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Industry Report On Integrated Facility Management

18.06.25

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1. Indian Macro Economy an overview

The Indian economy is on a strong wicket and stable footing, demonstrating resilience in the face of geopolitical challenges. The Indian economy has consolidated its post-Covid recovery with policymakers – fiscal and monetary – ensuring economic and financial stability. Nonetheless, change is the only constant for a country with high growth aspirations. For the recovery to be sustained, there has to be heavy lifting on the domestic front because the environment has become extraordinarily difficult to reach agreements on key global issues such as trade, investment and climate.

High economic growth in FY24 came on the heels of growth rates of 9.7% and 7.0%, respectively, in the previous two financial years. The headline inflation rate is largely under control, although the inflation rate of some specific food items is elevated. The trade deficit was lower in FY24 than in FY23, and the current account deficit for the year is around 0.7% of GDP. In fact, the current account registered a surplus in the last quarter of the financial year. Foreign exchange reserves are ample. Public investment has sustained capital formation in the last several years even as the private sector shed its balance sheet blues and began investing in FY22. Now, it has to receive the baton from the public sector and sustain the investment momentum in the economy. The signs are encouraging.

National income data show that non-financial private-sector capital formation, measured in current prices, expanded vigorously in FY22 and FY23 after a decline in FY21. However, investment in machinery and equipment declined for two consecutive years, FY20 and FY21, before rebounding strongly. Early corporate sector data for FY24 suggest that capital formation in the private sector continued to expand but at a slower rate.

RBI data on India's Balance of Payments shows us that the investment interest of external investors, measured in terms of dollar inflows of new capital, was USD45.8 billion in FY24 compared to USD47.6 billion in FY23. This slight decline is in line with global trends. Reinvestment of earnings remained the same. Repatriation of investment was USD29.3 billion in FY23 and USD44.5 billion in FY24. Many private equity investors took advantage of buoyant equity markets in India and exited profitably. It is a sign of a healthy market environment that offers profitable exits to investors, which will bring newer investments in the years to come.

That said, the environment for foreign direct investment to grow in the coming years is not highly favourable for many reasons.

Interest rates in developed countries are much higher than they were during and before Covid years. This not only means a higher cost of funding but also a higher opportunity cost to invest abroad. Second, emerging economies have to compete with active industrial policies in developed economies involving considerable subsidies that encourage domestic investment. Third, notwithstanding the impressive strides made in the last decade, uncertainties and interpretations related to transfer pricing, taxes, import duties and non-tax policies remain to be addressed. Lastly, geopolitical uncertainties, which are on the rise, will likely exert a bigger influence on capital flows, notwithstanding other reasons for preferring to invest in India.

On employment generation, the Periodic Labour Force Survey provides quarterly data on urban employment indicators and annually for the entire country, including rural India. A surge in agriculture employment is partly explained by reverse migration and the entry of women into the labour force in rural India. The Annual Survey of Industries has data on workers in nearly 2.0 lakh Indian factories. The total number of factory jobs grew annually by 3.6% between 2013-14 and 2021-22. Somewhat more satisfyingly, they grew faster at 4.0% in factories employing more than a hundred workers than in smaller factories (those with less than a hundred workers). The annual growth rate was 1.2% in the latter set of factories. In absolute numbers, employment in Indian factories has grown from 1.04 crore to 1.36 crore in this period.

Between the last Economic survey published in January 2023 and this one, big changes are afoot in the geopolitical environment. The global backdrop for India's march towards Viksit Bharat in 2047 could not be more different from what it was during the rise of China between 1980 and 2015. Then, globalisation was at the cusp of its long expansion. Geopolitics was largely calm with the end of the Cold War, and Western powers welcomed and even encouraged the rise of China and its integration into the world economy. Concerns over climate change and global warming were not so pervasive or grave then as they are now. Fourth, the advent of Artificial Intelligence casts a huge pall of uncertainty as to its impact on workers across all skill levels – low, semi and high. These will create barriers and hurdles to sustained high growth rates for India in the coming years and decades. Overcoming these requires a grand alliance of union and state governments and the private sector.

Employment generation is the real bottom line for the private sector

It is worth reiterating that job creation happens mainly in the private sector. Second, many (not all) of the issues that influence economic growth, job creation and productivity and the actions to be taken therein are in the domain of state governments. So, in other words, India needs a tripartite compact, more than ever before, to deliver on the higher and rising aspirations of Indians and complete the journey to Viksit Bharat by 2047. In more than one respect, the action lies with the private sector. In terms of financial performance, the corporate sector has never had it so good. Results of a sample of over 33,000 companies show that, in the three years between FY20 and FY23, the profit before taxes of the Indian corporate sector nearly quadrupled. Further, newspaper headlines told us that the corporate profits-to-GDP ratio rose to a 15-year high in FY24. Business Line reported, "The corporate profit for the Nifty-500 universe was up 30 per cent last fiscal to ₹14.11-lakh crore against ₹10.88 lakh crore in FY23. The nominal GDP grew 9.6 per cent y-o-y to ₹295-lakh

crore (₹269-lakh crore). Hiring and compensation growth hardly kept up with it. But, it is in the interest of the companies to step up hiring and worker compensation.

The Union government cut taxes in September 2019 to facilitate capital formation. Between FY19 and FY23, the cumulative growth in private sector non-financial Gross Fixed Capital Formation (GFCF) is 52% in current prices. During the same period, the cumulative growth in general government (which includes states) is 64%. The gap does not appear to be too wide.

Future ahead:-

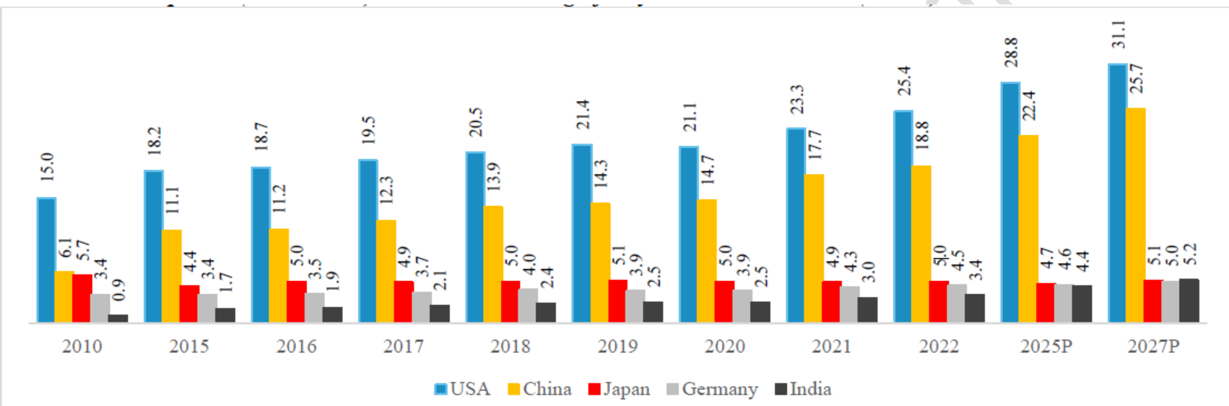
While contemplating the challenges that lie ahead, one should not be daunted because the social and economic transformation of democratic India is a remarkable success story. We have come a long way. The economy has grown from around USD288 billion in FY93 to USD3.6 trillion in FY23. India has generated more growth per dollar of debt than other comparable nations. Abject poverty has all but been eliminated. Human development indicators have improved, and more Indians, especially women, are getting educated. For all its flaws and warts, the system has delivered accountability through the democratic process and public discourse, where the occasional and rarer mature commentary proves effective. We should not lose sight of that.

Global Economy:-

Following the onset of the Covid-19 pandemic crisis, the global economy has experienced a combination of both risks and opportunities. Progressing toward recovery, the global economy started returning to normalcy after a prolonged struggle; the governments worldwide have taken swift and appropriate measures, including widespread vaccination efforts and the consistent implementation of fiscal and monetary support strategies. Right when the economic situation seemed to be improving after the Covid-19, the Russia-Ukraine geopolitical conflict unfolded, contributing to global inflationary pressures and resulting in record-high levels not witnessed in the past four decades. Moreover, the impact of the conflict between Israel and Hamas on global financial markets will be contingent on the involvement of major regional powers. If the conflict remains localized between Israel and

Hamas, its effects are likely to be limited, primarily affecting countries directly engaged in trade with Israel or Palestine. However, should the conflict extend to major oil-producing nations in the region, such as Iran, the global economy may experience significant consequences. Interruptions in the oil supply could lead to a sharp increase in energy costs for businesses and households, posing a potential threat to the overall stability of the global economy. To tackle this, Central Banks are adopting a hawkish approach and implementing interest rate hikes.

On the back of enhanced vaccination coverage and continued fiscal and monetary stimuli across countries, the GDP of the World grew by 13.2% CY 21 against a contraction of 3.0 % in CY 20. The positive trend continued into CY 22, with a growth rate of 4.7%. The global GDP is forecasted to grow from USD 101.0 trillion in CY 22 to 128.5 in CY 27, thus growing at a CAGR of 4.9% during the forecasted period. The GDP (at current price) of the major economies in the world is presented in the table below



Source: World Bank Data, IMF, RBI; CY 2022 for India refers to FY 2023 data and so on.

