these programmes are the key driving factors for the development of waste management infrastructure in India. These programmes have also increased the private sector participation in projects in the waste management sector. Government's commitment to achieve net-zero by 2070 is another key factor expected to drive the demand for waste management services in the long-term. The budget allocations under Swachh Bharat Mission – Urban 2.0 for 2021 – 2026 is INR 101.683 billion and around INR 785.97 crore has been utilized up to February 2023⁵⁹.
- **Government regulations – Solid Waste Management Rules 2026:** The Ministry of Environment, Forest, and Climate Change (MoEFCC) released the Draft Solid Waste Management Rules 2024 in early CY2024, aiming to revolutionise the municipal solid waste management infrastructure across India. These new rules are expected to be implemented from late CY2026 and would be called the Solid Waste Management Rules, 2026. The draft rules seek to integrate circular economy principles, strengthening monitoring and enforcement, enhance stakeholder engagement, and optimize waste management practices throughout the country. The new regulations are expected to accelerate the creation of the waste treatment infrastructure over the next five years, thereby creating opportunities for service providers.
- **Sustainability & circular economy targets/initiatives:** Large corporations across industries in India have set sustainability targets/ waste reduction and recycling targets, as part of their ESG/circular economy campaign and this is also enabling the growth of the municipal waste management services market in India.

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. Strong macro-economic growth, population growth, urbanisation, expanding middle class, government initiatives such as the Swachh Bharat Abhiyan Hygiene 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.

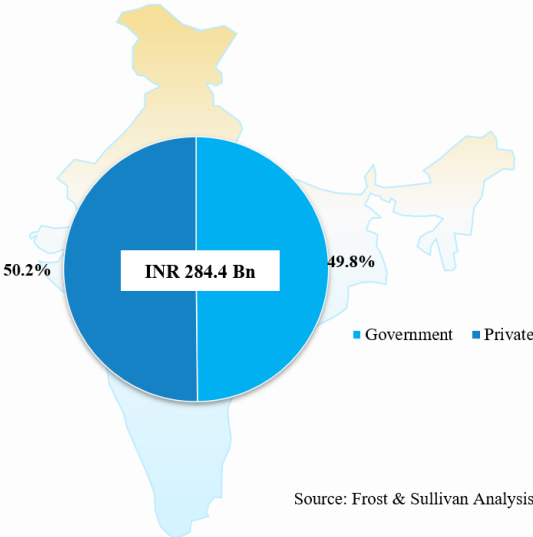
⁵⁹<https://www.data.gov.in/resource/phase-wise-details-budget-allocated-and-spent-utilized-under-solid-waste-management-swm>

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. Different services provided include manual rope access cleaning, boom lifts/ scissor lifts, automated cleaning systems, water-fed pole systems etc. The key factors driving the demand are growth in commercial buildings with glass facades, increasing focus on cleanliness, aesthetics, corporate image etc., 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, airports & public infrastructure etc.

Market Segmentation by Government versus Private

Hard Services Market had almost equal participation from government and private sector in FY2026. The higher share of the government sector is due to the presence of city maintenance services and the increase in hard services outsourcing from government buildings.

Exhibit 9.29: Hard Services Market: Segmentation by Government versus Private Sector, India, FY2026

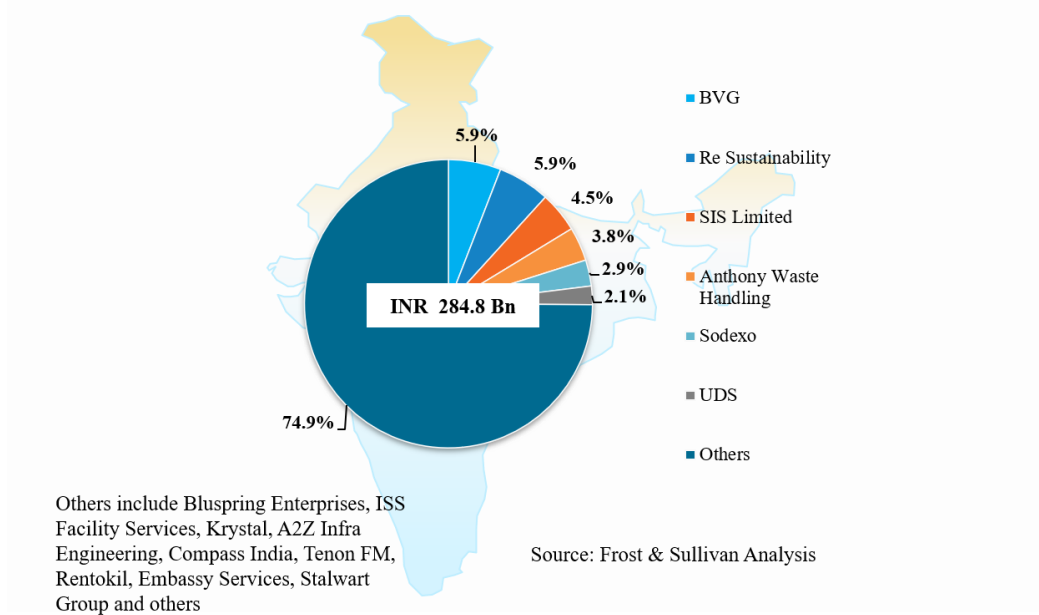


Competition Overview and Market Share Analysis

The competitive structure is very similar to the Soft Services Market, extremely fragmented. But the nature of players in this segment is slightly different - single-service solution providers such as city maintenance services, pest control services, MEP services, etc. dominate this segment. For example, a major company in this segment Re Sustainability Limited (previously known as Ramky Enviro) is predominantly into waste management services.

Another market leader, Anthony Waste Handling Cell Limited, is also into waste management services only and does not provide facility management services. Rentokil Initial Hygiene India Private Limited, another player in Hard Services Market is mainly into pest control services. Major facility management services providers offering hard services are BVG India Limited, SIS Limited, Sodexo Facilities Management Services India Pvt. Ltd., Bluspring Enterprises, Updater Services Limited, Compass Group India Private Limited, Krystal Integrated Services Limited, Stalwart Group among others.

Exhibit 9.30: Hard Services Market: Competitor Share Analysis, India, FY2026



The top five companies in Hard Services Market are BVG India Limited, Re Sustainability Limited, SIS Limited, Anthony Waste Handling Cell Limited and Sodexo Facilities Management Services India Pvt. Ltd.; these companies have a combined market share of 23.0% in FY2026.

Overview of Pest Control Services Market in India

Market Overview

The Pest Control Services Market in India is experiencing steady growth driven by an increase in focus on public health, sanitation and growing demand for pest-free environments across residential, commercial, and industrial segments. With increasing urbanisation, the necessity for improved quality of life takes centre stage, and this is expected to drive the long-term growth for pest control services in India. The market has evolved in the past decade in terms of products, techniques and technologies to respond to changing consumer preferences, environmental concerns and advancements in technology. Major trends expected to shape the future market are

Technology: Integration of IoT technologies for real-time monitoring and automation in pest control solutions are gaining traction in India. Smart pest control systems integrate sensors, GPS tracking and data analytics to monitor pest activity real time, automatically activate traps or repellents, and send alerts to pest control service providers. Such systems minimise the usage of chemicals and optimise labour costs, thereby enabling the service providers to offer efficient pest control services through overall reduction in operational costs.

Eco-friendly and sustainable pest control solutions: Customer preferences are shifting towards environmentally friendly products and solutions for pest control. Non-toxic chemicals, biodegradable products such as essential oils and plant-based insecticides, and biological pest control methods are in demand currently. Green/ sustainable/eco-friendly pest control products and solutions are gaining popularity due to their lower environmental footprint and lower health risks, particularly in homes, schools, and healthcare facilities.

Integrated pest control solutions: Integrated pest management solution is a holistic approach to pest control that combines biological, physical and chemical methods for long-term solutions. This is an innovative solution to address the major concern around pesticide resistance and environmental degradation. There is a growing preference for such integrated solutions to help reduce environmental and health impacts of pest control solutions.

Subscription-based pest control services: This business model includes preventive measures, routine inspections, and emergency services for pest control. This is popular in residential segment, where consumers sign-up for annual contracts, with periodic visits from service providers for pest control treatment and monitoring services.

Key Demand Drivers

Focus on health, hygiene and safety: Occupant health is one of the primary drivers for the growth in pest control services. This is a critical precautionary measure against vector-borne diseases such as malaria and dengue, caused by pests like mosquitoes and ticks. The growing awareness on the linkages between clean and sanitized living conditions and health is expected to contribute to the growth of the market in the long-term.

Urbanisation and population growth: Rapid urbanisation and population growth are leading to expanding city limits and densely populated urban areas. This increases the risks of pest related infection because of poor sanitation and lack of proper waste management methods, thereby creating demand for pest control services. Expanding middle-class and increasing disposable incomes are making pest control services affordable to consumers in the residential segment.

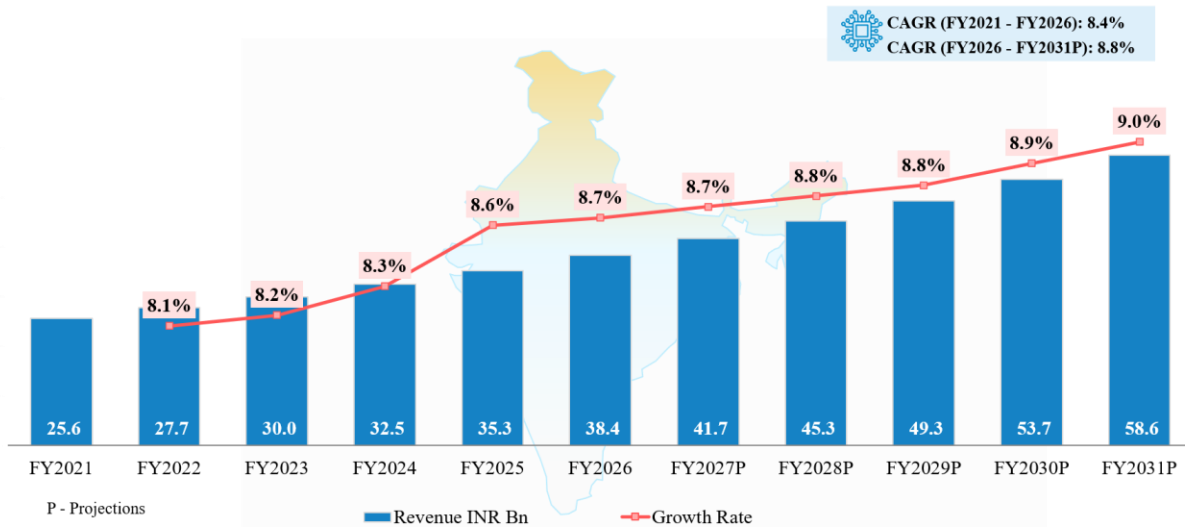
Growth in the industrial sector: The hospitality and food industries are the major demand drivers for pest control services in India. Hotels, restaurants, food processing plants, supermarkets, hypermarkets etc. are more vulnerable to pest infestations. In order to maintain cleanliness and food safety standards, these industries rely on pest control.

Rising awareness of pest-related property damage: Pests can cause significant damage to property; termite infestations can compromise the structural integrity of the buildings, leading to downtime and expensive repairs. Similarly, rodents can damage electrical wiring, insulation, and food supplies. Growing awareness of the potential financial implications with pest damage is expected to drive the demand for pest control services.

Market Size and Revenue Forecast

The Pest Control Services Market is estimated to be INR 38.4 billion in FY2026 and has recorded a growth of 8.7% from FY2025 to FY2026. Anticipated investments in key end user segments such as commercial offices, hospitality, healthcare and industrial are expected to increase the assets in these segments, which would remain a major demand driver in the long-term. The market is expected to grow at a CAGR of 8.8% from FY2026 to FY2031P to reach INR 58.6 billion.

Exhibit 9.31: Pest Control Services Market: Historic and Forecast Revenues, India, FY2021 – FY2031P



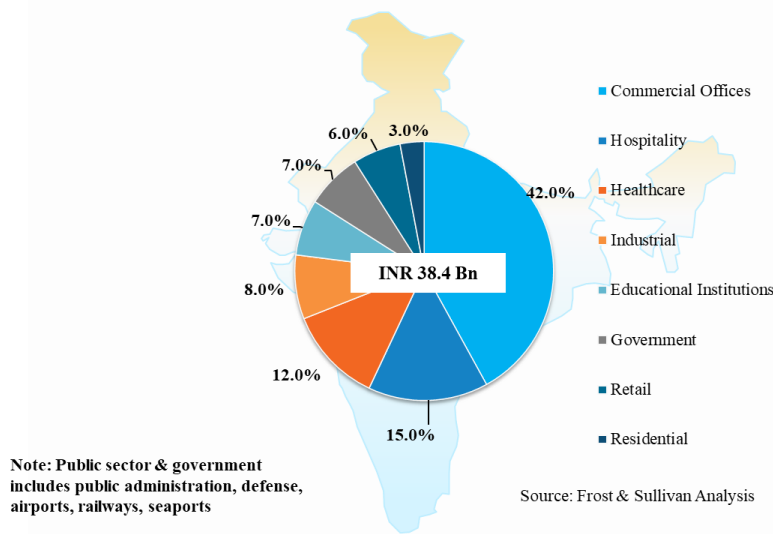
Source: Frost & Sullivan Analysis

Market Segmentations by End User Segments

The commercial segment is the largest end user of pest control services in India. This includes offices, IT parks, hotels & restaurants, retail outlets, shopping malls, airports, clinics & hospitals and others. These segments undertake regular pest control to maintain hygiene in the assets.

The healthcare segment, which includes clinics, hospitals and pharmaceuticals, is an important segment for pest control services, as the demand is driven by compliance for quality control to avoid contamination, disease prevention and maintain sterile environments. Industrial segments, in particular food processing, warehousing, Fast-Moving Consumer Goods (FMCG), textiles, electronics, etc., require pest control to protect their raw materials and machinery. The top three end user segments are commercial offices, hospitality and healthcare with a combined market share of 69.0% of the total market in FY2026.

Exhibit 9.32: Pest Control Services Market: Segmentation by End User Segments, India, FY2026



Source: Frost & Sullivan Analysis

Competitive Landscape

The Pest Control Services Market is fragmented with the presence of organised and unorganised service providers. This market witnesses the presence of a large base of single-service providers, i.e., companies that offer pest control solutions only. Organised service providers compete based on customised solutions, technology integration, regulatory compliance, better branding, etc., while the unorganised companies play by price, low-cost solutions, limited service guarantees and limited end user segment coverage.

Major companies in the organised segment are Rentokil PCI, HiCare Services, Godrej Pest Control, ISS Hicare, Envocare Pest Control Services etc. These companies focus on service differentiation through eco-friendly, odour-less chemicals, annual maintenance contracts etc., brand positioning through safe, certified and quality services, and technology for service booking, tracking and service delivery (automated sprays, IoT for rodent tracking etc.).

Other Services Market Analysis

Market Definitions

Other services include four distinct solutions such as catering services, warehouse management services, production support services and airport management services.

- **Catering services:** This is defined as the business of preparing food and providing food services to different events across end users.
- **Warehouse management services:** This includes deployment of manpower, equipment and processes to manage customer warehouses and its operations.
- **Production support services:** This is defined as supplying the workforce to the manufacturing companies for production support, material handling, maintenance, utilities etc.
- **Airport management services:** This is defined as managing airport passenger traffic and multilevel vehicle parking facilities in airports.

Market Size & Revenue Trend

The Other Services Market, comprising catering services, warehouse management services, production support services, and airport management services, is estimated at INR 621.8 billion in FY2026 and recorded a growth of 16.4% over FY2025.

Growth was driven by increasing manufacturing activity, expansion of logistics and warehousing infrastructure, recovery in airport passenger traffic, and growing demand for outsourced support services across industrial and commercial establishments.

Supported by continued investments across manufacturing, logistics, transportation infrastructure, airports, and industrial facilities, the market is projected to grow at a CAGR of 17.9% from FY2026 to FY2031P, reaching INR 1,415.2 billion by FY2031P.

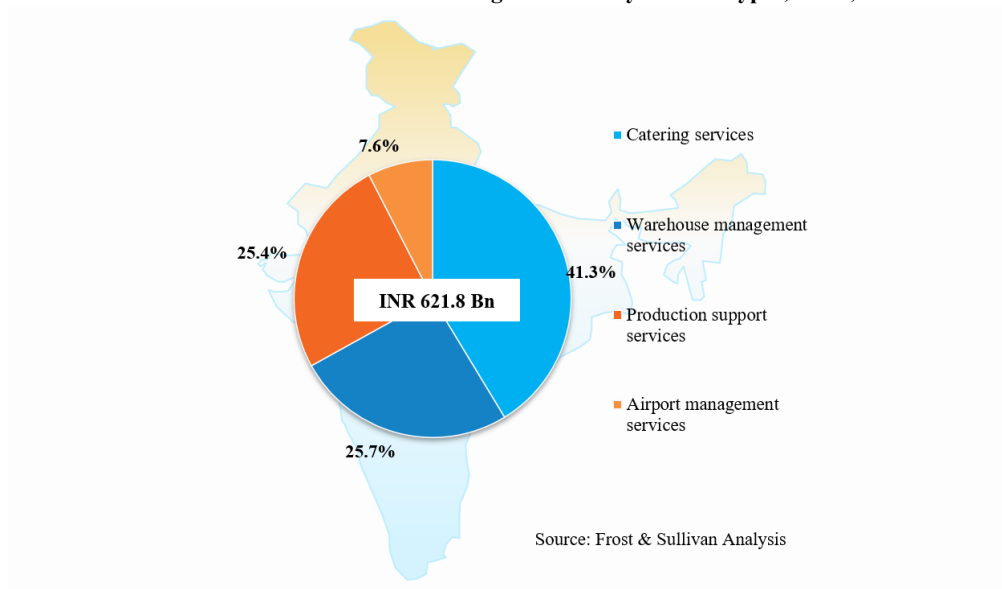
Major factors anticipated to contribute to this growth are increasing investments in end user segments such as commercial offices, retail, e-commerce, industrial, healthcare, and airports, anticipated increase in outsourcing rates, and growing disposable incomes. Catering services segment is the largest with a market share of 41.3% of the total market in FY2026.

Exhibit 9.33: Other Services Market: Historic Revenue Trend and Forecast, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

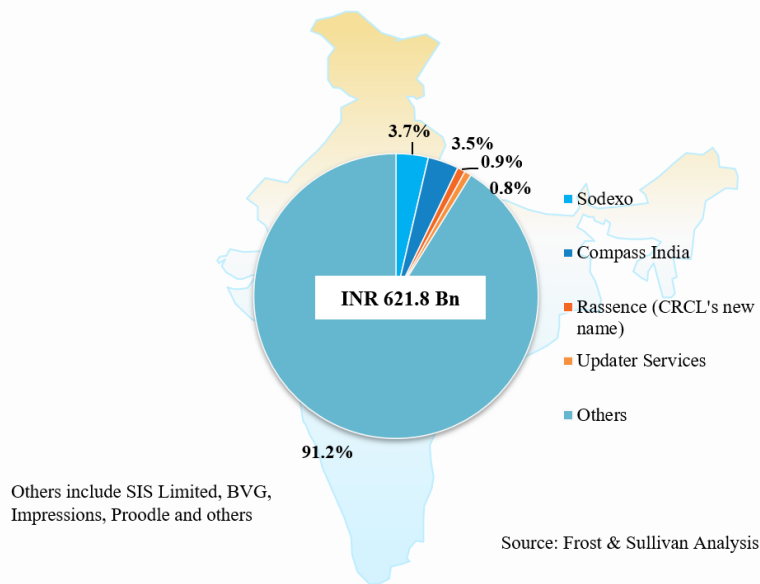
Exhibit 9.34: Other Services Market: Segmentation by Service Types, India, FY2026



Competitive Overview & Market share Analysis

The market is characterised by the presence of the different stakeholder types – facility management companies, staffing companies, companies specialising in single services such as parking management, catering, or warehouse management. Among the facilities management companies, Sodexo Facilities Management Services India Pvt. Ltd. is the market leader with a share of 3.7% of the total market in FY2026; their dominating presence in the catering market is contributing to their leadership position in Other Services Market. Other major companies in this segment are Compass India Food Services Private Limited, SIS Limited, Updater Services Limited, Bluspring Enterprises, Rassence Private Limited (previously known as CRCL), ISS Facility Services, Krystal Integrated Services Limited among others.

Exhibit 9.35: Other Services Market: Competitive Share Analysis, India, FY2026



Overview of Catering Services Market in India

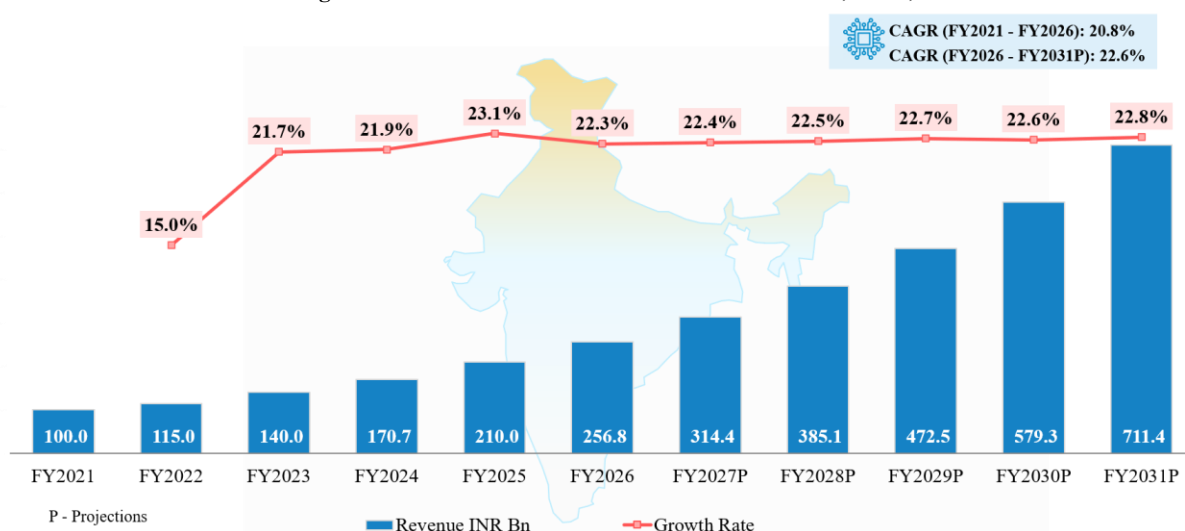
Market Size and Revenue Trend

India's robust economic growth and increasing investments across the services, industrial, education, and tourism sectors have significantly contributed to the development of the catering services market. The growth in MICE tourism and hosting of world-class sporting events in India have also contributed to this growth. As businesses and offices expand into semi-urban areas to tap into emerging talent and infrastructure, the demand for on-site kitchens have spiked. This shift is driven by the need to support employees who travel long distances to reach their workplaces, making reliable and accessible food services essential for productivity and well-being. The major factors driving the demand for catering services are

- **Growth in disposable incomes:** Increasing share of disposable/ discretionary income among the households, especially among the middle-class are driving the demand for catering services, particularly among the commercial segment.
- **Increasing investments in commercial segments such as corporate offices and growth in corporate events:** A high growth in the number of commercial business activities, driven by the investments in various end user segments would be a key growth enabler in the upcoming years. This will fuel the growth of the catering services market.
- **Growth in manufacturing segment:** Due to the large number of employees, the industrial segment guarantees a minimum threshold for the size of food order. The growth of the industrial segment backed by initiatives like Make in India and PLI Schemes are expected to drive the demand in the long-term.
- **Growth in dual income families:** India has witnessed a significant growth in dual income families and this has been a crucial driver for the demand of catering services.

The Catering Services Market in India is estimated at INR 256.8 billion in FY2026. The market grew at a CAGR of 20.8% from FY2021 - FY2026.

Exhibit 9.36: Catering Services Market: Historic and Forecast Revenues, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

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

Hybrid work models have become increasingly common, largely shaped by the social distancing norms introduced during the COVID-19 pandemic. Given the irregularities in employee demand at a workplace, catering companies started offering packed meals – nutritious dishes freshly prepared in central kitchens and delivered to employees. This model replaced the traditional on-site food service, which often led to large lunchtime gatherings. Additionally, catering companies adopted digital solutions such as mobile applications, enabling customers to personalise their meal choices. These trends are projected to continue growing in the long-term.

Following the global pandemic, there is a growing emphasis on emotional and overall employee well-being. This trend is especially evident in the education sector, where stakeholders are increasingly focused on encouraging healthy eating habits from early childhood. In response, many service providers are designing customised meal plans aimed at creating distinctive food experiences that are not only nutritious and delicious but also visually attractive. These efforts are intended to address the emotional, functional, and social needs of students in educational institutions.

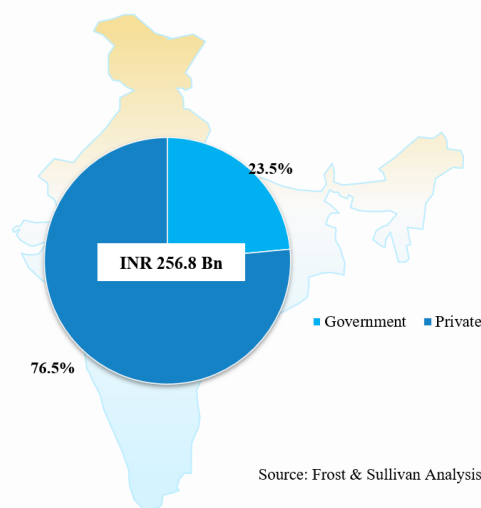
Factors such as the growth in the offices segment, including events and celebrations, changes in lifestyles, dual earning families that prefer eating at office premises, shift in real estate trends and increase in disposable incomes to afford a leisure lifestyle are expected to remain the major demand drivers for long-term growth. The market is expected to reach INR 711.4 billion by FY2031P growing at a CAGR of 22.6% from FY2026 – FY2031P. Commercial offices, healthcare and educational segments are 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 private sector, driven by the industrial and commercial offices segments. This includes providing food services to IT parks, office buildings, corporate cafes, educational institutions, private hospitals, and corporate events such as meetings, training programs,

exhibitions, conferences and awards programs among others. Government sector primarily comprises of industrial public sector units, government offices, etc.

Exhibit 9.37: Catering Services Market: Segmentation by Government versus Private Sector, India, FY2026



Competitive Overview

The Catering Services Market is extremely fragmented, with close to 60-70% of the total market dominated by the unorganised companies and the remaining 30-40% of the market with organised companies. Given the large number of service providers, the market is also highly competitive, with companies focusing on employee well-being, hygiene, diverse menu (regional, international, diet-specific, etc.) & nutrition (calorie-counted, vegan-based, organic, etc.) options, local sourcing, sustainability (eco-packaging, zero-waste kitchens, etc.) and cost-efficiency to differentiate from others. Technology such as digital food ordering mobile applications, live menus, and digital feedback systems is also playing a crucial factor in providing a competitive advantage to service providers. Subscription-based models with flexible plans are also being offered by service providers to stay ahead of the competition. Within the organised segment, Sodexo Facilities Management Services India Pvt. Ltd., ISS Facility Services, Rassence Private Limited, Krystal Integrated Services Limited, Proodle Hospitality Services Private Limited, Comprehensive Support Services Private Limited, ISG Hospitality Services Private Limited, Compass India Food Services Private Limited and Bluspring Enterprises are some of the major players.