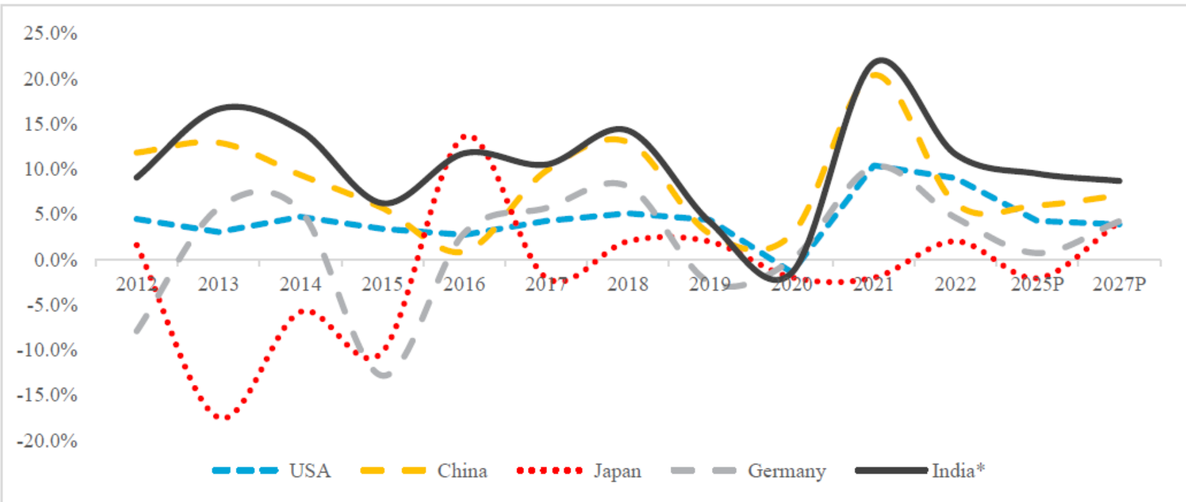
Country	Rank in GDP (CY 22)	Rank in GDP (PPP)	CY 10	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 25P	CY 27P	CAGR (2016-21	CAGR (2022-27)
USA	1	2	15.1	18.2	18.7	19.5	20.5	21.4	21.1	23.3	25.4	28.8	31.1	4.5%	4.1%
China	2	1	6.1	11.1	11.2	12.3	13.9	14.3	14.7	17.7	18.8	22.4	25.7	9.6%	6.5%
Japan	3	4	5.8	4.4	5.0	4.9	5.0	5.1	5.0	4.9	5.0	4.7	5.1	-0.4%	0.4%
Germany	4	5	3.4	3.4	3.5	3.7	4	3.9	3.9	4.3	4.5	4.6	5.0	4.2%	2.1%
India	5	3	0.9	1.7	1.9	2.1	2.4	2.5	2.5	3.0	3.4	4.4	5.2	9.6%	8.9%
UK	6	10	2.5	2.9	2.7	2.6	2.9	2.8	2.7	2.9	3.2	3.6	4.0	1.4%	4.6%
Brazil	12	8	2.2	1.8	1.8	2.1	1.9	1.9	1.5	1.6	1.8	2.3	2.6	-2.3%	7.6%
Russia	11	6	1.6	1.4	1.3	1.6	1.7	1.7	1.5	1.8	1.9	2.2	2.3	6.7%	3.9%
World	-	-	66.6	75.2	76.5	81.4	86.5	87.7	85.0	96.5	101.0	116.5	128.5	4.8%	4.9%

The world economy has experienced a contraction in GDP growth during the pandemic i.e. in CY 20. However, the governments and central banks globally have taken decisive actions by implementing fiscal and monetary stimulus measures to bolster the process of economic recovery. Further, the gradual recovery of global supply chains and increased international trade have contributed to the positive growth trajectory. These well-calibrated initiatives and the recovery to global supply-chain have been directed towards reinstating consumer and business confidence, stimulating demand, and achieving stability in financial markets. As a result of these concerted efforts, multiple countries and regions have demonstrated encouraging signs of economic revival and notable growth.

2. Indian Macro Economy Parameters

India's economy carried forward the momentum it built in FY23 into FY24 despite a gamut of global and external challenges. The focus on maintaining macroeconomic stability ensured that these challenges had minimal impact on India's economy. As a result, India's real GDP grew by 8.2 per cent in FY24, posting growth of over 7 per cent for a third consecutive year, driven by stable consumption demand and steadily improving investment demand.

The economies of India and China witnessed remarkable growth in nominal GDP during the calendar year 2021 and 2022, following the COVID-19 pandemic. India demonstrated a substantial year-on-year nominal GDP growth rate of 21.8% in CY 21 followed by a growth of 11.7% in CY 22. Meanwhile China experienced a notable growth rate of 20.4% in CY 21 and 6.2% growth in CY 22. On the other hand, major economies like the United States and Germany reported GDP growth rates of 10.4% and 10.3% respectively during CY 21 followed by 9% and 4.7% GDP growths in CY 22. Japan, however, experienced a negative growth in GDP (-2.0%) during CY 21. Nevertheless, in CY 22, Japan's GDP rebounded with a growth rate of 2%.

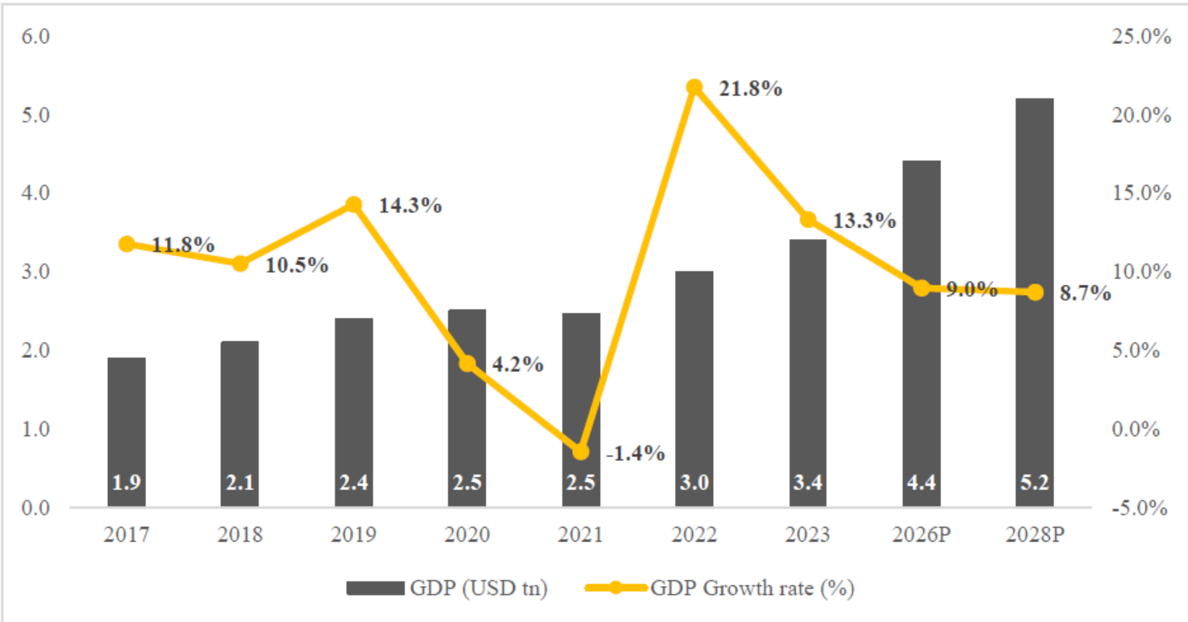


Source: India Data from RBI, Future growth rate from OECD Data, Technopak Analysis
1USD = INR 80
**For India, CY 11 represents FY 12 and so on.*

	CY 12	CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 25P	CY 27P
USA	4.5%	3.1%	4.8%	3.4%	2.7%	4.3%	5.1%	4.4%	-1.4%	10.4%	9.0%	4.3%	3.9%
China	11.8%	12.9%	9.4%	5.7%	0.9%	9.8%	13.0%	2.9%	2.8%	20.4%	6.2%	6.0%	7.1%
Japan	1.6%	-17.5%	-5.8%	-10.2%	13.6%	-2.0%	2.0%	2.0%	-2.0%	-2.0%	2.0%	-2.0%	4.2%
Germany	-7.9%	5.7%	5.4%	-12.8%	2.9%	5.7%	8.1%	-2.5%	0.0%	10.3%	4.7%	0.7%	4.3%
India*	**9.1%**	**16.7%**	**14.3%**	**6.2%**	**11.8%**	**10.5%**	**14.3%**	**4.2%**	**-1.4%**	**20.0%**	**11.7%**	**9.5%**	**8.7%**

India is the world's 5th largest economy and expected to be in the top 3 by FY 28
India ranked fifth in the world in terms of nominal gross domestic product ("GDP") for FY 22 and is the third largest economy in the world in terms of purchasing power parity ("PPP"). India is expected to be USD ~5.2 trillion economy by FY 28 and is estimated to be the third largest economy surpassing Germany and Japan.

India's nominal GDP at current prices (In USD Tn) and GDP Growth rate (%) (FY).



India's nominal GDP has grown at a CAGR of 9.6% between FY 17 and FY 22 and is expected to continue the trend by registering an expected CAGR of 8.9% for 5-year time period from FY 23 to FY 28.

Since FY 05, the Indian economy's growth rate had been twice as that of the world economy and it is expected to sustain this growth momentum in the long term. From FY 23 to FY 28, India's nominal GDP is expected to grow at a CAGR of 8.9%, which compares favourably to the world average (4.9%) and with other major economies,

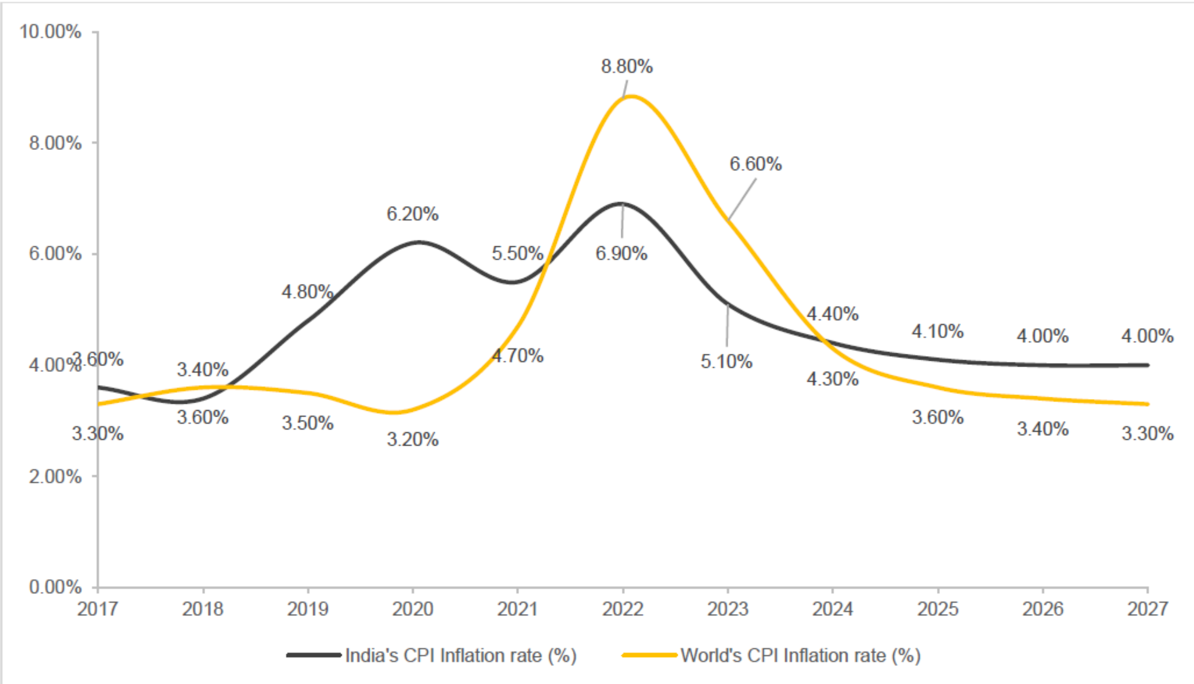
including China (6.5%), UK (4.6%), Japan (0.4%), Germany (2.1%) and the USA (4.1%) for the similar period of CY 22 to CY 27. It is also expected that the growth trajectory of Indian economy will enable India to be among the top 3 global economies by FY 28. Several factors are likely to contribute to economic growth in the long run.

These include favourable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, growing young & working population, IT revolution, increasing penetration of mobile & internet infrastructure, government policies, increasing aspirations and affordability etc.

Macro-Economic and Overview – Inflation

Inflation is measured by the consumer price index (CPI), is defined as the change in the prices of a basket of goods and services that are typically purchased by specific groups of households. The world has witnessed a significant rise in inflation during the year 2022 where the average global inflation was recorded at 8.8%. As per the IMF report, the global inflation rate is expected to drop to 6.6% in CY 23 and 4.3% to CY 24 as compared to a pre-pandemic level of 3.5% during CY 17 to CY 19.

Comparison of India's inflation rate (%) to the World's – average consumer price (CY)



Source: IMF projection

The economies of both India and the world are undergoing a recovery process following the impact of the COVID-19 pandemic. However, the speed of their recovery is influenced not only by the severity of the COVID-19 impact but also by their ability to handle the challenges arising from the economic consequences of the ongoing geopolitical conflict between Russia and Ukraine.

Due to a substantial increase in global crude oil and commodity prices, India along with other developed countries are faced significant challenges related to high levels of inflation in recent years. Further, the pandemic has led to disruptions in global supply chains, affecting the availability of goods and raw materials. In response to this

inflationary pressure, these countries are compelled to raise their domestic interest rates. RBI has been working towards reducing inflation by increasing the Repo rate to control the supply and demand of goods and services.

The RBI has increased repo rate by a cumulative 250 basis points, from 4% in April 2022 to 6.50% in April 2023, with an aim to tackle the current inflation scenario in India. The CPI inflation rate in India has been above the Reserve Bank of India (RBI) medium-term target of 6%. The country's retail inflation slipped to 4.25% in May 2023, from 6.44% in January 2023. The CPI inflation in India is expected to fall from 6.9% in FY 22 to 5.1% in FY 23 and further dropping to 4.4% during the year 2024.

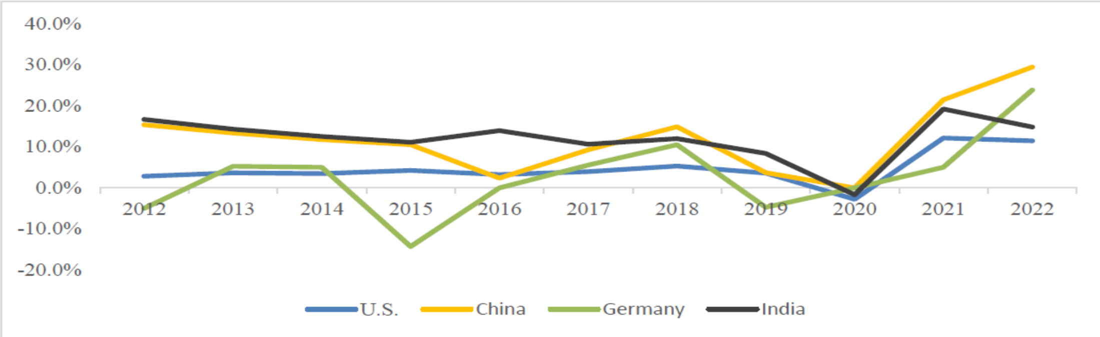
Global Inflation rate, average CPI (%) – U.S., U.K, China, Japan, India, Germany (CY)

Inflation rate (CPI%)	2017	2018	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P
China	1.6%	2.1%	2.9%	2.4%	0.9%	2.2%	2.2%	1.9%	2.0%	2.0%	2.0%
India	3.6%	3.4%	4.8%	6.2%	5.5%	6.9%	5.1%	4.4%	4.1%	4.0%	4.0%
Japan	0.5%	1.0%	0.5%	0.0%	-0.2%	2.0%	1.4%	1.0%	1.0%	1.0%	1.0%
Germany	1.7%	1.9%	1.4%	0.4%	3.2%	8.5%	7.2%	3.5%	2.6%	2.0%	2.0%
UK	2.7%	2.5%	1.8%	0.9%	2.6%	9.1%	9.0%	3.7%	1.8%	2.0%	2.0%
USA	2.1%	2.4%	1.8%	1.2%	4.7%	8.1%	3.5%	2.2%	2.0%	2.0%	2.0%
World	3.3%	3.6%	3.5%	3.2%	4.7%	8.8%	6.6%	4.3%	3.6%	3.4%	3.3%

Source: IMF projections

Private Final consumption: -

GDP growth in India is expected to be driven by rising private final consumption expenditure. India is a private consumption driven economy where the share of domestic consumption is measured as private final consumption expenditure (PFCE). This private consumption expenditure comprises both goods (food, lifestyle, home, pharmacy etc.) and services (food services, education, healthcare etc.). High share of private consumption to GDP has the advantage of insulating India from volatility in the global economy. It also implies that sustainable economic growth directly translates into sustained consumer demand for goods and services. India's domestic consumption has grown at a CAGR of 10.4% between FY 17 and FY 23, compared to 5.5% and 12.7% in the USA and China, respectively during the similar period of CY 16 and CY 22. Further, Indian total PFCE is expected to grow at same



Source: World Bank, RBI, Technopak Research & Analysis
** For India, CY 12 refers to FY 13 and so on, India Data in FY. 1USD = INR 80*

pace during the next 5 years at a CAGR of 10.8% and projected reach to USD 3 trillion by FY 27.In FY 22, PFCE accounted for ~60% of India's GDP. This is much higher than that in China (~39%), Germany (~50%) and comparable to that of the US (~68%) and the UK (~61%) for similar time of CY 21. With the rapidly growing GDP and PFCE, India is expected to be one of the top consumer markets in the world. It is estimated that the Private Final Consumption expenditure contribution to India's GDP will be 60.55% for FY 23.

Total Private Final Consumption Expenditure in CY (Current Prices USD Tn)

Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2026P	Contribution to GDP			CAGR	
														2019	2021	2022	2016-22	2022-26
U.S.	10.7	11	11.4	11.8	12.3	12.7	13.2	13.9	14.4	14	15.7	17.5	NA	67.4%	68.3%	NA	5.5%	NA
China	2.6	3	3.4	3.8	4.2	4.3	4.7	5.4	5.6	5.6	6.8	8.8	NA	39.2%	38.9%	NA	12.7%	NA
Germany	2	1.9	2	2.1	1.8	1.8	1.9	2.1	2	2	2.1	2.6	NA	51.7%	49.6%	73.1%	6.3%	NA
India*	0.6	0.7	0.8	0.9	1.0	1.1	1.3	1.4	1.5	1.5	1.8	2.1	3.0	61.0%	59.6%	60.1%	10.4%	10.8%
Italy	1.4	1.3	1.3	1.3	1.1	1.1	1.2	1.3	1.2	1.1	1.1	1.5	NA	59.8%	57.8%	79.8%	5.3%	NA
U.K.	1.7	1.8	1.8	2	1.9	1.8	1.7	1.9	1.8	1.7	2	2.6	NA	66.0%	61.1%	83.9%	6.3%	NA
World	41.7	42.6	43.8	45	42.6	43.6	46	48.5	49.3	46.9	50.2	NA	NA	56.2%	55.7%	NA	NA	NA

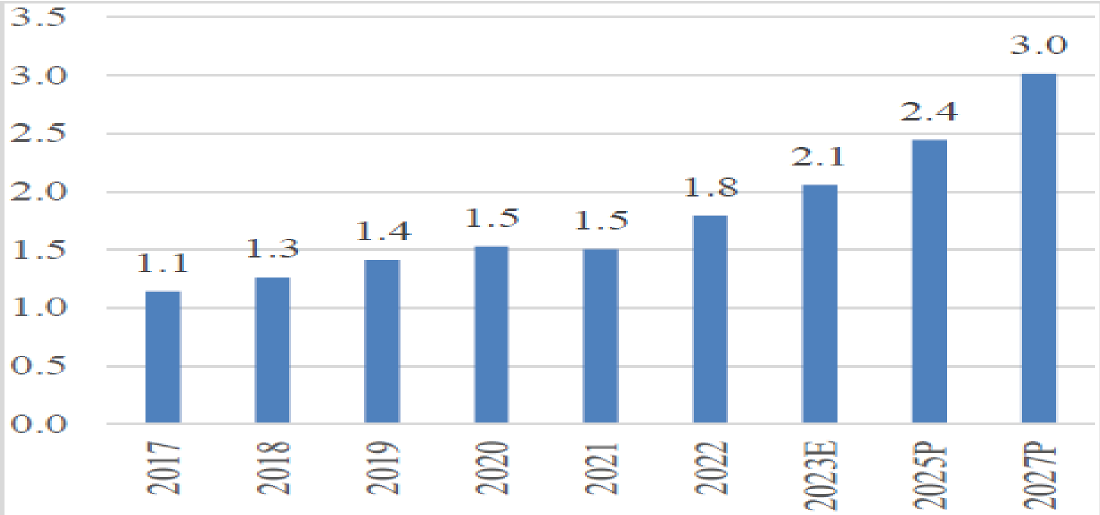
Source: World Bank, RBI, Technopak Research & Analysis
** For India, CY 2011 refers to FY 2012 and so on, India Data in FY*
1USD = INR 80

Total Private Final Consumption Expenditure growth (%) (CY)

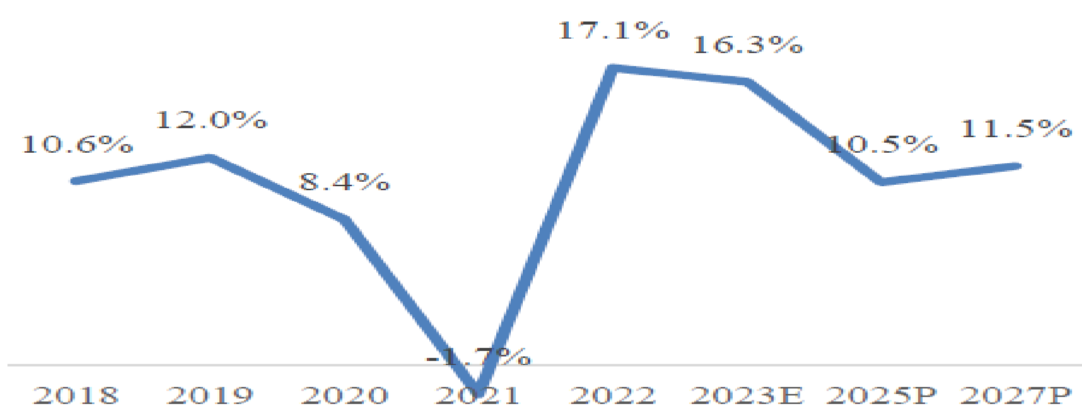
Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
U.S.	2.8%	3.6%	3.5%	4.2%	3.3%	3.9%	5.3%	3.6%	-2.8%	12.1%	11.5%
China	15.4%	13.3%	11.8%	10.5%	2.4%	9.3%	14.9%	3.7%	0.0%	21.4%	29.4%
Germany	-5.0%	5.3%	5.0%	-14.3%	0.0%	5.6%	10.5%	-4.8%	0.0%	5.0%	23.8%
India	16.7%	14.3%	12.5%	11.1%	13.9%	10.6%	12.0%	8.4%	-1.7%	17.1%	16.3%

Over the years, the growth rate of Total Private Final Consumption of India has always been the highest as compared to the other top economies in the world.