Overview of Warehouse Management Services Market

Market Size and Revenue Trend

Warehouse management services refers to a series of activities involved in efficiently handling the storage, movement, and tracking of goods / materials / products within a warehouse. Some of the most common services include

- **Inventory management:** This involves monitoring stock levels to prevent overstocking or shortages and ensuring accuracy
- **Receiving and inspection:** Handling inbound shipments, quantity checks and quality checks
- **Storage and organisation:** Systematically storing goods/ materials/ products to maximise space and ease of access

- **Order fulfilment:** Picking, packing and preparing goods/ materials/ products for dispatch
- **Shipping and distribution:** Managing outbound logistics to deliver goods/ materials/ products to customers
- **Returns processing:** Handling returned goods and updating inventory
- **Reporting and analytics:** Providing data on stock movement, performance and trends

Warehouse management is critical in achieving a company's business 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

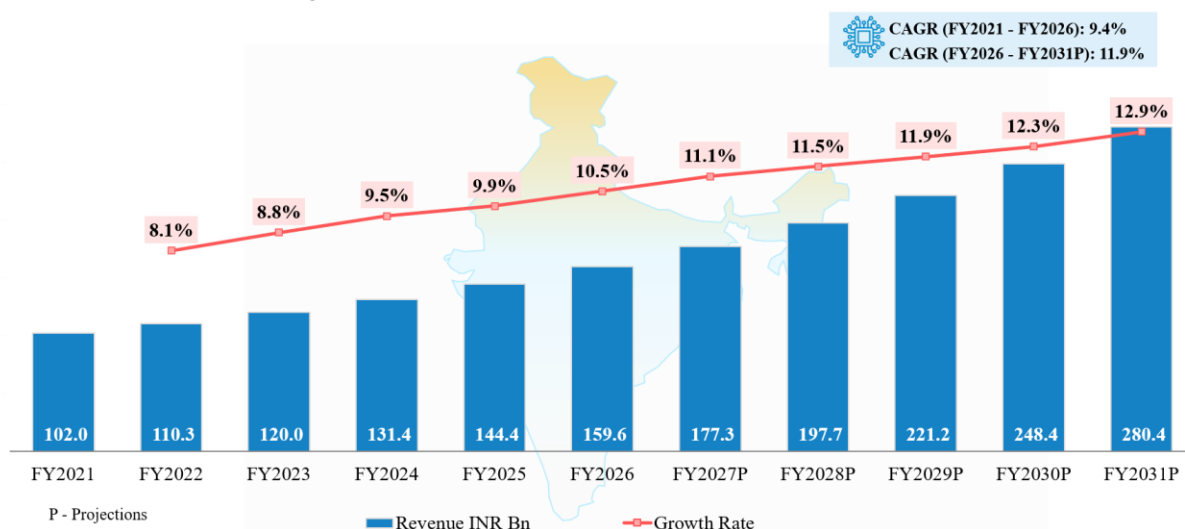
- **Inventory accuracy and control:** One of the key features of warehouse management is improved stock control and tracking. This helps in better operations ultimately resulting in customer satisfaction in the long run. Also, it eliminates any potential operating costs generated as a result of any errors, 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 and at the same time will benefit from professional services offered by the specialist companies.

The Warehouse Management Services Market is valued at INR 159.6 billion for FY2026. The warehousing market is growing rapidly in India driven by the demand from e-commerce, manufacturing, and retail sectors.

Major trends shaping the warehouse management services in India are technology adoption and automation, growing multi-modal logistics parks and large-scale warehousing hubs, sustainability and green warehousing practices, and investments in emerging Tier 2 and Tier 3 cities and grade-A warehousing facilities.

Grade-A warehousing facilities are modern warehouses that offer advanced features such as high ceilings, large floor plates, efficient loading areas, and enhanced safety and security measures. The increase in grade-A warehousing space is expected to increase in the future backed by the demand for sophisticated logistics solutions from multi-national and large domestic companies; this is expected to increase the outsourcing of warehouse management services in the long-term.

Exhibit 9.38: Warehouse Management Services Market: Historic Revenue Trend and Forecast, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

Key factors driving the demand for warehouse management services are the growth in FMCG and e-commerce sectors, increase in warehousing space, rise in Third-Party Logistics (3PL) and Fourth-Party Logistics (4PL) services, in India.

Growth in FMCG market: FMCG is the 4th largest sector in India. The FMCG market is valued at USD 167.0 billion⁶⁰ in CY2023 and the same is expected to grow at a CAGR between 27 – 28% through CY2027P to reach USD 615.9 billion. 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. Rural demand for FMCG was much higher than the urban demand in Q3 FY2025 – rural sales recorded a growth of 9.9% while urban sales growth was at 2.6%. Moving forward, rural demand and higher essential prices are expected to be the major demand drivers in the short- to medium-term.

Growth in e-commerce sector: The e-commerce industry is fueling the demand as well as the development of the warehousing and logistics sector in India. E-retailers are aggressively looking forward to opening up warehouses in Tier 2 and Tier 3 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 15.0% from FY2024 to FY2030P to reach USD 345.0 billion⁶¹. The primary drivers of this growth are the demand for smartphones, electronics & appliances, grocery and fashion/apparel segments. India's Digital India Program and other regulatory measures such as the National E-commerce Policy, the National Retail Policy, and Consumer Protection Rules 2020 are all expected to drive the market in the long-term.

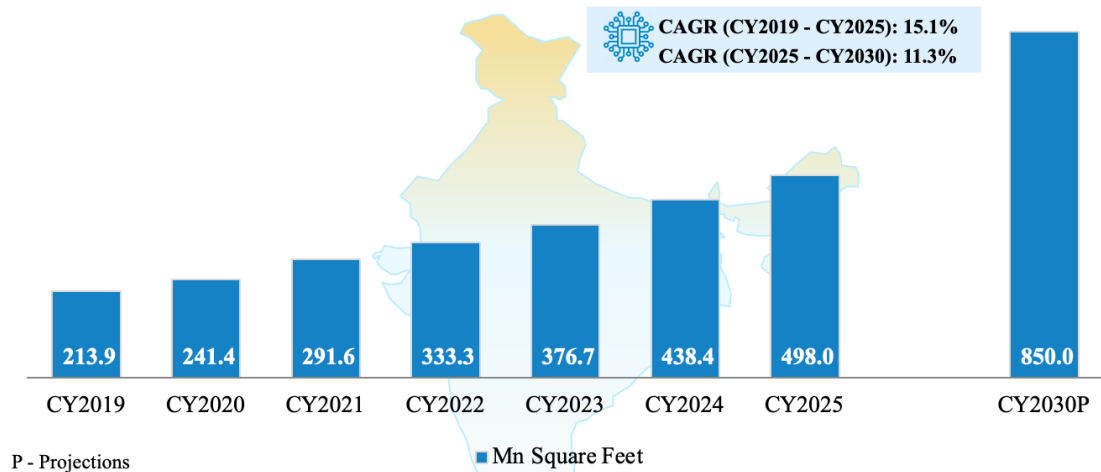
Growth in warehousing space: Warehousing in India is still at a developmental stage and offers immense growth potential driven by investments in sectors such as e-commerce, fast moving consumer durable (FMCD), FMCG, manufacturing and retail. Growing consumerism in India, backed by strong economic growth is expected to drive the demand for warehousing space. The warehousing space in the top eight cities (Ahmedabad, Mumbai, Pune, Bengaluru, Chennai, Hyderabad, Kolkata and Delhi National Capital

⁶⁰ <https://www.ibef.org/industry/fmcb>

⁶¹ <https://www.ibef.org/industry/ecommerce>

Region (NCR)) in India grew by 13.6% in CY2025 to reach 498.0 million square feet and is forecast to cross 850.0 million square feet by CY2030P.

Exhibit 9.39: Warehouse Management Services Market: Growth in Warehousing Space in Tier 1 Cities, India, CY2019 – CY2030P



Source: JLL's report on "India's Industrial Real Estate Evolution", February 2026 and "The Growing Landscape of Warehousing Sector in India", February 2025

Rise in 3PL and 4PL services: The Indian Logistics Market is estimated to reach USD 800.0 billion⁶² by CY2030P in valuation, growing at an annual average rate of 10.0 – 12.0%. Increasing complexity in supply chains and growing necessity for sophisticated and advanced logistics solutions across manufacturing, FMCG, retail, and e-commerce industries are likely to propel the demand for 3PL and 4PL services. Indian businesses are looking for new logistical capabilities and complex solutions from 3PL/4PL 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 services.

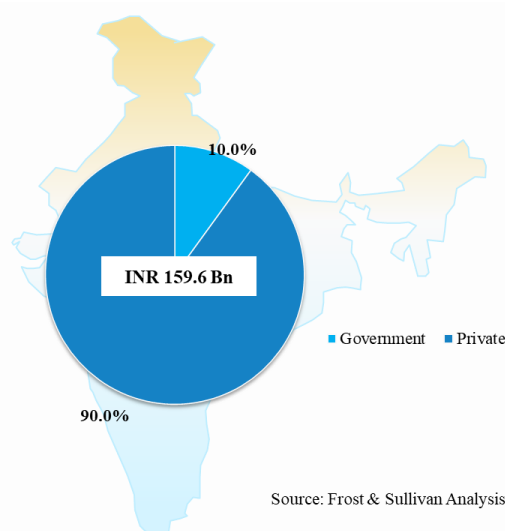
Based on the above analysis, the Warehouse Management Services Market is forecast to grow at a CAGR of 11.9% from FY2026 – FY2031P to reach INR 280.4 billion.

Market Segmentation by Government versus Private

Outsourcing warehouse management services is higher in the private sector than the government sector. Outsourcing in the private sector is driven by the access to expertise & technology, scalability, flexibility, and cost efficiency. Major industries outsourcing warehouse management services are FMCG, e-commerce, automotive, electronics, pharmaceuticals etc. The private sector is expected to drive the demand for warehouse management services during the forecast period.

⁶² <https://cio.economictimes.indiatimes.com/news/next-gen-technologies/indias-logistics-sector-likely-to-touch-800-billion-by-2030/123362050>

Exhibit 9.40: Warehouse Management Services Market: Segmentation by Government versus Private, India, FY2026



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 Warehouse Management Services Market is characterised by the presence of both multi-national and domestic companies. Multi-national and large/ pan-India domestic companies mostly operate in Tier 1 and Tier 2 cities while Tier 3 cities are mostly catered to by the un-organised companies. The major companies present in the organised sector are D V Shankar Logistics, Mahindra Logistics, Blue Dart, Toll logistics, DHL, Kuehne Nagel, Ceva Logistics, AAJ Supply Chain Management, AWL India and others. Though the market is dominated by incumbents, stakeholders from other business verticals have also entered this business. For example, facility management companies have developed capabilities to provide warehouse management services across end user segments. A few of the facility management companies providing warehouse management services in India are Updater Services Limited, Krystal Integrated Services Limited, Impressions Services Private Limited and OCS Group (India) Private Limited.

Overview of Outsourced Production Support Services Market

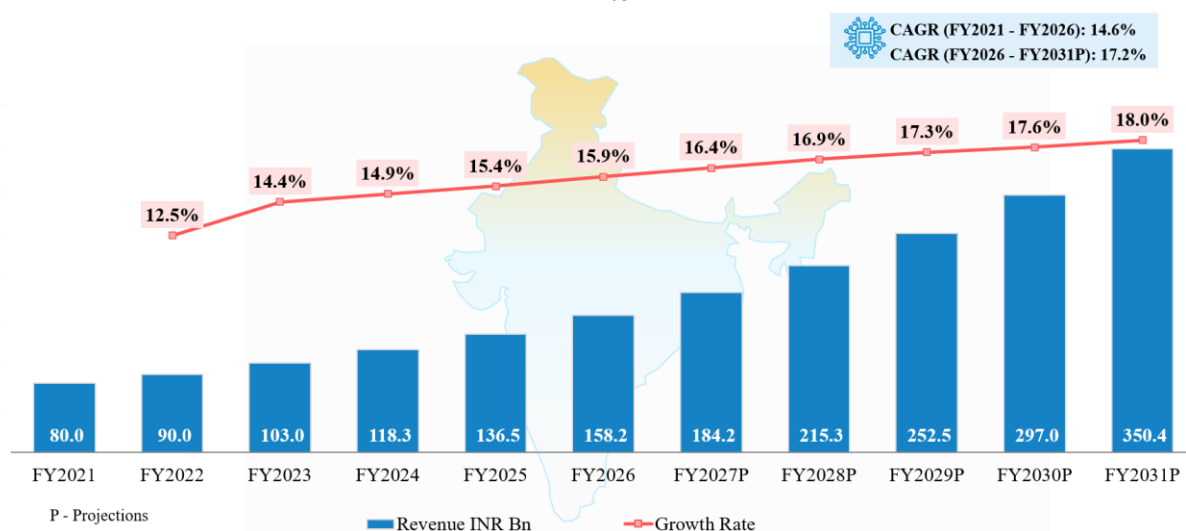
Market Size and Revenue Trend

Outsourced Production support service is defined as supplying workforce/manpower to the manufacturing companies for production support, material handling, maintenance, utilities etc. Some of the key services include

- **Inventory management:** Management of physical movement of goods in a manufacturing factory including commercials, record keeping, reporting and analytics etc.
- **Material handling and movement:** Management of incoming and outgoing materials including loading, unloading, storage, retrieving and supply of raw materials for conversion etc.
- **Maintenance:** This includes machinery and equipment maintenance for the production facility.

Outsourced Production Support Services Market was valued at INR 158.2 billion in FY2026 and has recorded a CAGR of 14.6% from FY2021 – FY2026.

Exhibit 9.41: Outsourced Production Support Services Market: Historic Revenue Trend and Forecast, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

The manufacturing sector in India is witnessing an uptick in investments, especially in segments such as automobiles, electronics, pharmaceuticals and textiles, which is creating demand for skilled and semi-skilled manpower. The manufacturing sector is expected to grow an annual average growth rate of 4.0-5.0% from CY2025 to CY2030P, highlighting the opportunities driven by domestic and export demand. Job creation in the manufacturing sector recorded 15.0% growth in the last decade, while in the past it recorded a 6.0% growth from 2004 – 2014⁶³. Backed by the policies supporting the growth in manufacturing sector, the hiring outlook is expected to remain positive for the short- to medium-term. This positive outlook for hiring from the manufacturing sector would drive the demand for production support services in the long-term. Hiring is expected to remain positive in automotive, renewable energy, electronics, and fast-moving consumer goods across Maharashtra, Tamil Nadu and Gujarat that have robust manufacturing infrastructure and favourable business environment. The shift towards smart manufacturing and Industry 4.0 has created demand for niche skill sets such as IoT solutions engineers, data analysts, automation engineers, industrial cybersecurity experts and machine learning engineers in manufacturing. Manufacturing companies are expected to focus on internal hiring towards these skill sets and outsource the standardised activities such as basic maintenance and inventory management to production support service providers.