Total Private Final Consumption Expenditure of India (Current Prices USD Tn) FY:-

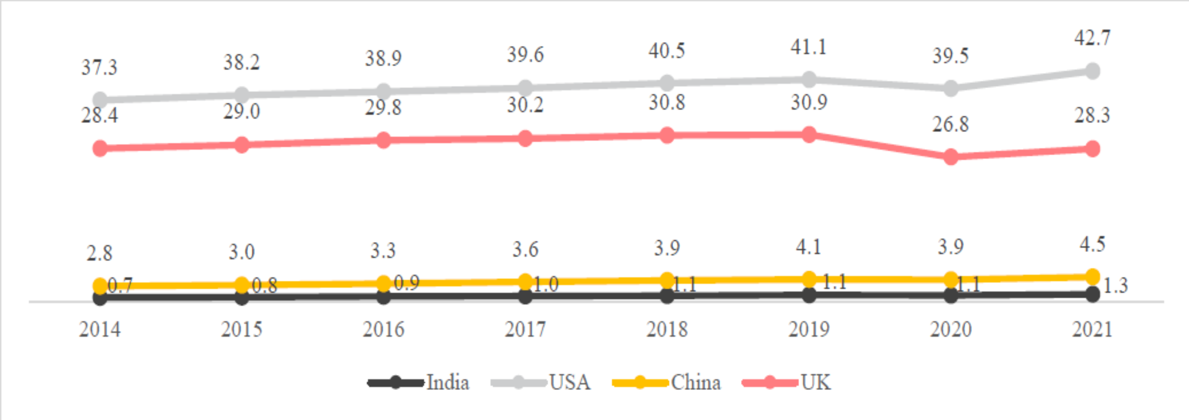


Private Final Consumption Expenditure y-o-y growth rate of India (%)



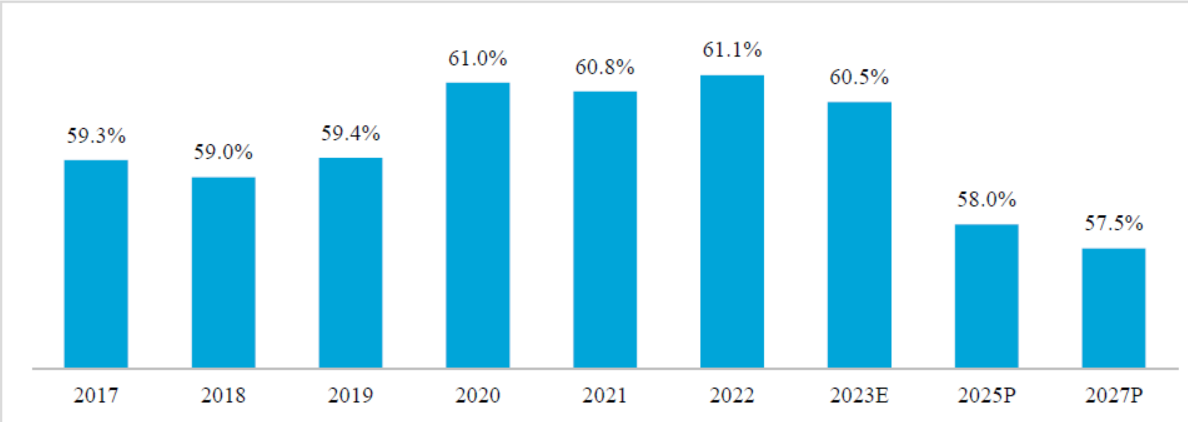
PFCE in India has exhibited varying y-o-y growth rates over the past few years. During FY 18 and FY 19, the PFCE grew by 10.6% and 12.0% respectively, indicating a robust expansion in consumer spending and a sustained momentum in private consumption. However, FY 21 witnessed a significant contraction in PFCE growth, with a y-o-y rate of -1.7% caused by the COVID-19 pandemic. Data for FY 22 estimate a substantial rebound with a growth rate of 17.1%, reflecting the anticipated revival in consumer demand as the economy recovers from the pandemic-induced downturn. With a projected growth rates of 10.5% in FY 25 and 11.5% in FY 27, it is forecasted to have a sustained positive trajectory for PFCE growth rate in India.

Per Capita Final Consumption Expenditure:-



Source: RBI, World Bank, Note: Per capita consumption for countries other than India include per capita final consumption expenditure for NPISHs and households
Note: India's per capita consumption is at current prices while for other countries, it is at constant 2015 USD prices.
Note: CY 2014 represents FY 2015 and so on for India.
1USD = INR 80

Private Final Consumption Expenditure to India's GDP:-



Source: Ministry of Statistics and Program Implementation

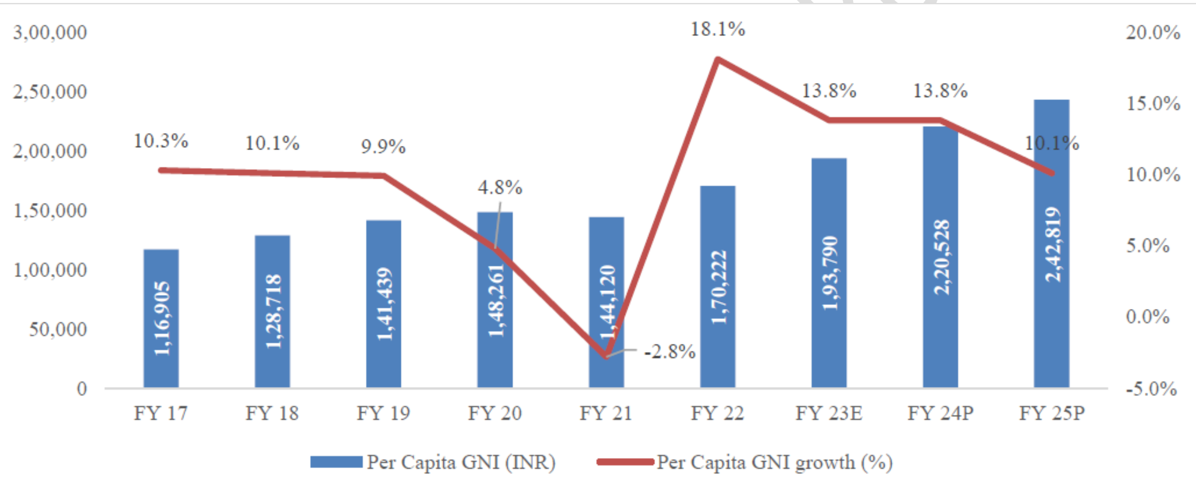
A high share of private final consumption expenditure to GDP indicates that the economy is driven by consumer spending, which can be a positive sign for economic growth. However, if the share of private consumption expenditure is too high, it can lead to inflationary pressures and an unsustainable economy. India's share of private

final consumption expenditure to GDP has increased over the years and has recorded 61.12% in FY 22 from 59.34% in FY 17. As per Ministry of Statistics and Program Implementation report, the share of India's PFCE to GDP will account for approximately 60.55% in FY 23.

Per Capita Income Growth:-

Income growth, presented by the GNI (Gross National Income) which is defined as the total amount of money earned by a country's businesses and individuals. India's gross national income growth with a CAGR of ~8% for the period FY 17 to FY 22 and is expected to continue the growth momentum with a CAGR of 12.6% from FY 22 to FY 25. Growing GNI is one of the strongest drivers for higher private consumption trends. The GNI per capita for the top five economies of the world such as the USA (USD 76,370), China (USD 12,850), Japan (USD 42,440), Germany (USD 53,390) and the UK (USD 48,890) is higher for CY 22 than that of India's GNI of USD 2,422 (INR 1,93,790) for a similar period of FY 23.

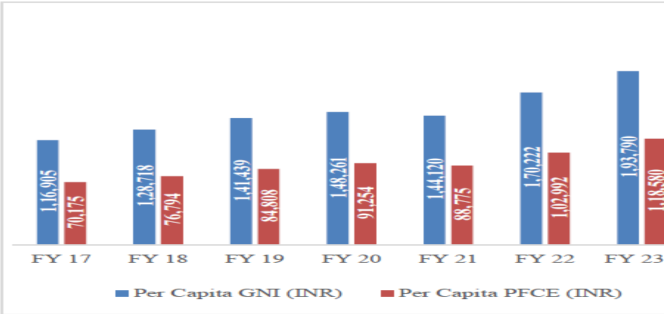
India's GNI Per Capita (INR) (Current Prices) and Y-o-Y growth trend (FY):-

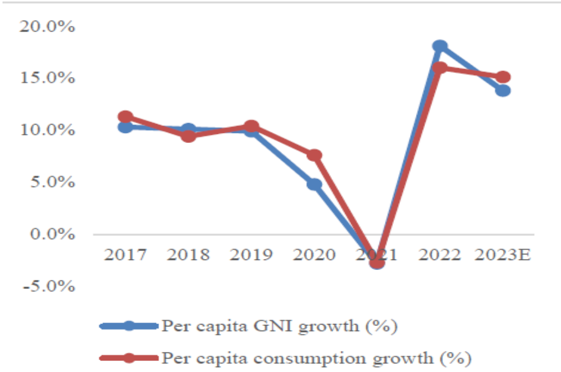


Correlation between India's Per Capita income growth to per capita consumption growth:-

In recent years, India has experienced a significant economic growth, with per capita income increasing from INR 1.16 lakhs in FY 17 to INR 1.70 lakhs in FY 22 and is expected to have reached INR 1.93 lakhs during FY 23. During this period, there has also been a corresponding increase in per capita consumption, as people have more money to spend on a variety of goods and services. The per capita PFCE of India increased from INR 0.70 lakhs in FY 17 to INR 1.02 lakhs in FY 22 and INR 1.18 lakhs in FY23. There is generally a positive correlation between a country's per capita income growth and per capita consumption growth.