Automotive segment is a key demand driver for production support services in India. Ministry of Heavy Industries’ PLI scheme for Automobile and Auto Components is a major initiative towards local manufacturing and this is expected to triple the exports to USD 60.0 billion by CY2030P and create 2.5 million direct jobs⁶⁴. One of the niche segments within automobile industry is the electric vehicles segment, which is expected to grow at a CAGR of 49%⁶⁵ up to CY2030P and create 40 million direct and indirect

⁶³

<https://urlsand.esvalabs.com/?u=https%3A%2F%2Fstatic.pib.gov.in%2FWriteReadData%2Fspecificdocs%2Fdocuments%2F2025%2Fsep%2Fdoc2025919640901.pdf&e=3323db90&h=93d69d7c&f=y&p=y&m=4gZhZ25ghczHv0x>

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<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2121826#:~:text=Despite%20a%20strong%20manufacturing%20base,generate%202%E2%80%932.5%20million%20jobs.>

⁶⁵ <https://www.thehansindia.com/hans/young-hans/how-the-ev-revolution-is-reshaping-the-job-market-959811>

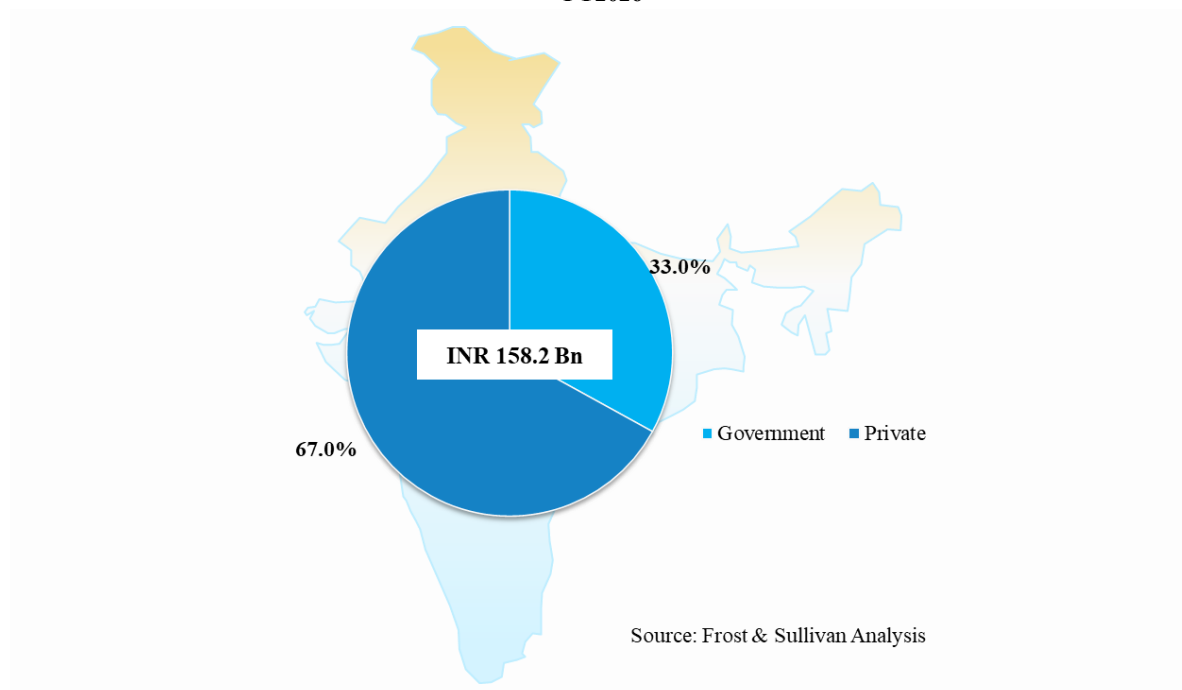
jobs by CY2030P⁶⁶. This demand is expected to be met by a combination of direct hiring and outsourcing, which would create demand for production support services in the long-term.

Based on the positive hiring outlook in the manufacturing/industrial segment, the production support services market is expected to grow at a CAGR of 17.2% from FY2026 to FY2031P to reach INR 350.4 billion.

Market Segmentation by Government versus Private

Private sector dominates the Outsourced Production Support Services Market with a share of 67.0% in FY2026 and is expected to dominate the market during the forecast period.

Exhibit 9.42: Outsourced Production Support Services Market: Segmentation by Government versus Private, India, FY2026



Competitive Overview

Production support services are offered by leading facilities management companies and staffing companies in India. The major facilities management companies providing production support services include Bluspring Enterprises, Updater Services Limited, Krystal Integrated Services Limited, Stalwart Group, OCS Group (India) Private Limited and SIS Limited. Staffing companies that provide production support services are TeamLease Services Limited, Randstad India Private Limited, ManpowerGroup Services India Private Limited, Adecco India Private Limited etc. The market is fragmented with more than 200 companies competing in this segment.

Overview of Outsourced Airport Management Services Market

Market Size and Revenue Trend

⁶⁶ <https://timesofindia.indiatimes.com/city/nagpur/revolutionizing-indias-transportation-ev-industry-to-create-40-million-jobs-by-2030/articleshow/116087330.cms>

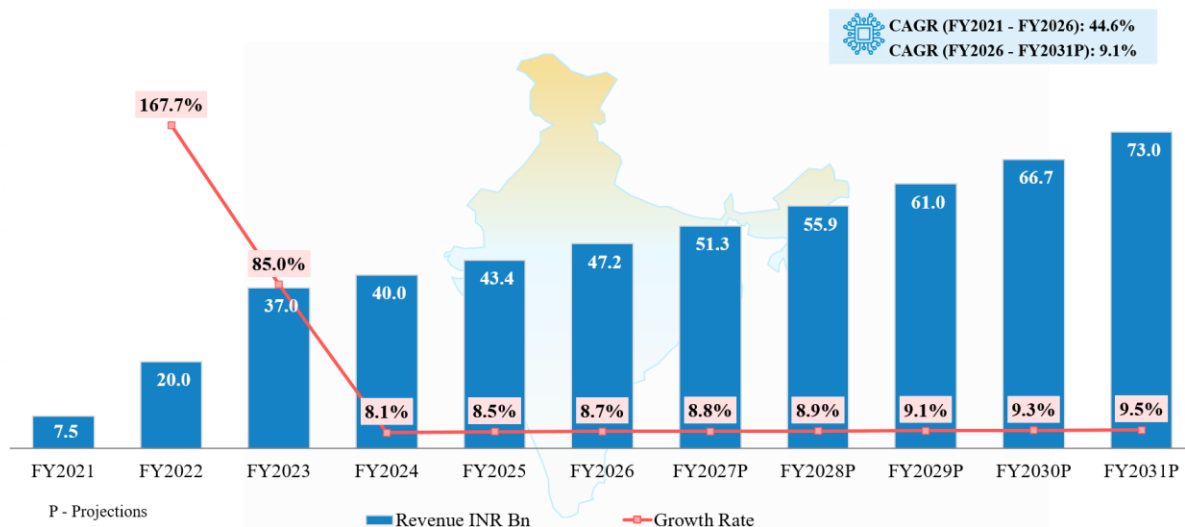
Airport management service providers offer a range of services to ensure the smooth and efficient operation of in-coming passenger traffic and parking structures in airports. These services are designed to provide convenience to passengers, optimise parking capacity, enhance security, and maintain the overall functionality of the parking facility. Some of the major services that are often provided under an airport management services contract are

- **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.
- **Customer service:** Providing assistance and customer support for parking-related queries, payment issues, and other concerns.
- **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.
- **Maintenance and cleaning:** Regular maintenance and cleaning of the parking facility to ensure a clean and safe environment for vehicles and passengers.
- **Parking fee management:** Collecting and managing parking fees through various payment methods, including cash, cards, and digital wallets.
- **Parking guidance system:** Installation of signage and digital displays to guide drivers to available parking spaces and provide real-time information about occupancy.
- **Parking management:** Efficient management of parking spaces, including monitoring occupancy, guiding drivers to available spaces, and ensuring proper utilization of the parking area.
- **Revenue reporting:** Providing reports on parking revenue, occupancy trends, and customer feedback to the airport management.
- **Security and surveillance:** Implementing CCTV cameras and surveillance systems to monitor the parking area and enhance security for vehicles and passengers.
- **Vehicle access control:** Implementing access control systems such as boom barriers, ticketing machines, and automated payment systems to regulate entry and exit of vehicles.
- **Vehicle assistance:** Offering services such as jump-starts, tire inflation, and minor repairs for vehicles parked within the facility.
- **Valet parking services:** Offering valet parking services where trained staff handle the parking and retrieval of vehicles on behalf of customers.

The Outsourced Airport Management Services Market is valued at INR 47.2 billion for FY2026. An increase in the number of airports and the initiatives towards digital transformation at airports is driving the

demand for airport management services in India. 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 are also driving the need for outsourcing airport management services in India. The market is expected to grow at CAGR of 9.1% from FY2026 – FY2031P to reach INR 73.0 billion.

Exhibit 9.43: Outsourced Airport Management Services Market: Historic Revenue Trend and Forecast, FY2021–FY2031P



Source: Frost & Sullivan Analysis

Major factors driving the demand for airport management services market in India are growth in air travel and government initiatives for infrastructure development, among others.

Increasing air travel demand: India is experiencing a surge in air travel, particularly in the domestic market. The growing middle-class population and increasing affordability of air travel are the major factors driving the demand for air travel among Indians. The air passenger traffic is expected to reach 500 million by CY2030P and more than one billion by CY2047P. The air passenger traffic grew by 4.9% in CY2025 to reach 244.93 million from 233.54 in CY2024, as per the Directorate General of Civil Aviation statistics. This would translate to huge growth opportunities for airport management services in the long-term.

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 across the country. The commercial aircraft fleet size is expected to triple to around 2,200 planes⁶⁷ over the next decade, driven by rapid traffic growth, airport expansion and rising airline capacity. This would directly impact the demand for passenger services and airport management services providers stand to benefit from this growth.

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. Around 663 RCS routes are operational as of February 2026. More than 3.4 lakh flights have been operated with a passenger traffic of 16.25 million under this scheme. The government has approved the Modified UDAN

⁶⁷<https://www.forbesindia.com/article/news/india-fleet-to-triple-to-2200-aircraft-in-10-years-airbus/2990853/1>

Scheme and the growth in such regional routes is expected to create the long-term demand for airport management services.

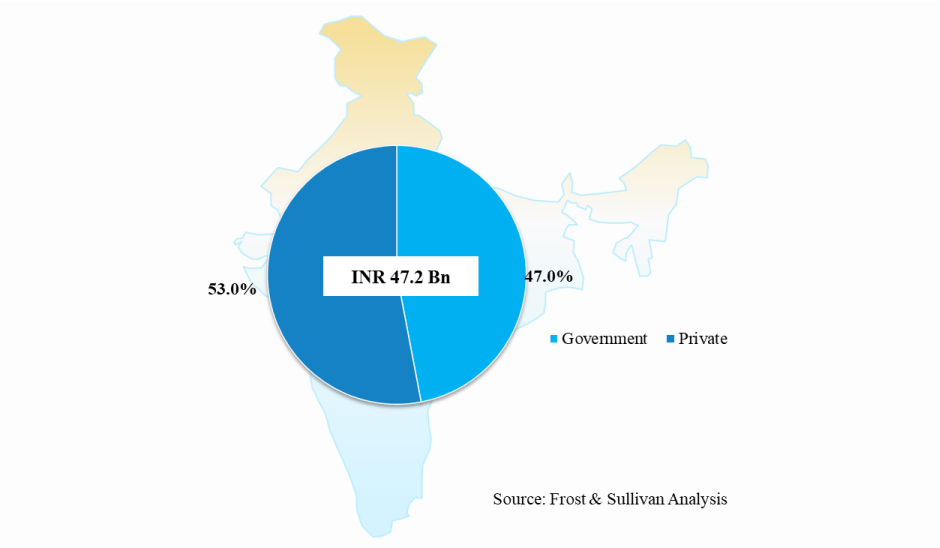
Technological advancements: Advancements in airport technologies, such as biometrics, IoT, smart terminals, and self-service systems, are driving the need for efficient management and integration of these solutions. Such sophistication of solutions is driving the demand for technical expertise in operating and maintaining the systems, and this need for experienced skill-set is anticipated to drive the outsourcing of airport management services.

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. Such investments in Indian airport infrastructure would create demand for airport management services.

Market Segmentation by Government versus Private

Privatisation of airports in India is contributing to the growth of the private sector’s share in airport management services market. Many of the major international airports in India such as the Indira Gandhi International Airport – Delhi, the Manohar International Airport – Goa, the 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 9.44: Outsourced Airport Management Services Market: Segmentation by Government versus Private, India, FY2026



Competitive Overview

Outsourced Airport Management Services Market is characterised by the presence of different stakeholders that have developed capabilities for airport management services. Facility management companies and parking management solution providers compete in this market for opportunities. The most common method of service procurement is a tender-based system. The contract period varies from two – five years. Major companies operating in this space are BVG India Limited, Bluspring Enterprises, Sodexo Facilities

Management Services India Pvt. Ltd., Krystal Integrated Services Limited, ISS Facility Services, OCS Group (India) Private Limited, S.S. Enterprises, Tenaga Parking (India) Private Limited, Traffic Solutions Co. etc.

Cash Logistics Services Market Analysis

Market Overview

Cash logistics services, in general, include cash-in-transit services, ATM replenishment services, money processing, vault outsourcing, intelligent safe services, and payment services, among others. For the purpose of this report, Cash Logistics Services Market is defined as below

- **ATM cash management services:** ATM cash replenishment and first-line maintenance of ATMs are included in this service. On-site ATM (ATMs on bank premises) replenishment is sometimes undertaken by the bank itself.
- **Cash-in-transit services:** This involves leasing out of cash vans along with armed guards, drivers, and custodians, fitted with CCTV/GPS etc., for movement of cash and other valuables between bank branches, bank vaults and RBI. This service helps in the physical transfer of banknotes, coins and items of value from the currency chests of banks to its branches or from branches to branches. It also involves bulk transits of currency for inter-city and inter-branch.
- **Retail cash management services:** The transportation of cash and valuables to and from retail or other private entities that deal in large amounts of cash and valuables is referred to as retail cash management services.

Apart from the above three services, safe-keeping and vault-related services, bullion transportation services, doorstep banking services etc. are also provided by the cash logistics service providers in India. These other services form a very small portion of the revenues and therefore not included in the market size and forecasts.

Industry Operations

India is highly reliant on cash as a medium of transaction despite the country's non-cash initiatives such as financial inclusion and digital banking. Growing awareness about digital payments and banks' efforts to promote digital payment eco-system have resulted in the growth in digital transactions in the past decade. However, cash transactions still dominate the Indian economy and this is driven by convenience factor for citizens in semi-urban and rural areas, widespread acceptance and lost transaction costs. Therefore, cash is expected to play a dominant role in payments at least for the foreseeable future.

Cash-based transactions dominate the payments industry in segments such as retail (both organised and unorganised), e-commerce, petroleum outlets, insurance premium payments, railways, NBFC, microfinance, restaurants, etc. As a result, one of the primary activities for the banking businesses in India is cash management. An increase in cash circulation and growth in outsourcing cash-related activities by financial and business institutions have been the major growth enablers for the Cash Logistics Services Market in India.

ATM cash management services: This is the most prominent service and is expected to be a dominating solution in Cash Logistics Services Market during the forecast period. ATM replenishment services ensure that the ATMs are stocked with sufficient cash, operate efficiently and are safe and secure for usage by

customers. The other services included in ATM cash management are cash-in-transit, basic maintenance of ATM hardware and software, advanced technical support for ATMs, deposit processing and others. ATM cash management market is driven by the financial inclusion initiatives and government initiatives such as Pradhan Mantri Jan Dhan Yojana, which have increased debit card usage in India, and in turn driving the ATM transaction volumes. This would create demand for ATM cash management services during the forecast period.

Cash-in-transit services: This segment is largely influenced by the expansion of the bank branches across the country. Service providers offer banks with vehicles being dedicated to a particular bank branch, currency chest or head office for a particular time period in a day for cash transit between different cash points. These vehicles are called dedicated cash vans and these vans need to be fabricated as per the RBI guidelines for cash management and the Ministry of Home Affairs regulations. They are also equipped with security and tracking systems. Such regulatory compliant vans have a higher realisation rate than the non-compliant ones and this is also expected to contribute to the outsourcing from banks and market growth, especially for organised companies.

Retail cash management services: Beyond cash and valuables transportation, retail cash management services also include cash processing and overnight vaulting depending on client and bank agreement. Cash and valuables are delivered on behalf of retailers or private businesses, either to be deposited in a bank or to be distributed among the retailer's or corporate office's various branches. Cash pickup and cheque collection services, demand draft and travelers' cheque delivery services etc., are available as per the customer's requirement.

Cash is continuously used a major medium for business transactions in retail segment. Growth in retail segment due to the expansion of e-commerce into Tier 2 and Tier 3 cities are creating demand for retail cash management services, as ~ 58.0 – 60.0%⁶⁸ of e-commerce orders are based on cash-on-delivery model in CY2025. This highlights the significance of cash with respects to payments in India. The share of cash-on-delivery model is expected to increase in the future, as e-commerce penetration reaches more into Tier 3 and Tier 4 cities. This growth is expected to contribute to the growth of the retail cash management services in the long-term.

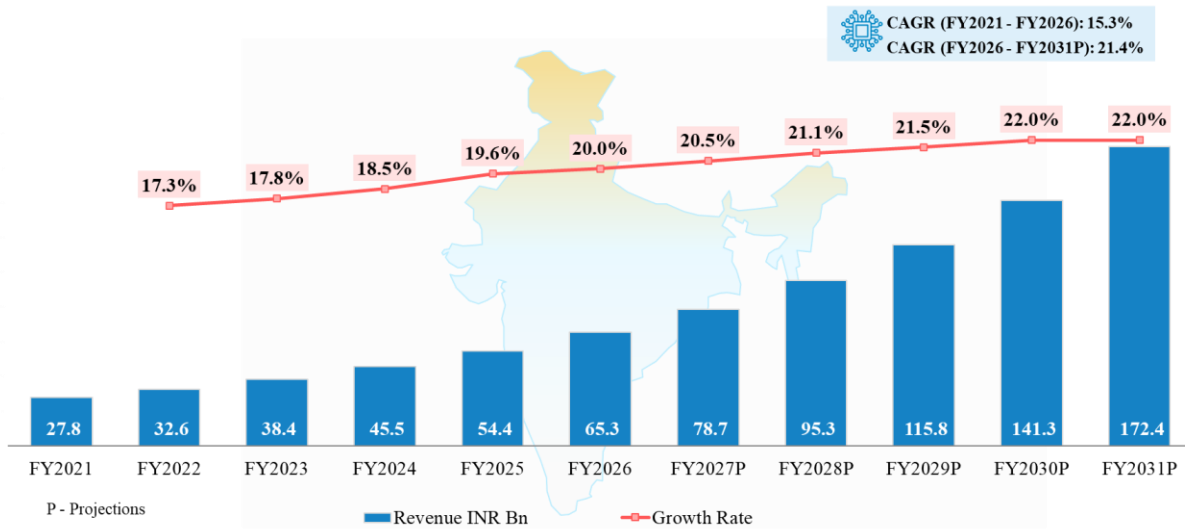
Market Size and Revenue Forecast

The Cash Logistics Services Market was valued at INR 65.4 billion in FY2026 and is expected to grow at a CAGR of 21.4% from FY2026 to FY2031P to reach INR 172.4 billion. The market demand would be driven by the growth in ATMs, growth in bank branches, increase in organised retail sector, healthcare etc. and continued use of cash in the economy.

Outsourcing cash logistics services is driven by the need for armed guards with fire-arm license, specialised vehicles, GPS monitoring, etc. to ensure safety of the cash transported.

⁶⁸<https://www.indianretailer.com/article/retail-business/retail/tier-iii-india-records-29-pc-faster-e-commerce-deliveries-2025>

Exhibit 9.45: Cash Logistics Services Market: Historic Revenue Trend and Forecast, India, FY2021–FY2031P

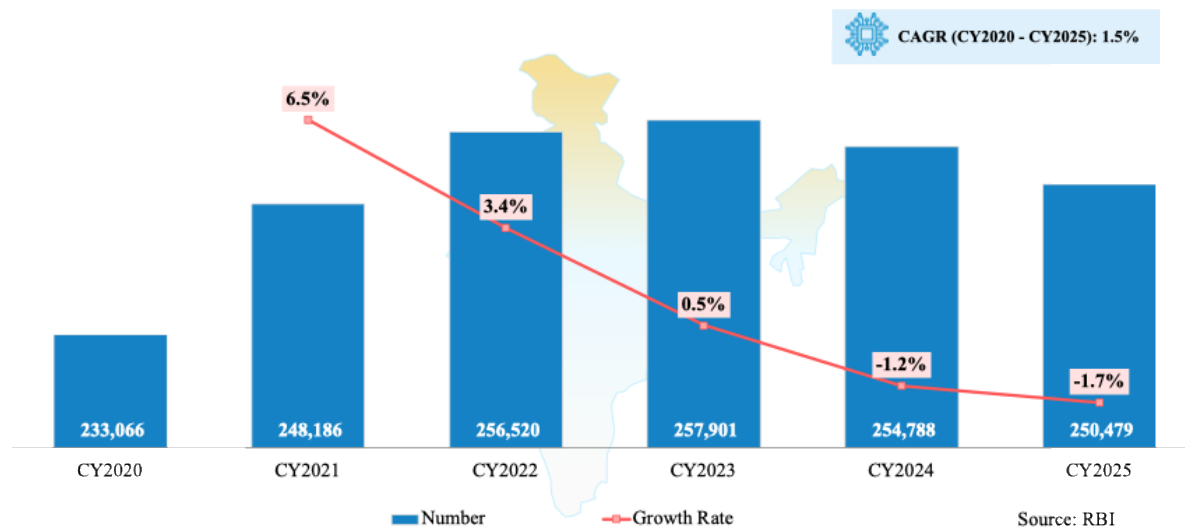


Source: Frost & Sullivan Analysis

Key Demand Drivers

Increase in number of ATMs and ATM transactions: The growth of the ATM cash management segment is directly proportional to the growth of the ATM industry and ATM deployments across the country. The ATM deployments in India grew at a CAGR of 1.5% from CY2020 – CY2025. The growing demand for ATMs in Tier 2 and Tier 3 cities (driven by the lower penetration rates) and the replacement demand in metros/ Tier 1 cities are projected to drive the demand for cash logistics services in the future.

Exhibit 9.46: Cash Logistics Services Market: ATM Deployment Trend, India, CY2020 – CY2025



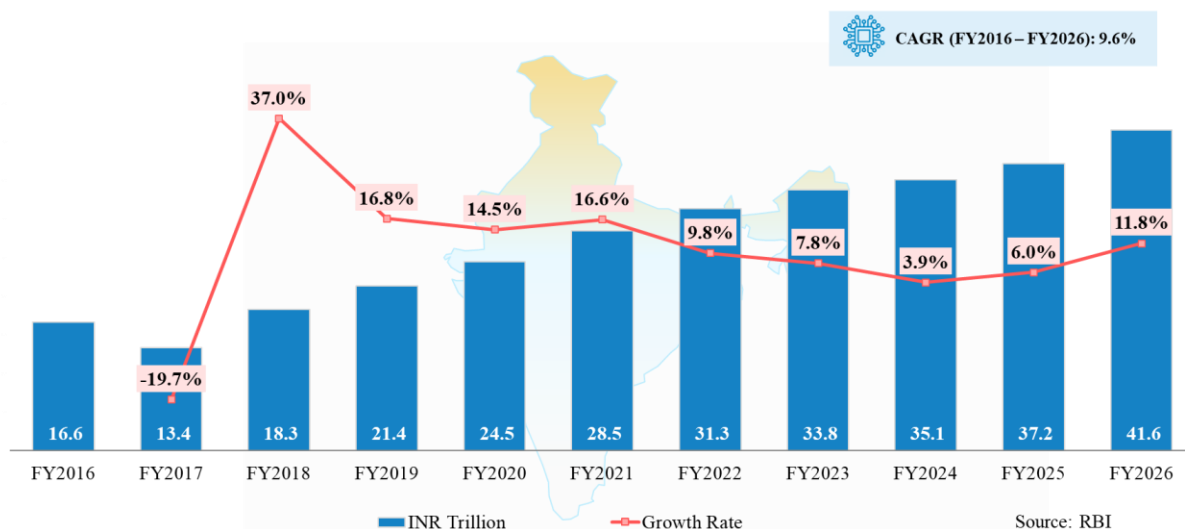
Source: RBI

Increase in organised retail touchpoints: Rising urbanisation, increasing discretionary income and shifting shopping preference are driving the organised retail segment in India. There is an increasing focus on experience-led retail spaces, omnichannel shopping and hyper-personalised services. The organised retail market is expected to grow at a CAGR of 10.0% up to CY2030P and reach USD 230.0 billion

according to a joint report by Retailers Association of India and Deloitte. In CY2025, 30 new international brands entered India, attracted by the opportunities from demand for luxury products across beauty, fashion, accessories and food & beverages⁶⁹. The influx of such international brands is creating demand for organised retail space across major Indian cities such as New Delhi and Mumbai. In CY2025, around 4.3 million square feet⁷⁰ of new retail space was added in India. Hyderabad, Mumbai and Delhi NCR were the hot spots for retail space additions in CY2025. The increasing demand for organised retail space outstrips supply – in CY2025, around 8.9 million square feet of organised retail space was leased, which is significantly higher than the supply of new space additions. This growth in organised retail space would increase the touch points across the major cities in India and this would in turn create the demand for cash logistics services in the long-term.

Positive economic outlook and continued use of cash in India: Positive economic outlook is expected to favour the growth in retail segment and this would create the demand for cash logistics services, as cash still remains a major payment mode. Cash-in-circulation (CIC) has been witnessing an increasing trend over the past decade, growing from INR 16.6 trillion in FY2016 to approximately INR 41.6 trillion in FY2026, supported by economic growth, increasing transaction activity, and continued reliance on cash across several sectors of the economy.

Exhibit 9.47: Cash Logistics Services Market: CIC Growth, India, FY2016 – FY2026



Increase in bank branches: The Indian banking systems consists of banks and financial institutions regulated by the RBI. Banks consists of commercial banks such as public sector banks (13), private sector banks (21), foreign banks (44), small finance banks (12), urban cooperative banks (1,534) and rural cooperative bank (96,508)⁷¹ and cooperative credit institutions. Financial institutions consist of all-India financial institutions, state-level institutions and other institutions. Favourable demographics, macro-economic conditions, increasing income levels and government initiatives driven by policy support are the major factors driving the demand for banking in India. Key policies favouring the growth in bank branches are Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Suraksha Bima Yojana, Atal Pension Yojana, Pradhan

⁶⁹ <https://www.indiaretailing.com/30-global-brands-that-entered-india-in-2025>

⁷⁰ CBRE Research Report on India Retail Figures H2 2025, published in January 2026 (https://mktgdocs.cbre.com/2299/59a0c211-dfff-4c2d-8a10-783a1cb22aee-1048850038/India_Retail_Figures_H2_2025.pdf)

⁷¹ IBEF report on banking, February 2025

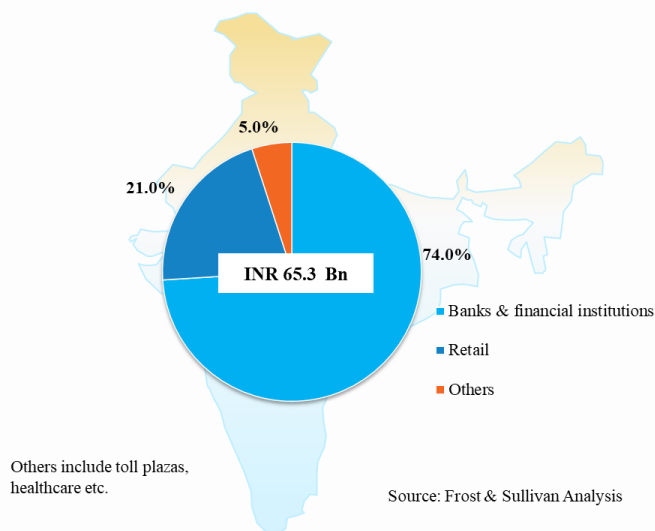
Mantri Jeevan Jyoti Bima Yojana and Stand-Up India Scheme. Financial inclusion initiatives along with these policies are creating demand for new bank offices and this has led to the addition of 544 new branches by public sector banks and 480 branches by private sector banks in Q3 FY2025⁷². Several leading banks in India have major plans to expand their offices, which would drive the demand for cash logistics services in the future. Some of the major investments include:

- HSBC has recently received approval from RBI to open 20 new branches across India to support its wealth businesses⁷³.
- Indian Bank has announced its plan to add 300 new branches up to CY2027, targeting a presence in every district headquarters⁷⁴.