Correlation between India's per capita income growth and per capita PFCE growth (%) (FY)

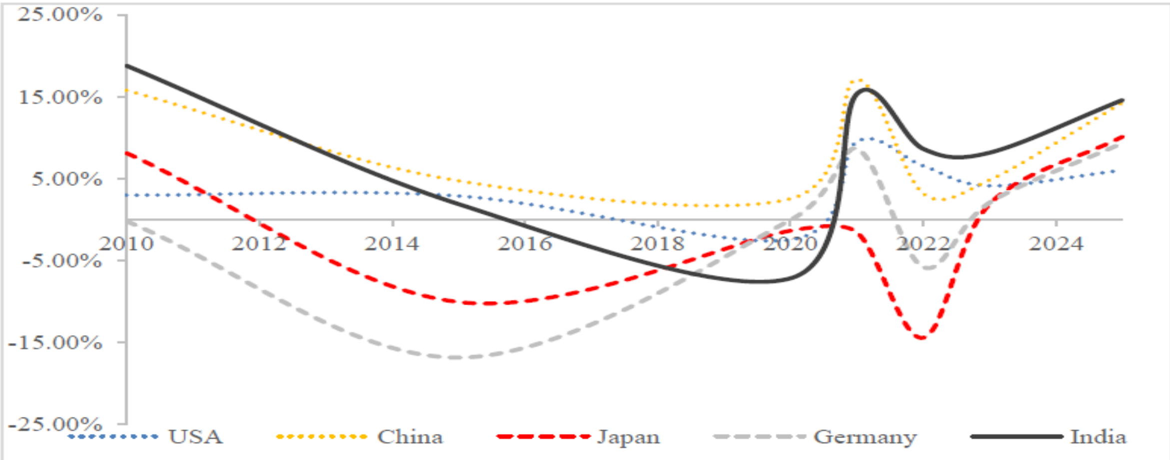




ource: Ministry of Statistics and Program Implementation

India's Per Capita GDP has almost doubled from year 2010 to 2023. India's per capita income has grown at a CAGR of 6.50% from the period of CY 15 to CY 22 while the per capita GDP for other developed and developing countries such as US, China, Japan and Germany grew at the CAGR of 4.10%, 7.12%, -0.25% and 2.36% respectively over a similar time period of CY 15 to CY 22.

Per Capita GDP growth rate of top 5 economy in the world (US$)



	2010	2015	2020	2021	2022	2023P	2025P
USA	3.0%	2.9%	-2.5%	9.5%	6.6%	4.1%	6.0%
China	15.8%	4.7%	2.6%	17.1%	3.2%	4.8%	14.3%
Japan	8.1%	-10.1%	-1.4%	-1.5%	-14.4%	1.9%	10.1%
Germany	-0.2%	-16.8%	0.0%	8.7%	-5.8%	2.1%	9.4%
India	**18.8%**	**1.9%**	**-7.2%**	**15.3%**	**8.6%**	**8.2%**	**14.6%**

Source: IMF Projection

Sectorial share of Gross value added (GVA)

The shares of the agriculture, industry and services sector in overall GVA (Gross value added) at current prices were 17.7 per cent, 27.6 per cent and 54.7 per cent respectively in FY24. GVA in the agriculture sector continued to grow, albeit at a slower pace. Erratic weather patterns during the year and an uneven spatial distribution of the monsoon in 2023 impacted overall output. This is reflected in the marginal decline in total foodgrain output for FY24 of 0.3 per cent as per the third advanced estimate of foodgrain production released by the Ministry of Agriculture and Farmers' Welfare (MoAFW).

Within the industrial sector, manufacturing GVA shrugged off a disappointing FY23 and grew by 9.9 per cent in FY24. Manufacturing activities benefitted from reduced input prices while catering to stable domestic demand. The input price advantage was reflected in the subdued growth in the Wholesale Price Index (WPI) inflation, which led to a deflator of (-)1.7 per cent for the manufacturing sector during FY24. Manufacturers also passed on the reduction in input prices to consumers, reflected in the sustained decline in the core consumer price inflation. The strength of manufacturing is further corroborated by the strong performance of the HSBC India PMI for manufacturing, which consistently remained well above the threshold value of 50, indicating sustained expansion and stability in India's manufacturing sector. Construction activities displayed increased momentum and registered a growth of 9.9 per cent in FY24 due to the infrastructure buildout and buoyant commercial and residential real estate demand.

Outlook of the Indian Economy: -

The Indian economy recovered swiftly from the pandemic, with its real GDP in FY24 being 20 per cent higher than the pre-COVID, FY20 levels. This meant a CAGR of 4.6 per cent from FY20, despite a 5.8 per cent decline in FY21 inflicted by the pandemic. During the decade ending FY20, India grew at an average annual rate of 6.6 per cent, more or less reflecting the long-run growth prospects of the economy. This is the background against which we can see the prospects for FY25.

IMF projects the global economy to grow at 3.2 per cent in 2024, with risks being broadly balanced. The average annual global growth was 3.7 per cent during the decade ending FY20. Inflationary pressures have moderated in most economies with declining global commodity prices and easing of supply chain pressures. However, core inflation remains sticky and driven by high service inflation. Many central banks have hinted at the peaking of the interest rate hike cycle. The ECB has already cut the policy rate, while the Fed has hinted at reducing the rate in 2024. If the services inflation across economies moderates faster, that may allow central banks to bring forward the monetary policy easing cycle earlier than currently anticipated. A likely reduction in policy rates by central banks of AEs, especially the Fed, will open the space for central banks of EMEs to follow the lead, bringing down the cost of capital.

On the downside, any escalation of geopolitical conflicts in 2024 may lead to supply dislocations, higher commodity prices, reviving inflationary pressures and stalling monetary policy easing with potential repercussions for capital flows. This can also influence RBI's monetary policy stance. The global trade outlook for 2024 remains positive, with merchandise trade expected to pick up after registering a contraction in volumes in 2023. Conversely, increased fragmentation along geopolitical lines and renewed thrust on protectionism may distort merchandise trade growth, impacting India's external sector. Global financial markets have scaled new heights, with investors betting on global economic expansion. However, any corrections in the elevated financial market valuations may have ramifications for household finances and corporate valuation, negatively impacting growth prospects. Hiring in the information technology sector had slowed down considerably in FY24, and even if hiring does not decline further, it is unlikely to pick up significantly. However, leveraging the initiatives taken by the government and capturing the untapped potential in emerging markets, exports of business, consultancy and IT-enabled services can expand. Despite the core inflation rate being around 3 per cent, the RBI, with one eye on the withdrawal of accommodation and another on the US Fed, has kept interest rates unchanged for quite some time, and the anticipated easing has been delayed.

Domestic growth drivers have supported economic growth in FY24 despite uncertain global economic performance. Improved balance sheets will help the private sector cater to strong investment demand. A note of caution is warranted here. Private capital formation after good growth in the last three years may turn slightly more cautious because of fears of cheaper imports from countries that have excess capacity. While merchandise exports are likely to increase with improving growth prospects in AEs, services exports are also likely to witness a further uptick. A normal rainfall forecast by the India Meteorological Department and the satisfactory spread of the southwest monsoon thus far are likely to improve agriculture sector performance and support the revival of rural demand. However, the monsoon season still has some ways to go. Structural reforms such as the GST and the IBC have also matured and are delivering envisaged results.

3. Manpower Sourcing and Staffing Solution– Role in the Modern age of Business

Introduction:-

In today's competitive business landscape, one of the key factors that can make or break an organization's success is its ability to source and retain skilled manpower. Manpower sourcing refers to the process of identifying, attracting, and hiring qualified & skilled individuals to fulfil the workforce requirements of a company. Role of a Manpower supply companies to make available qualified and competent workers for companies in need or short of skilled staff. Manpower supply companies provide a bridge between skilled workers and businesses that require its services.

Staffing solutions refer to services offered by companies that assist other businesses in finding and hiring suitable employees. These services encompass various stages of the hiring process, including recruitment, screening, interviewing, and selecting candidates for temporary, permanent, or temporary-to-permanent roles. Staffing services include traditional staffing agencies, online job boards, and social media recruiting. These staffing services often specialize in specific industries and can provide prequalified candidates, easing the hiring burden on organizations.

How the Staffing solution firms work:-

- Reaching out to the staffing firm. After a client has reached out to a staffing firm, the agency will get to work to understand their clients and expectations. Then, a personal approach is created to find the right candidate for the client. This involves information like required qualifications, job responsibilities, expected skills, company culture timeline to hire workers, etc.
- The agency starts the recruiting process. This may involve searching databases, creating job boards and advertising them, job fairs, workshops and other campaigns to find a suitable job seeker.
- The next step is to review those who applied for the job, create a shortlist, and interview them. There might be a preliminary phone interview. After the recruiting process is completed, the staffing team presents the most suitable candidates for the position to the client's HR manager.
- The client's hiring manager interviews the job seekers one last time before making the final call.
- Any paperwork involved, e.g., taxation forms, NDA, or contracts, is often handled by the staffing agency.

Type of staffing Companies and their advantages and disadvantages:-

Sl. No	Type of Staffing Companies	Description	Advantages	Disadvantages	Beneficial Sectors
1	Traditional Employment Agencies	Traditional employment agencies offer a wide range of staffing solutions, from temporary to permanent placements. These agencies serve various industries, making them versatile partners for diverse hiring needs.	**Wide Range of Services**: Suitable for businesses needing flexibility in staffing. **Broad Industry Expertise**: Experience across multiple industries ensures they can handle various job types and roles. **Long- Term Relationships**: Often build lasting relationships with clients and candidates, leading to more reliable and effective placements.	**Higher Costs**: Extensive services offered can be expensive, especially for small businesses. **Slower Process**: Their thorough approach can result in longer times to fill positions compared to more specialized agencies.	**Retail Chains** **Tech Firms** **Healthcare Providers**
2	**Temp Agencies**	Temp agencies specialize in providing temporary workers for short-term assignments, ideal for managing seasonal workloads, employee absences, or project-based needs.	**Quick Placements**: Ideal for industries where immediate staffing needs arise. **Flexibility**: Offers flexibility for businesses and workers, allowing for quick adjustments in staffing levels.	**Limited Long-Term Commitment**: Temporary workers may not be as committed to the company, potentially impacting performance. **Higher Turnover**: The nature of temporary work leads to frequent staff changes, which can disrupt operations.	**Hospitality** **Event Planning** **Warehousing**:
3	**Contingency Employment Agencies**	Contingency employment agencies operate on a no-placement, no-fee basis, meaning they	**No Upfront Costs**: Beneficial for startups or small businesses needing to	**Competitive Environment**: Multiple agencies working on the	**Startups** **Small Businesses**