Market Segmentations by End User Segments

Banks and financial institutions are the major demand drivers for cash logistics services in India. This segment also includes the ATM operators and accounts for a dominating share of 74.0% of the total market in FY2026. The compelling need for reliable cash movement to efficiently handle large quantities of cash and processing it, is driving the outsourcing of cash logistics services from banks and financial institutions. ATM networks also require cash logistics services to replenish and maintain the systems on time and efficiently provide customer services.

Exhibit 9.48: Cash Logistics Services Market: Segmentation by End User Segments, India, FY2026



Competitive Landscape

The market for cash management services is consolidated and very competitive, and this trend is expected to continue in the long-term. While the large companies in the organised segment provide a broad range of cash logistics services, a significant number of the other companies in the organised segment provide dedicated single services within the market; for example, companies only provide ATM cash management

⁷²<https://bfsi.economicstimes.indiatimes.com/news/banking/public-banks-outpace-private-peers-in-expansion-sbi-canara-add-most-branches-in-q3/118260407>

⁷³ <https://www.wealthbriefing.com/html/article.php/hsbc-receives-green-light-to-open-20-new-branches-in-india>

⁷⁴<https://www.thehindubusinessline.com/money-and-banking/indian-bank-to-add-300-branches-strengthen-leadership-development-boost-casa-growth/article69180011.ece>

services or retail cash management services only. The major players in the Indian market are CMS Info Systems Ltd. (CMS), Radiant Cash Management Services Limited, Writer Safeguard Private Limited (WSG), SIS Cash Services Private Limited (SIS), Brinks India Private Limited, and Securevalue India Limited. These companies dominate the market with a significant market share combined. The major players have developed competitive advantages through their service offerings, ability to strengthen relationships with strategic partners, and strong presence across key geographical regions.

Electronic Security Market in India

Market Overview

The Indian Electronic Security Market comprises of devices/products and systems combined to provide security solutions to protect people, assets and information through electronic mode. The market is segmented into four such as

- **Video surveillance systems:** These are security solutions that deploy video cameras to monitor and record activities in a particular area for security, monitoring, or operational purposes. Key components of the system include cameras, monitors, recording devices, storage, network infrastructure and software.
- **Access control systems:** These are security mechanisms that regulate and provide access to physical locations such as facility, building or a system for authorised individuals only. These systems are also called as physical access control systems. The major components of access control systems are access credentials, access readers, controllers/ panels, locks & barriers and software.
- **Intrusion detection systems:** This is a security system designed to monitor networks or systems for suspicious activity, policy violations, or unauthorised access.
- **Fire detection systems:** This is a network of devices designed to detect the presence of fire, smoke, or heat in a building or area and provide early warning through alarms, enabling prompt evacuation and fire control measures. The major components of this system are detectors (smoke, heat, flame etc.), fire alarm control panel, notification devices, manual call points etc.

The industry landscape integrates the above systems through technology to provide comprehensive security solutions to clients.

Industry Operations

Electronic security market's landscape is characterised by the presence of a range of stakeholders such as product manufacturers, system integrators, software companies etc. The products market is dominated by imports, especially from China and Taiwan. The domestic manufacturing of products is very limited, with a few companies assembling them in India. The products are distributed through system integrators, distributors and direct business-to-business (B2B) sales. The Ministry of Electronics and Information Technology has imposed restrictions on the sale of internet-connected CCTV cameras in India from April 2026. The ministry has mandated that any internet-connected CCTV device sold in India must comply with stringent certification standards laid out by the Standardization Testing and Quality Certification (STQC) framework. These mandates are based on the Essential Requirements issued by the ministry in April 2024. This is expected to create supply chain concerns and most of the Indian companies are shifting to Taiwanese vendors to overcome any disruptions in the short- to medium-term. System integrator's role is to buy the products and software from respective companies and develop the electronic security system based on client requirements. They also

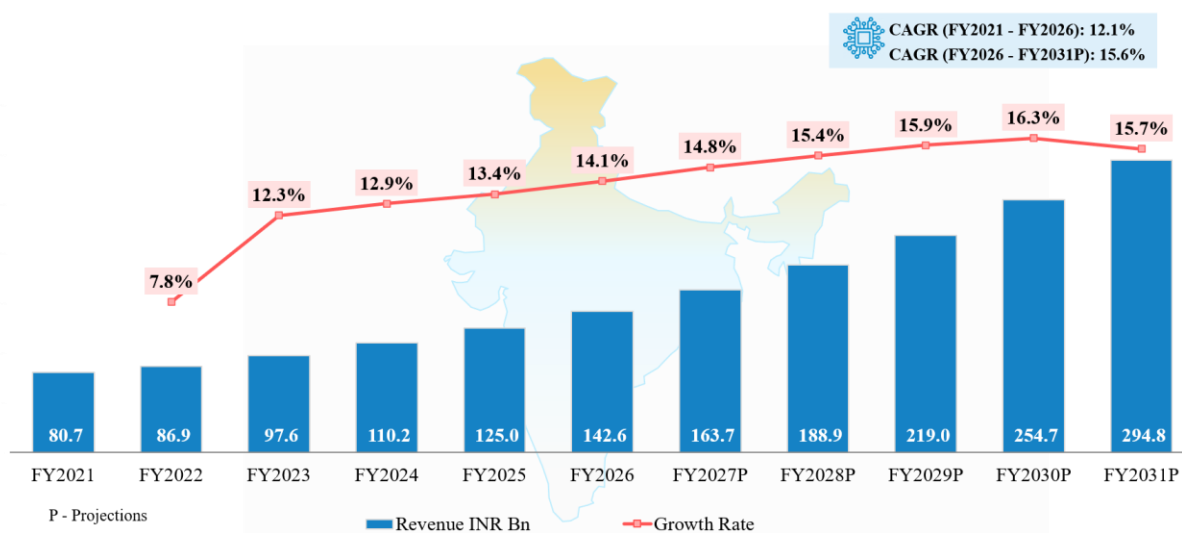
install and provide operation and maintenance services for these systems; they also offer other services such as real-time monitoring of the systems.

The market is witnessing technological developments, with conventional analog systems shifting to intelligent systems that provide real-time analysis, remote monitoring, automated threat identification and predictive security alerts. End users are investing in AI-driven security systems with IP-based surveillance (for higher resolution video and improved analytics), cloud-based access control systems, and integrated security platforms that combine several security solutions into a single platform for ease of management; these systems improve efficiency and reduce response time. AI-based surveillance cameras with facial recognition, behavioral analysis, and automated notifications are requested by end users in government (airports, defense, metro stations etc.) and premium private properties in commercial and residential segments; the above features are combined with biometric access controls to provide multi-layered security solutions.

Market Size and Revenue Forecasts

Electronic Security Market is driven by the growth in urbanisation, infrastructure expansion, smart cities, and rising concerns over safety in both public and private sectors. The market is valued at INR 142.6 billion in FY2026 and is expected to grow at a CAGR of 15.6% from FY2026 – FY2031P to reach INR 294.8 billion. The market is dominated by video surveillance systems with a share of ~ 55.0 – 60.0% of the total market in FY2025, while access control systems account for ~ 20.0- 25.0%, fire detection systems account for ~10.0- 15.0%, and intrusion detection systems account for ~5.0 – 10.0% of the total market.

Exhibit 9.49: Electronic Security Market: Historic and Forecast Revenues, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

Key Demand Drivers

Smart city projects: These projects focus on building safer, more efficient and technology-driven urban centres. Public safety and crime prevention are one of the core components of smart city project planning. Other components of smart cities are increase in access to infrastructure such as metro and other connected transport systems, smart utilities, public parks and commercial zones, all of which create demand for electronic security systems. Smart city projects increasingly rely on IoT and centralised monitoring for real-time safety and security tracking and decision-making. Smart City Mission is the prominent initiative by the

Indian government to develop 100 smart cities in India. The mission was launched in 2015 and has 8,075 projects⁷⁵; As of May 2025, around 94.0%⁷⁶ of all sanctioned projects have been completed. This investment would create demand for video surveillance systems, intrusion detection systems, and access control systems within the electronic security solutions.

Rising urban crimes and safety concerns: The incidence of crimes in India has shown a decline in recent years. In CY2020, the crime rate stood at 487.8 incidents per 100,000 population, decreasing to 448.3 in CY2023 as per the National Crime Records Bureau's Crime Rate Report for 2023, published in September 2025. It is worth noting that urban areas in India tend to record higher crime rates compared to rural areas. The strategic placement of video surveillance systems in cities plays a crucial role in monitoring and curbing criminal activities. State governments have taken proactive steps by installing CCTV cameras across urban areas to enhance the security and well-being of residents. In Delhi, for instance, there are over 2.46 lakh cameras installed across the 70 assembly constituencies as part of the state government's CCTV initiative. Similarly, Hyderabad boasts around 3 lakh CCTV cameras to monitor its population exceeding 1 crore. With the increasing adoption of technology by state and local authorities, the demand for video surveillance systems is expected to further escalate in the coming years.

Digitalisation of infrastructure: Public infrastructure in India is getting digitised every day and this is creating demand for electronic security systems. Increase in digitisation of assets create the need to safeguard the asset from misuse, intrusion, attacks and disruption. This also increases the associated infrastructure such as command and control centres, data centres, server rooms etc. which need security control. Digital systems enable automation in several segment such as smart grids, digital kiosks, e-governance etc. and are vulnerable to cyber and physical attacks and this creates the demand for surveillance systems and access control systems.

Corporate security policies and compliance: Human Resources (HR) policies in the corporate set-up mandate physical security and electronic systems for the safety and security of their employees. The policies mandate that the companies implement access control, surveillance and intrusion detection through various security frameworks. Data protection regulations such as the Digital Personal Data Protection Act, 2023 also enable the need for electronic security systems to protect their IT infrastructure. On a case-to-case basis, insurance requirements are calling for time-stamped and verified security tapes to process claims. Corporate security policies are expected to remain a key demand driver for the high adoption of electronic access control systems, intelligent surveillance systems and automation of audit-ready monitoring tools.

Growing demand in Tier 2 and Tier 3 cities: The economic growth is expanding into Tier 2 and Tier 3 cities in India, which is driving the real estate and infrastructure development. This growth is expected to create the demand for electronic security systems in these cities for safety and security purposes.

Market Segmentation by End User Segments

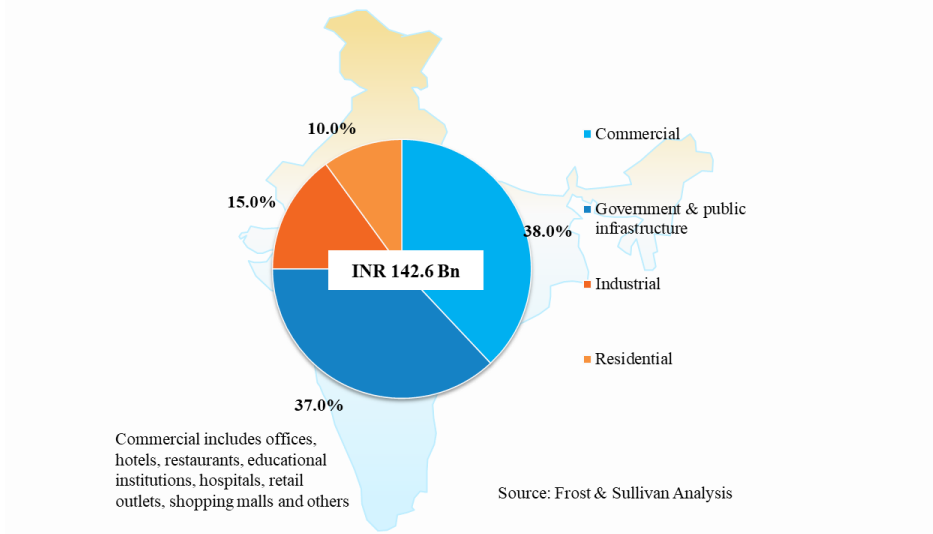
Commercial and government segments are the leading demand drivers for electronic security services in FY2026 and account for a combined share of 75.0% of the total market. The commercial segment includes offices, retail establishments, hotels, hospitals, educational institutions, IT parks etc. The increasing investments in these segments and the need for security services are expected to drive the demand in the

⁷⁵ <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=153581&ModuleId=3>

⁷⁶ <https://organiser.org/2026/02/08/339101/bharat/smart-cities-mission-update-31-cities-completed-43-near-final-stage-over-8000-projects-executed-across-bharat/>

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2246967®=1&lang=1>

Exhibit 9.50: Electronic Security Market: Segmentation by End User Segment, India, FY2026



forecast period. State governments are launching several initiatives to deploy safety and security systems; government buildings are subject to homeland security regulations, and this is driving the demand for video surveillance and access control systems. Defense, metros, railways, airports etc. are the other crucial demand generators in the government segment.

Competitive Landscape

Electronic Security Market's competitive landscape is fragmented with a wide range of companies offering diverse solutions across end user segments. Product manufacturing is dominated by global companies, while domestic players have specialised in system integration. The product prices have been declining over the years and this has resulted in more companies entering this space in the past. With declining product prices and increased competition, the major companies in this market are adopting competitive pricing strategies and technology to differentiate their services.

Major companies in the market are Zicom Electronic Security, Honeywell International, Bosch Security Systems, Johnson Controls, Godrej Security, Videonetics, Hikvision, CP Plus, Dahua, Panasonic etc. Key competitive factors in the industry are product innovation, service quality, technological advancements, and competitive pricing.

CHAPTER 10: OVERVIEW OF THE INDIAN STAFFING SERVICES MARKET

Market Definitions

Staffing services are defined as the solutions focused on providing organisations with workers to meet temporary, contract or permanent manpower requirements. The primary services include scanning, selection, placement, recruitment etc.; on a case-to-case basis, it also includes training, payroll and compliance management. Contract-based staffing is the major part of the staffing services market, and the requirement is limited to specific projects and is short-term i.e., 1-2 years. The staffing services market is segmented into three as follows:

- Temporary staffing solutions:
 - General staffing: This includes white, blue and grey collared jobs focused on 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, engineering, procurement and construction (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 chief officer (CXO) positions and board level executives with management and domain expertise. Recruitment & RPO solutions include permanent staffing of senior, middle and junior level positions and outsourcing of the recruitment process.
- Other HR solutions: This includes payroll management outsourcing, training, skilling, HR advisory and consulting services etc.

Market Size and Revenue Trend

Recruitment (permanent and temporary), background verification, payroll management, training and development, benefits administration (health insurance, employee wellness programs etc.), HR analytics, compliance and outplacement are some of the common functions outsourced by HR departments; the outsourcing is driven the non-core nature of the activities from the primary business operations. Other added benefits include scalability, efficiency and cost optimisation.

The Indian Staffing Services Market has witnessed robust growth over the historical period, expanding from INR 552.9 billion in FY2021 to INR 1,161.3 billion in FY2026, registering a CAGR of 16.0%. Growth in staffing 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 10.1: Staffing Services Market: Historic and Forecast Revenue Trend, India, FY2021 – FY2031P



Source: Frost & Sullivan Analysis

Note: The market size refers to the organised Staffing Services Market only.

Investments in end user industries such as IT/ITeS, banking, manufacturing, retail, logistics, healthcare, FMCG and hospitality etc. and the increase in outsourcing from the government sector are expected to drive the demand for staffing services market at a CAGR of 19.9% from FY2026 - FY2031P to reach INR 2,877.0 billion.

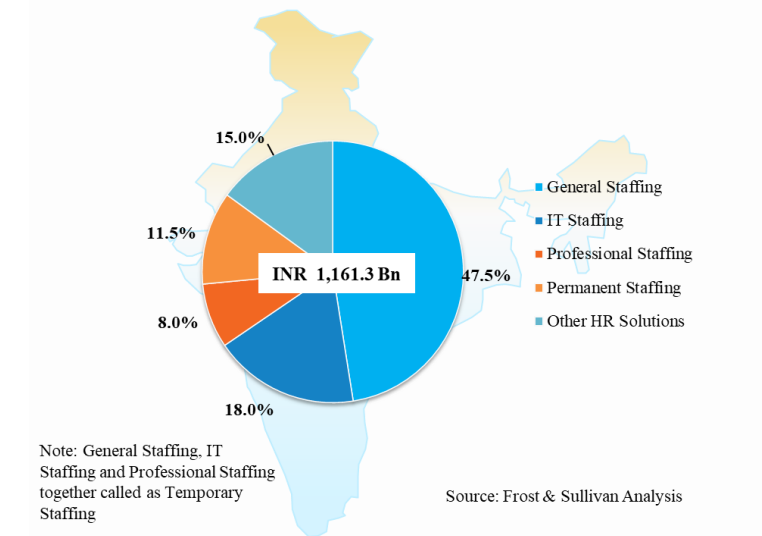
Market Segmentation by Services

General staffing and IT staffing are the major segments in staffing services market in India with a combined market share of 65.5% of the total market in FY2026.

General staffing segment in India is witnessing high growth when compared to developed markets like the United States, Japan, and Italy. In the last five years this segment has evolved into a strong contributor to the country's economy. This segment includes temporary staff placed in the retail, telecom, BFSI, healthcare and hospitality industries. These include graduate level staff with professional qualifications.

The Indian IT industry has been a pioneer in driving the growth of the staffing services market in the past decade. 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 hiring temporary staff to overcome margin pressures and maintain lean benches. In addition to established IT centres such as Bengaluru, Hyderabad, Chennai, Mumbai, Kolkata, and Delhi NCR, emerging cities such as Ahmedabad, Coimbatore, Visakhapatnam, Surat, Kochi, and Nagpur are also expected to drive the demand for IT staffing services in the forecast period. GCC are growing rapidly in India and this is creating demand for staffing to meet the diverse operational requirements.

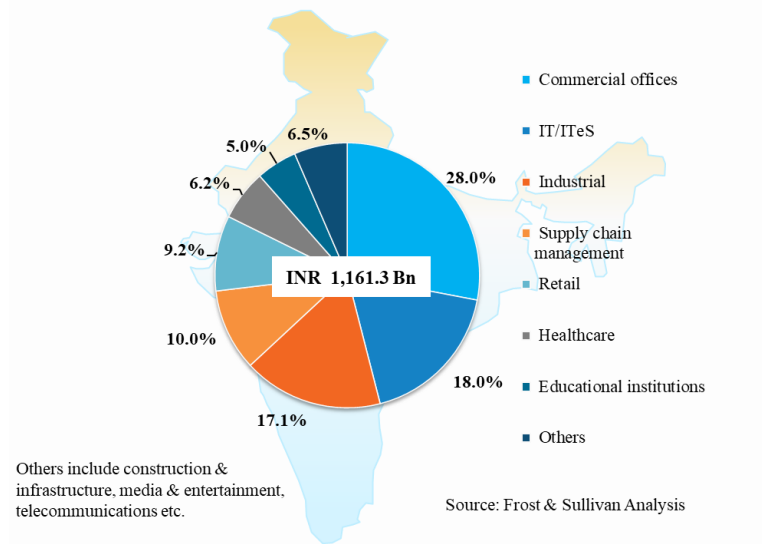
Exhibit 10.2: Staffing Services Market: Segmentation by Services, India, FY2026



Professional staffing 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. Permanent staffing and other HR solutions segments are driven by the growing job market and the large base of labour force and associated demand in India.

Market Segmentation by End User Segments

Exhibit 10.3: Staffing Services Market: Segmentation by End User Segments, India, FY2026



Commercial office is the largest segment in the Staffing Services Market in FY2026, driven by the general 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 GCCs, and the adoption of digitalisation across end user segments are creating demand for IT professionals in India, which is favouring the penetration of staffing services in this segment. Other segments that would drive the demand in the long-term include industrial, retail and healthcare.

Outlook of the Indian Staffing Services Market

Market Drivers

Key growth drivers that are creating demand for staffing 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, retail and e-commerce are also driving the demand for staffing services.

Exhibit 10.4: Market Drivers and Impact, India, FY2026 – FY2031P

Market Drivers	Impact		
	1-2 Years	3-4 Years	5-7 Years
Growth in IT industry	High	High	High
Growth in e-commerce industry	High	High	High
Growth in telecom sector	High	High	High
Growth in industrial/ manufacturing segment	High	High	High
Presence of large pool of resources	High	High	High
Ease of compliance	Medium	Medium	Medium
Shorter hiring process	Medium	Medium	Medium

Source: Frost & Sullivan Analysis

Growth in IT industry: The adoption of IT by various industries across end user 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. The IT industry is estimated to have added a net 135,000 jobs in FY2026, taking the total headcount to 5.95 million as per NASSCOM. The key factors driving this job growth would be the rapid digital transformation and the concurrent rising demand for emerging tech niche job profiles. Job opportunities in AI, cybersecurity and cloud computing are expected to witness significant demand. Global Captive Centers is another key are segments driving job growth in this industry; At the end of 2025, more than 90 new tech centers contributed to roughly 450,000 jobs⁷⁷.

Growth in e-commerce industry: Indian government has several programmes that promote the growth of e-commerce in India. The primary one is the Digital India Programme; other regulatory measures such as the National E-commerce Policy, the National Retail Policy, and Consumer Protection Rules 2020 are all expected to drive the e-commerce market in the long-term. Key segments driving the market are grocery, fashion, apparel, electronics, smart phones etc. Increase in internet penetration, smartphone adoption and digital payment systems are favouring the growth of the e-commerce market in India. Major jobs in demand

⁷⁷<https://www.forbes.com/councils/forbestechcouncil/2026/02/19/how-ai-and-gccs-will-impact-indias-job-market-in-2026/>

in the segment are delivery drivers, warehouse associates, technology jobs, digital marketing associates, logistics coordinators, managers and customer service professionals. Niche profiles such as data analytics, AI driven machine learning, product management, non-technology roles such as performance marketing, content-driven influencer marketing roles are witnessing higher demand and is expected to drive the demand for staffing services. Quick commerce, a type of e-commerce that focuses on ultra-fast delivery (for example delivery within 30 minutes) for products such as groceries and medicines are driving the blue-collar jobs in India currently. India is expected to witness a demand of 2.4 million⁷⁸ workers in quick commerce segment by CY2027P.

Growth in telecom sector: Increasing demand for fifth generation (5G) and sixth generation (6G) technologies, government initiatives such as Digital India Initiative and PLI scheme for domestic manufacturing are attracting foreign investments and investments in digital infrastructure are driving the growth of the telecom sector in India. 5G subscription in India is expected to reach 350 million by CY2026⁷⁹. The country is actively investing in 6G research and is aspiring to become a global leader in this space. The digital economy of India is expected to reach 20.0% of the national income by FY2030P. All these factors are expected to boost the demand for network engineers, field engineers, cloud network engineers, junior devops engineer, telecom technicians, project managers, network architects, data analysts, technical writers, cybersecurity analyst, IoT developers, network security analyst, customer service representative, remote IT support professionals 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 would create job opportunities and thereby growth potential for staffing services companies.

Presence of large pool of resources: India has a large pool of working-age population which has supported the growth of the staffing services market in the past. This is also expected to remain a major driver in the long-term; this along with the increasing preference for gig working among millennials and gen-Z are expected to contribute to market growth. Deploying temporary staff with the required skill set lowers the time and effort spent on training.

Ease of compliance: India's regulatory landscape is quite complex 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. Several states have implemented state specific 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.

Shorter hiring process: Staffing companies have a large database of skilled and semi-skilled resources, that can be leveraged by their clients to provide an uninterrupted hiring experience. This significantly reduces the time spent on hiring and on finding the right talent.

⁷⁸ <https://cfo.economicstimes.indiatimes.com/news/quick-commerce-driving-blue-collar-employment-india-to-see-demand-for-2-4-mn-jobs-by-2027/117086347>

⁷⁹<https://www.ibef.org/industry/indian-telecommunications-industry-analysis-presentation#:~:text=16%20May%2025,7%20May%2025>

Market Restraints

Process automation and employee productivity: IT companies are deploying automated process so that the employees can handle more work, thereby enhancing productivity or to remove human component 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.

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 for people’s willingness to be hired through staffing agencies.

Exhibit 10.5: Market Restraints and Impact, India, FY2026 – FY2031P

Market Drivers	Impact		
	1-2 Years	3-4 Years	5-7 Years
Process automation and employee productivity	Medium	Medium – High	High
Lack of long-term job security	Medium	Medium	Medium

Source: Frost & Sullivan Analysis

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. According to the Public Enterprises Survey done in FY2025 (Published in December 2025), the central public sector enterprises employed over 15.42 lakh persons in FY2025 as against 15.18 persons in FY2024⁸⁰; this growth was mainly due to the increase in casual and contract workers. Outsourcing in the public sector is driven by efficiency, cost optimisation, reduce long-term liabilities and modernisation.

- **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 (PHCs), 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.
- **Railway segment:** Key jobs outsourced from railways are railway track maintenance, maintenance of signalling systems, overhead equipment maintenance, ticket selling, bed-roll maintenance and clerical jobs.
- **Power generation and other PSUs:** Common job profiles outsourced are back-office functions such as data entry, administrative support, IT support, customer services etc.

⁸⁰<https://www.thehindubusinessline.com/economy/cpses-see-decline-in-regular-employees-women-workforce/article70436757.ece>

Technology Trends and Impact

Several technological trends are shaping the staffing services market in India, transforming how manpower is sourced, recruited, managed and deployed across job functions. AI, data analytics, cloud-based solutions are bringing efficiency to the hiring processes.

Digital hiring and automation: Most of the hiring process is digitised, for example virtual interviews, virtual training programs etc. are the trend now. AI based initial screening, automated onboarding etc. are reducing hiring delays and administrative workload. Application tracking systems and human resource information systems are used for proactive communications with applicants.

Artificial intelligence: AI is revolutionising the hiring process today. AI enhances talent acquisition by using advanced algorithms to match candidates with company requirements. AI is used to assess a candidate's skills, experience, and fitment with the company's objectives. AI tools are also used for interview scheduling and initial assessments. These technologies enable data-driven decision-making, allowing organisations to speed up hiring and improve accuracy. AI is also used for predictive hiring by forecasting a candidate's success and attrition risk. AI chatbots are used for candidate engagements in the initial stages of the hiring process.

HR data analytics: This is another technology that employs smart algorithms to accurately connect job seekers with opportunities. HR data analytics and AI technologies are used for evaluation process by staffing service providers to make mass recruitments quick and effective.

Mobile application based hiring platforms: Mobile applications for hiring are one of the most used platforms by job seekers for applying for suitable job openings. It is also used for tracking applications and receiving interview alerts. Gig-economy hiring opportunities are mostly mobile application driven. This technology has enabled the participation rate from job seekers in Tier 2 and Tier 3 cities, as this is a predominant access point for talent in these areas.

Cloud-based solutions for hiring: End-to-end cloud-based platforms are used for application tracking, payroll, compliance, and employee onboarding. This enables real time collaboration between recruiters, HR teams and candidates.

Competitive Overview and Market Share Analysis

Staffing services market in India is extremely fragmented, with more than 1,000 companies 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 Qess Corp Limited, TeamLease Services Limited, FirstMeridian Business Services Limited, Randstad India Private Limited, ManpowerGroup Services India Private Limited, Adecco India Private Limited, Kelly Services India Private Limited, ABC Consultants Private Limited, PeopleStrong Technologies Private Limited etc.