		only get paid when they successfully place a candidate.	minimize financial risk. **Motivated Recruiters**: Recruiters work diligently to find the best candidates quickly since their payment depends on successful placements.	same role can lead to a competitive and potentially rushed hiring process. **Potential for Quantity Over Quality**: The focus on speed can sometimes compromise the quality of candidates presented.	**Sales Organizations**
4	**Executive Search Firms (Headhunters)**	Executive search firms, or headhunters, specialize in recruiting top-level executives and highly skilled professionals. They use targeted search techniques to attract passive candidates not actively seeking new opportunities.	**Specialized Expertise**: Ideal for large corporations or growing companies needing top-tier executive talent. **High-Quality Candidates**: Effective in identifying and attracting high-caliber professionals, ensuring quality hires.	**High Cost**: The intensive and specialized nature of their services comes with a high price tag. **Longer Search Process**: Finding the right executive fit can be a lengthy process, requiring patience and time.	**Fortune 500 Companies** **Growing Tech Firms** **Healthcare Organizations**
5	**Retained Search Firms**	Retained search firms work on an exclusive basis with clients, charging a retainer fee to conduct a thorough and dedicated search for top candidates.	**Dedicated Effort**: Suitable for businesses requiring a focused search for high-stakes roles. **Guaranteed Attention**: Clients receive exclusive service, enhancing the quality and suitability of candidates presented.	**Upfront Fees**: Retainer fees require a significant investment regardless of the outcome. **Time-Consuming**: The meticulous search process can take longer to yield results compared to other staffing methods.	**C-Suite Positions** **Non-Profit Organizations** **Investment Banks**
7	**Niche or Industry-Specific Staffing Agencies**	Niche staffing agencies focus on specific industries or roles, offering specialized knowledge and	**Deep Industry Knowledge**: Beneficial for industries with specialized needs, like	**Limited Candidate Pool**: Focusing on a specific industry may limit the pool of	**Tech Companies** **Healthcare Providers**

		targeted recruiting services.	IT, Aerospace, or healthcare, where specific expertise is crucial. **Targeted Recruiting**: Effectively attracts candidates with the precise skills and experience needed for specialized roles.	available candidates. **Higher Fees**: Their specialized services often come at a premium compared to general staffing agencies.	**Engineering Firms**
8	**Outplacement Firms**	Outplacement firms assist companies during layoffs by providing support services to displaced employees, such as career counseling, resume writing, and job placement assistance	**Employee Support**: Valuable for large organizations undergoing restructuring, helping employees transition smoothly to new opportunities. **Positive Employer Branding**: Enhances a company's reputation as a caring and responsible employer.	**Additional Cost**: Outplacement services add to the expenses of companies already dealing with layoffs. **Variable Effectiveness**: The success of these services can depend on the job market and the resources of the outplacement firm.	**Large Corporations** **Manufacturing Plants** **Retail Chains**
9	**Professional Employer Organizations (PEOs)**	PEOs provide comprehensive HR services, including payroll, benefits administration, and compliance management. They often take on the role of the employer for administrative purposes.	**Comprehensive HR Services:** Ideal for small to mid-sized businesses looking to outsource HR functions and focus on core business activities. **Employee Benefits**: By pooling resources, PEOs can offer better benefits packages than many small businesses could independently.	**Less Control**: Businesses may have less direct control over HR functions, which can be a concern for some. **Service Costs**: The fees for PEO services can be significant, impacting the company's budget.	**Small** **Businesses** **Startups** **Construction Companies**

	Recruitment Process Outsourcing (RPO)	RPO providers handle the entire recruitment process for companies, offering scalable and customized hiring solutions.	**Streamlined Recruitment:** Suitable for large organizations or rapidly growing companies needing efficient hiring processes. **Scalable Solutions:** Services can be adjusted based on the company's changing hiring needs.	**Integration Challenges:** Integrating RPO services with existing HR processes can be complex. **Dependency:** Heavy reliance on an RPO provider might diminish the internal HR team's capabilities.	**Large Corporations** **Rapidly Growing Companies** **Global Enterprises**

Other mode of staffing solution:-

Freelance Staffing:-

Freelance staffing offers flexible work arrangements by hiring independent professionals on a project-by-project basis. It provides organizations access to diverse skills at a lower cost than full-time employees. Freelancers, also known as independent contractors or gig workers, bring specialized expertise.

Organizations can tap into this talent pool for temporary or external expertise in specific tasks or projects. What distinguishes freelance staffing is the independent nature of the working relationship. Freelancers operate as their own business entities, offering services to multiple clients while maintaining flexibility in their work arrangements.

Outsourcing Staffing:-

Outsourcing is a staffing strategy that involves contracting third-party companies or service providers to handle specific functions or tasks on behalf of an organization. It allows businesses to delegate non-core activities and focus on their core competencies.

Common areas for outsourcing include IT services, customer support, manufacturing, and payroll administration. Whether a company uses offshore, nearshore or onshore outsourcing, each provides a strategic solution that optimizes organizational operations and efficiency. It offers a way to access external expertise and resources while leveraging the strengths of dedicated service providers.

The transfer of responsibilities to external entities is what defines outsourcing. Organizations leverage outsourcing to access specialized skills, reduce costs and improve efficiency.

Remote Staffing:-
Remote staffing has become a vital component of the modern workforce, providing opportunities for organizations to build agile and globally distributed teams. Remote staffing refers to hiring individuals who work outside the traditional office environment, often from their homes or other remote locations.

This type of staffing is beneficial for roles such as software development, content writing, and virtual customer support. Organizations gain access to a broader talent pool and reduced overhead costs while employees enjoy flexibility and autonomy.

Unlike other staffing strategies, remote staffing allows organizations to tap into a global talent pool. Organizations can hire the best candidates regardless of geographical constraints, enabling access to diverse skills and perspectives. Remote employees benefit from the flexibility of working from anywhere, avoiding commuting, and achieving a better work-life balance.

Project-Based Staffing:-
Project-based staffing offers a targeted approach to staffing, focusing on specific organizational projects or initiatives. This type of staffing involves hiring individuals or teams to work temporarily until the project is completed.

Project-based staffing is commonly used in construction, software development, event management, and marketing industries. It allows organizations to bring together a dedicated team with specialized knowledge, collaborate on project objectives and meet project milestones within defined timelines.

What sets project-based staffing apart is its emphasis on short-term, goal-oriented assignments. Organizations can assemble a project team with the necessary skills and expertise required for the specific project, ensuring optimal efficiency and effectiveness. Project-based staffing allows for allocating resources based on project demands, avoiding the need for long-term commitments.

Benefits of Manpower Services Companies:-
Manpower services act as the pillar of the business world. Companies that need staff or those who are in between hires typically use manpower agencies to quickly address this gap in their operations. Failing to meet the right employees and not acquiring the best set of workers for the right job at the right time can be detrimental to your business—this is a fact. At one point, almost every big company to ever existed started by availing manpower services. Appreciate the importance of manpower service by recognizing its benefits in-depth:

Cost Reduction:-

Outsourcing is the way most entrepreneurs cut their costs, as outsourcing manpower is less than hiring full-time employees. This is a smart way, particularly for startup businesses, to save money. Most manpower services providers charge a single fee for

hiring, background checks, and skill tests. As a result, you have lesser spending since you'll be entrusting your recruitment needs to staffing companies who can take on compliance, payroll, and HR tasks.

Increased Productivity

The relationship between manpower services and increased productivity is simple: productivity is directly proportional to the quality of manpower and how many of them you have. The larger the number of quality workers you have, the better and faster your tasks will be completed. In the same vein, if you lack sufficient manpower, your company faces backlogs and damages your operations. In business terms, a lack of productivity means a reduction in profit and revenue, which would also mean that your company wouldn't be operational.

Reduced Hiring Risks:-

When you ask manpower agencies to do the outsourcing for you, you reduce the risk of collaborating and hiring the wrong employee/s. Manpower agencies, being recruiters, conduct the background checks of potential candidates for you. From screening candidates to scheduling interviews, assessing technical skills, and other issues—manpower services companies will be the ones to do these things for you!

Advantage Over Competitors:-

SMEs with limited resources will find it especially difficult to penetrate the market compared to larger enterprises. The best thing to do, to really maximize your business' potential is to outsource manpower services to find excellent talent faster than larger companies will. Having the right manpower at your disposal allows you to grow rapidly amidst a competitive environment.

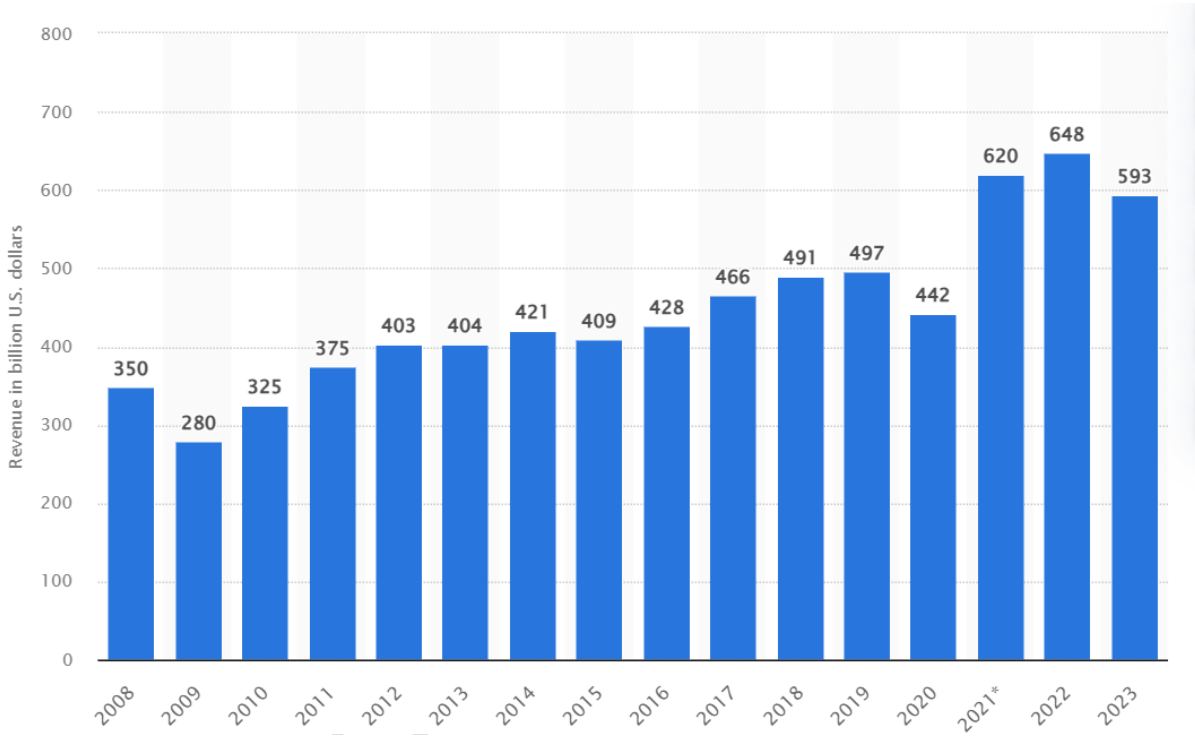
Sources:-

https://alp.consulting/what-are-the-different-types-of-recruitment/
https://portercap.com/different-types-of-staffing/
https://www.orientsoftware.com/blog/what-is-a-staffing-solution/
Porter Capital's Staffing Resources

Market Size and staffing solution Business outlook:-

In 2023, the revenue of the staffing industry worldwide totalled roughly 593 billion U.S. dollars. Following years of continuous growth, the global staffing industry revenue amounted to 442 billion U.S. dollars in 2020 due to the coronavirus (COVID-19) outbreak. The industry has been predicted to bounce back strongly, generating more revenue than before the coronavirus pandemic between 2021 and 2023. From the analysis of the revenue over the past 15 years, the industry is showing CAGR of 4.00%.