Exhibit 10.6: Number of Staffing Associates by Key Companies, India, FY2026

S.No.	Company Name	Number of Associates/ FTE
1	Qess Corp Limited	~ 500,000

2	TeamLease Services Limited	~340,600
3	FirstMeridian Business Services Limited	~ 127,000
4	Randstad India Private Limited	~57,000

Source: Company websites

Quess Corp Limited, TeamLease Services Limited, FirstMeridian Business Services Limited, Randstad India Private Limited, and ManpowerGroup Services India Private Limited are the top five companies in this market with a combined market share of 34.7% of the total market in FY2026. 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 facilities management companies present in this market are Updater Services Limited, SIS Limited, Krystal Integrated Services Limited, Stalwart Group, ISS Facility Services, Kapston Services Limited, Impressions Services Private Limited etc.

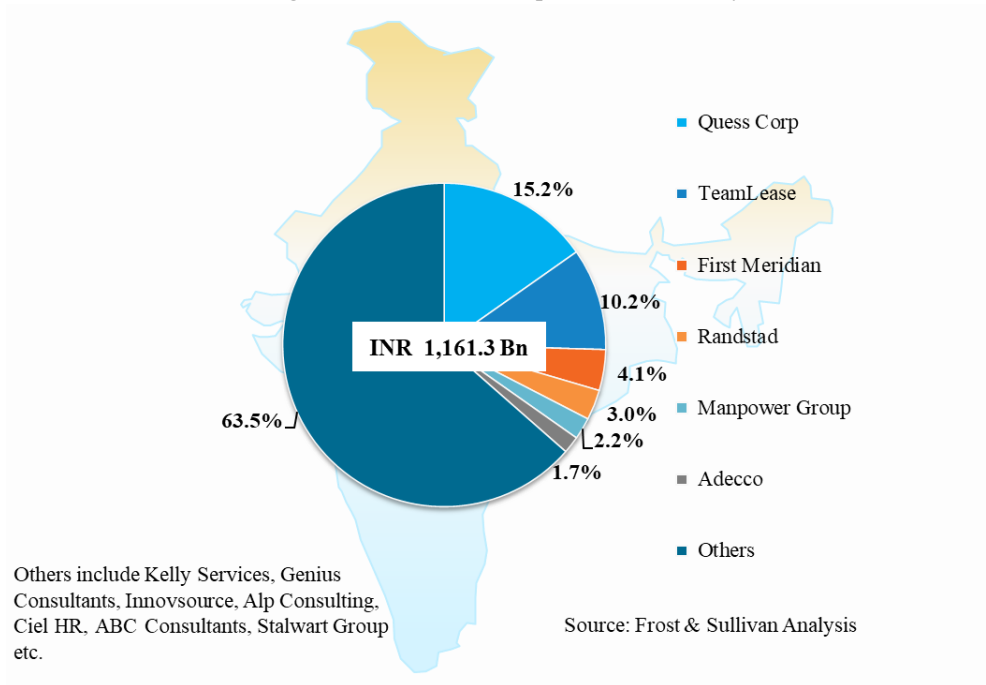
Stalwart Group under its staffing solutions vertical provides integrated staffing solutions which includes HR administrative solutions, payroll management, statutory compliance and HRMS. It leverages technology in its segments through e-onboarding, geo-tagging and biometric recognition for attendance, and automated payroll and real time operations dashboard facilitating monthly attendance inputs, salary revisions, minimum wage changes, customized reports, notifications setup, salary calculator, billing salary register.

It leverages skill mapping and research-driven sourcing to fulfil a wide range of white and blue-collar roles, serving clients across sectors such as government, BFSI, manufacturing, logistics, ecommerce, and others. Stalwart Group leverages the NAPS by engaging apprentices under the Apprentices Act, 1961. Through the deployment of apprentices under NAPS, they enable clients to achieve a reduction in the total cost associated with entry-level manpower deployment. Under the Apprentices Act, apprentices are classified as trainees and not as employees and are not subject to statutory contributions such as EPF and ESI resulting in lower statutory cost burden.

In addition, Stalwart Group facilitates the availing of financial incentives provided under NAPS, pursuant to which it facilitates the recovery of up to 25.0% of the prescribed stipend, subject to a maximum of INR 1,500 per apprentice per month, from the Government of India.

Stalwart Group manages the end-to-end administrative and compliance requirements associated with apprentice engagement, including registration on the apprenticeship portal, execution of apprenticeship contracts, stipend disbursement, and processing of subsidy claims. This integrated approach reduces administrative complexity and compliance obligations for clients. The Company also assist in structuring apprentice engagement within the prescribed limits to ensure compliance with the Apprentices Act while optimising workforce cost.

Exhibit 10.7: Staffing Services Market: Competitive Share Analysis, India, FY2026



CHAPTER 11: COMPETITIVE SERVICE MAPPING

Exhibit 11.1: Service Portfolio of Major Companies, FY2026, India

Company name	Security Services	Soft Services	Hard Services	City Maintenance Services	Catering Services	Warehouse Management Services	Production Support Services	Airport Management Services	Cash Logistics Services	Electronic Security Services	Staffing Services
Bluspring Enterprises	✓	✓	✓		✓		✓				
BVG India	✓	✓	✓	✓	✓						
Kapston Services	✓	✓	✓								✓
Krystal Integrated Services	✓	✓	✓	✓	✓	✓	✓	✓			✓
SIS Limited	✓	✓	✓						✓	✓	✓
Stalwart Group	✓	✓	✓		✓		✓			✓	✓
TeamLease Services											✓
Updater Services Limited		✓	✓		✓	✓	✓				✓

Source: Frost & Sullivan Analysis

CHAPTER 12: FINANCIAL BENCHMARKING

Revenue, EBITDA, PAT, EPS and NAV per Share

Exhibit 12.1: Revenue from Operations Comparison of Peers, India, Value in INR Billion, Growth in %, FY2024 – FY2026

Company name	FY2024	FY2025	FY2026	CAGR
Bluspring Enterprises*	Not applicable	34.84	33.82	-2.9%
BVG India	28.39	33.02	41.28	20.6%
Kapston Services	5.20	6.89	8.30	26.3%
Krystal Integrated Services	10.27	12.13	12.77	11.5%
SIS Limited	122.61	131.89	159.82	14.2%
Stalwart Group^	2.45	3.97	4.74	39.1%
TeamLease Services	93.22	111.56	117.91	12.5%
Updater Services Limited	24.44	27.36	29.40	9.7%

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Qness Corp; the CAGR is the growth rate between FY2025 and FY2026.

^ FY2026 corresponds to 9M of FY2026 only

Exhibit 12.2: EBITDA and EBITDA Margin Comparison of Peers, India, Value in INR Billion, Growth in %, FY2024 – FY2026

Company name	EBITDA				EBITDA Margin			
	FY2024	FY2025	FY2026	CAGR	FY2024	FY2025	FY2026	CAGR
Bluspring Enterprises*	Not applicable	0.82	0.78	-4.2%	Not applicable	2.34%	2.31%	-1.3%
BVG India	3.47	3.64	4.60	15.2%	12.22%	11.03%	11.15%	-4.5%
Kapston Services	0.23	0.31	0.44	38.3%	4.40%	4.49%	5.27%	9.4%
Krystal Integrated Services	0.69	0.78	0.84	10.3%	6.69%	6.41%	6.54%	-1.1%
SIS Limited	5.19	2.98	7.17	17.5%	4.23%	2.26%	4.48%	2.9%
Stalwart Group^	0.20	0.25	0.27	14.8%	8.27%	6.26%	5.63%	-17.5%
TeamLease Services	1.31	1.38	1.57	9.5%	1.40%	1.24%	1.33%	-2.6%
Updater Services Limited	1.34	1.67	1.34	0.0%	5.49%	6.09%	4.56%	-8.8%

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Qness Corp; the CAGR is the growth rate between FY2025 and FY2026.

^ FY2026 corresponds to 9M of FY2026 only

Exhibit 12.3: PAT and PAT Margin Comparison of Peers, India, Value in INR Billion, Growth in %, FY2024 – FY2026

Company name	PAT				PAT Margin			
	FY2024	FY2025	FY2026	CAGR	FY2024	FY2025	FY2026	CAGR
Bluspring Enterprises*	Not applicable	-1.79	-0.23	-87.1%	Not applicable	-5.13%	-0.68%	-86.8%
BVG India	1.66	2.07	2.51	22.9%	5.84%	6.24%	6.07%	1.9%
Kapston Services	0.13	0.18	0.28	49.6%	2.41%	2.58%	3.38%	18.4%
Krystal Integrated Services	0.49	0.63	0.64	14.5%	4.74%	5.09%	4.96%	2.3%

SIS Limited	1.90	0.12	1.38	-14.8%	1.54%	0.09%	0.86%	-25.4%
Stalwart Group^	0.14	0.17	0.23	27.7%	5.67%	4.14%	4.80%	-8.0%
TeamLease Services	1.13	1.10	1.41	12.0%	1.20%	0.99%	1.19%	-0.4%
Updater Services Limited	0.66	1.19	0.83	11.8%	2.68%	4.29%	2.80%	2.1%

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Quess Corp; the CAGR is the growth rate between FY2025 and FY2026.

^ FY2026 corresponds to 9M of FY2026 only

Exhibit 12.4: Basic EPS and Diluted EPS Comparison of Peers, India, Value in INR, FY2024 – FY2026

Company name	Basic EPS			Diluted EPS		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Bluspring Enterprises*	Not applicable	-11.55	-1.03	Not applicable	-11.55	-1.03
BVG India	14.41	17.26	21.61	14.33	17.17	21.36
Kapston Services	12.39	8.79	9.24	12.39	8.79	9.24
Krystal Integrated Services	42.30	44.61	45.94	42.30	44.61	45.94
SIS Limited	13.08	0.82	9.72	12.97	0.81	9.65
Stalwart Group^	2.53	3.10	4.03	2.53	3.10	4.03
TeamLease Services	67.00	64.86	83.30	67.00	64.86	83.30
Updater Services Limited	11.36	17.74	12.80	11.30	17.70	12.80

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Quess Corp

^ FY2026 corresponds to 9M of FY2026 only

Exhibit 12.5: NAV per Share Comparison of Peers, India, FY2024 – FY2026

Company name	NAV per Share		
	FY2024	FY2025	FY2026
Bluspring Enterprises*	Not applicable	46.67	Not available
BVG India	91.57	106.40	126.00
Kapston Services	70.56	43.81	38.23
Krystal Integrated Services	269.27	312.92	Not available
SIS Limited	167.49	166.79	180.17
Stalwart Group^	11.97	15.03	18.50
TeamLease Services	475.89	540.82	Not available
Updater Services Limited	125.49	143.11	Not available

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Quess Corp

^ FY2026 corresponds to 9M of FY2026 only

Net Worth, Net Debt, Net Debt Equity Ratio, Return on Equity, Return on Capital Employed and Working Capital Days

Exhibit 12.6: Net Worth, Net Debt and Net Debt Equity Ratio Comparison of Peers, India, Value in INR Billion, FY2024 – FY2026

Company name	Net Worth			Net Debt			Net Debt to Equity Ratio		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Bluspring Enterprises*	Not applicable	7.74	7.40	Not applicable	0.11	0.25	Not applicable	0.01	0.03

BVG India	11.78	13.69	16.24	3.96	3.13	3.89	0.34	0.23	0.24
Kapston Services	0.72	0.89	1.16	0.93	1.52	1.60	1.30	1.71	1.38
Krystal Integrated Services	3.76	4.37	4.99	-0.97	0.10	0.52	-0.26	0.02	0.10
SIS Limited	24.14	24.08	25.45	7.68	3.29	3.95	0.32	0.14	0.16
Stalwart Group^	0.67	0.83	1.03	-0.23	-0.03	0.12	-0.35	-0.04	0.12
TeamLease Services	8.11	9.23	10.60	-3.91	-1.34	-2.68	-0.48	-0.14	-0.25
Updater Services Limited	8.46	9.65	10.56	-0.98	-1.85	-2.54	-0.12	-0.19	-0.24

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Ques Corp

^ FY2026 corresponds to 9M of FY2026 only

Exhibit 12.7: Return on Equity and Return on Capital Employed Comparison of Peers, India, FY2024 – FY2026

Company name	Return on Equity			Return on Capital Employed		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Bluspring Enterprises*	Not applicable	-24.75%	-2.30%	Not applicable	4.24%	5.62%
BVG India	14.12%	15.15%	15.51%	20.00%	19.03%	19.16%
Kapston Services	17.56%	16.92%	24.18%	11.95%	10.90%	14.26%
Krystal Integrated Services	9.12%	10.00%	12.89%	15.13%	16.42%	14.91%
SIS Limited	7.87%	0.49%	5.41%	10.08%	5.17%	13.81%
Stalwart Group^	21.11%	20.64%	21.79%	28.98%	24.14%	16.96%
TeamLease Services	14.05%	11.99%	13.39%	14.78%	13.34%	15.47%
Updater Services Limited	8.09%	12.40%	8.14%	11.55%	15.31%	10.25%

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Ques Corp

^ FY2026 corresponds to 9M of FY2026 only

Exhibit 12.8: Net Debt/EBITDA and Net Working Capital Days Comparison of Peers, India, FY2024 – FY2026

Company name	Net Debt/ EBITDA			Net Working Capital Days		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Bluspring Enterprises*	Not applicable	0.13	0.32	Not applicable	31	30
BVG India	1.14	0.86	0.84	148	144	132
Kapston Services	4.07	4.90	3.66	99	94	92
Krystal Integrated Services	-1.41	0.12	0.62	47	83	108
SIS Limited	1.48	1.10	0.55	33	27	21
Stalwart Group^	-1.15	-0.13	0.46	51	57	55
TeamLease Services	-2.99	-0.97	-1.71	-4	6	10
Updater Services Limited	-0.73	-1.11	-1.89	48	45	43

* Bluspring Enterprises FY2025 represents the period 11th February 2024 – 31st March 2025, because of the demerger from Ques Corp

^ FY2026 corresponds to 9M of FY2026 only