Staffing industry revenue worldwide from 2008 to 2023:-



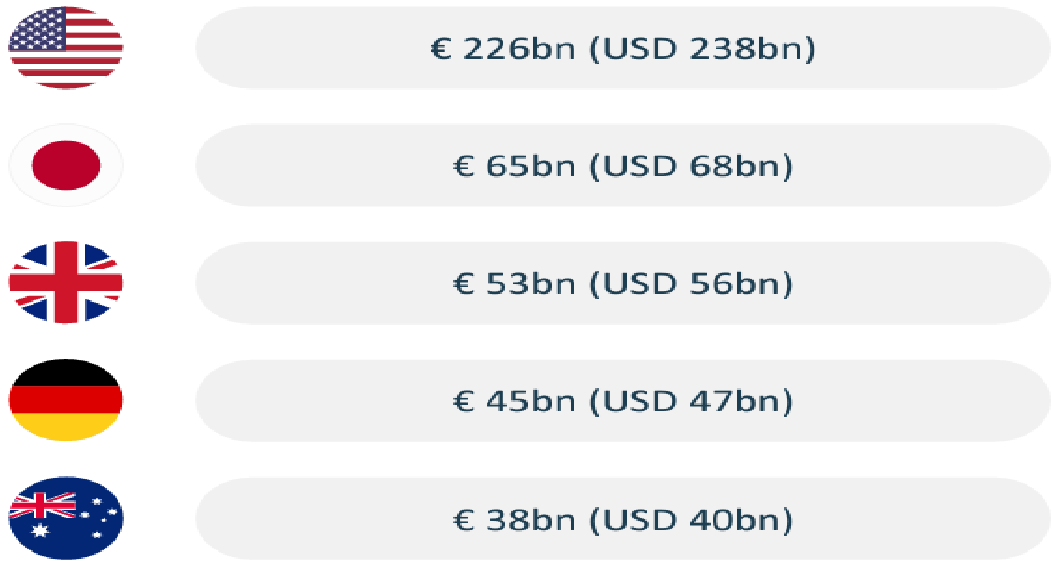
(*Figure in billion US dollar*)

Source:- https://www.statista.com/statistics/624116/staffing-industry-revenue-worldwide/

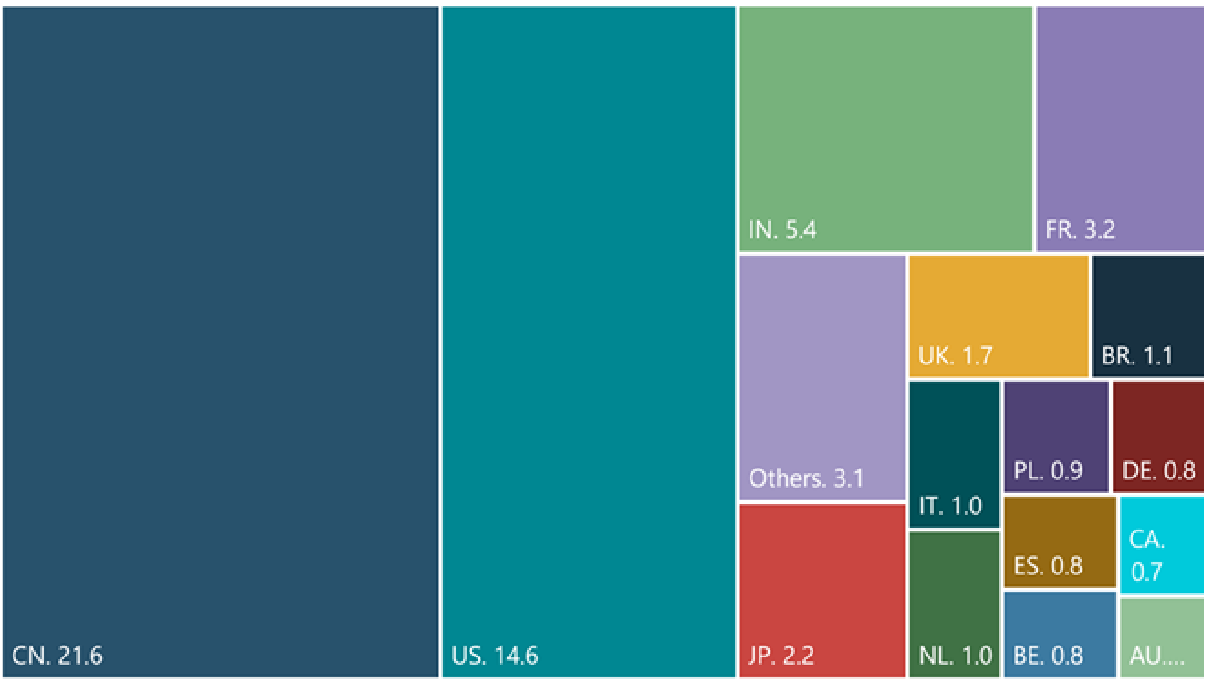
Growth in Staffing Solutions market has been driven by the increased acceptance by organizations which are gradually increasing their share of temporary or flexi staff in their total workforce. As industry becomes familiar with the benefits associated with temporary staffing and regulatory regime is rationalized, more experienced staff may join the staffing segment. The United States of America (USA), Japan, the United Kingdom (UK), Germany, France, and Netherlands are the top 6 countries in terms of revenues in 2020. These countries cumulatively account for 70% of the total revenues.

Staffing Solutions Market: Revenue Breakdown by Region, Global, 2020 (USD Billion):-

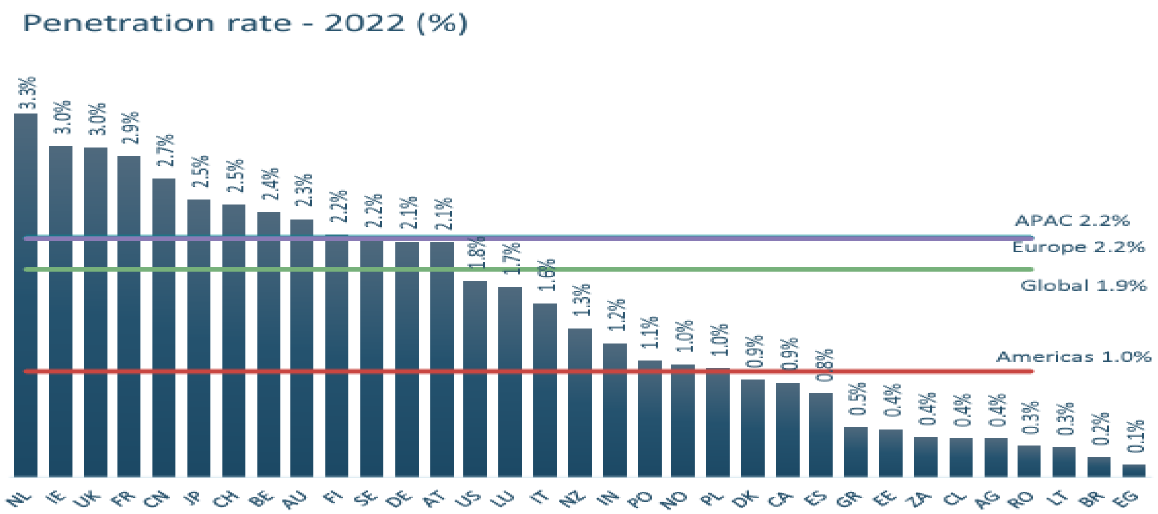
Top five countries represent 67% of world staffing solution business:-



HR Service markets in 2022:-

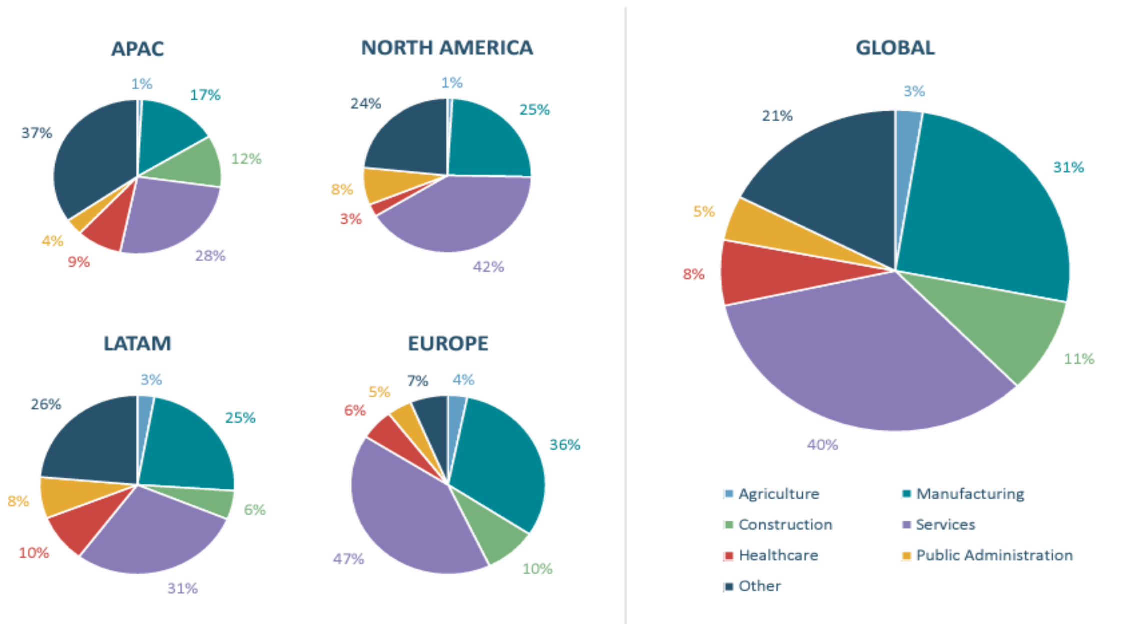


Global staffing penetration in 2022 stood at 1.9% as per the World Employment Confederation Economic Report 2024. The penetration rate is defined as the daily average number of agency workers divided by the working population. The UK and Netherlands are the leading countries in terms of market penetration at 3.0% in 2019.



Source: World Employment Confederation

Staffing solution across the different economic sector: -



Key Global Trends: -

Flexible Employment and Future of Work: Increasing preference for flexible work in the form of temporary employment and freelancing or gig working is a structural change being witnessed in workforces across the world. While developed markets are way ahead on this curve, the emerging economies are also catching up. As the share of millennial and Gen Z increases in the working age population, work place flexibility is expected to be a standard rather than a preference as it is today. This is expected to result in a wide range of employment forms such as full-time, part-time, contract work, agency work, remote working and self-employment. Increasing flexibility in employment forms and acceptance of the same from both employers and employees would drive the growth of the Staffing Solutions market.

Investment in Reskilling Initiatives: The current workforce requires extensive training to enable them to cope with the dynamic ways jobs are getting done today. There is a high potential for staffing companies to enable their clients in this transition. Staffing companies are making investments and/or partnering with training companies. For example Randstad US partnered with Udemy, a company that provides 7000 business courses, to offer free educational courses to American workforce in November 2020.

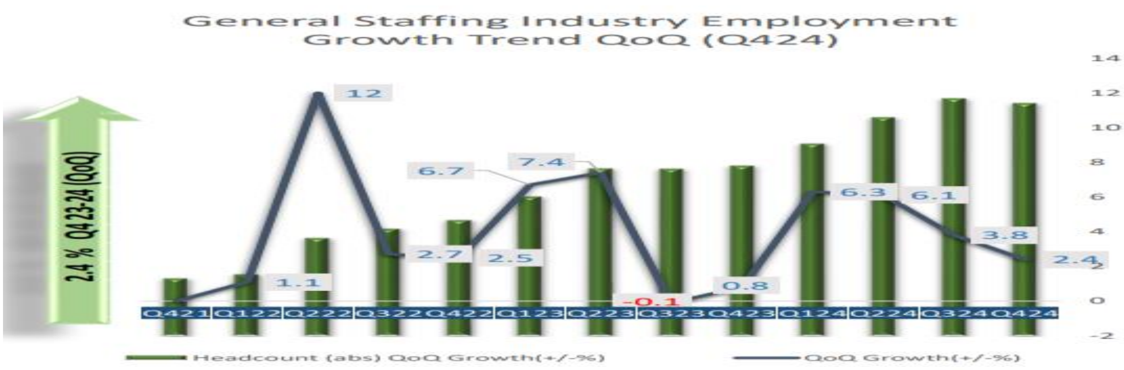
Market Consolidation / Mergers and Acquisitions (M&A): The HR Solutions market is undergoing consolidation as large service providers are seeking to achieve economic benefits associated with building operational scale and scope. Benefits at the local site level include the cross-utilization of resources between and within sites, leveraging of overhead costs and sharing of best practices. At the national and international level, benefits are in the form of ability to service a client across locations, thus increasing the service provider's credibility and enhancing the probability of winning a multi-city/multi-country contract. M&A has been a key growth strategy for staffing companies. This is driven by the need to gain competitive edge in terms of offering a broad range of services to clients. The Global Staffing Solutions market has witnessed 100+ deals every year since 2012. Acquisitions continue to fuel growth for larger players in the staffing industry, with professional staffing businesses being of interest amongst potential buyers. M&A activities remained high in fast growth markets such as the Professional Staffing such as Healthcare, Life Sciences etc. and IT Staffing segments.

Current India Staffing solution Business trend: -

Overall Staffing industry grew at 15.3% YoY - The new employment demand maintained a double-digit annual growth rate at 15.3% YoY. Net new employment generated with staffing Industry in the last 4 qtrs, was 2.20 lakhs indicating continued new demand for flexi staffing. General Flexi Staffing industry witnessed new employment growth at 16.2% YoY, whereas IT Staffing industry continues in red at -4.4% YoY (Q4 vs Q4). ISF members represent 1.66mn flexi workforce in 23-24. Good demand growth from across sectors, supported in new employment pick up in 2023-24. The most significant contributions were from Retail, E-commerce, Logistics, Hospitality, Tourism, Aviation, FMCG & CD sectors.

QoQ Overall Staffing industry grew at 2.3%. Overall Staffing Industry had a robust sustained growth at 2.3% QoQ (Q424) aided by general staffing across sectors. - New employment growth in flexi staffing was ~30K through ISF members added in Q4 24 (QoQ). General Flexi Staffing industry witnessed new employment growth with a sustained growth rate at 2.4% Q4 2023-24 (QoQ). IT Staffing witnessed slight downturn at -1.1% at Q424 (QoQ). Markets are gradually warming up and opening with new employment opportunities.

General Staffing Industry maintained its double digit annual growth at 16.2% YoY 23-24. The markets opened with new employment demand across sectors for staffing in 23-24. General Staffing Industry maintained a positive QoQ growth. The new employment growth QoQ was as 2.4% (Q423-24), as demands in flexi staffing continued on positive demand. General Staffing Industry was primarily driven by demands from FMCG, E-commerce, Manufacturing, Healthcare, Retail, Logistics, Banking, Energy etc.



Source:- ***Staffing Industry Analysis***

In the later chapter we will discuss about the manpower solution in the different sector.

4. Private Security Service Industry

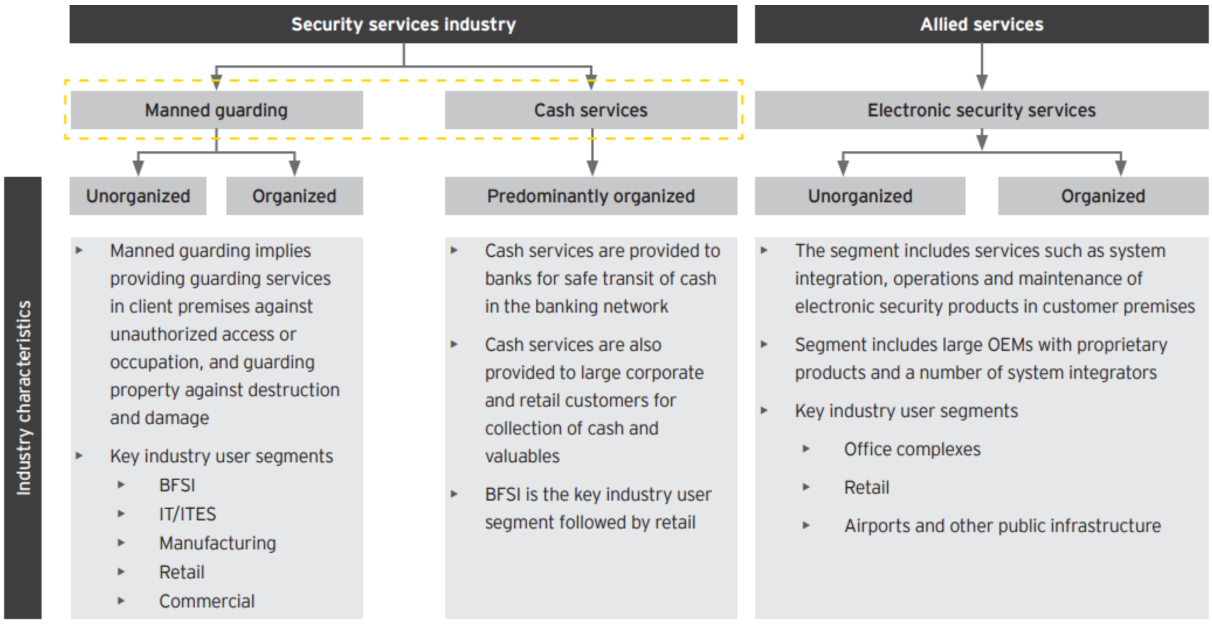
Private Security Service Industry:-

The private security services industry is one of the largest employers in India. There are around 6–6.5 million private security personnel employed across the country and this is expected to continue to grow in the future. The sector is involved in skill development and employment of backward, economically weaker sections of our society, particularly from the rural and semi-urban areas of the country.

The sector is particularly interesting considering that despite the economic slowdown, the industry is growing at a rapid pace. In the last couple of decades, the private security services industry has witnessed the emergence of home grown private players as well as entry of multinational companies. The high growth potential and increase in organized play makes it an attractive market for both international as well as Indian players. However, the industry continues to face challenges around low compliance to regulatory norms, competition from small, unorganized players and consequently, margin pressures due to competition and increasing compliance and manpower costs.

In spite of its significance to the Indian economy and its role in employment creation, particularly for the lower strata of the society, the private security industry is not well tracked and understood. Moreover, there is lack of any credible source of information/knowledge about the industry. In this context, this report is aimed to undertake a study of the Indian private security services and allied opportunities to assess the market potential and future growth; to understand industry trends and prevalent business models; and to articulate/state the future growth plans of key industry players.

Structure of the Private Security Industry:-



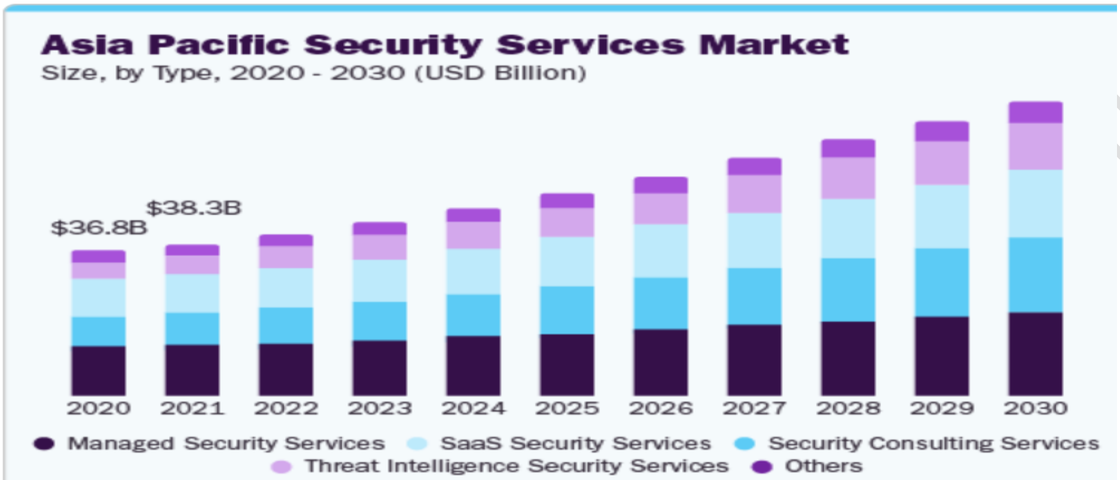
Manned guarding is the largest segment in the security services industry and pertains to provision of manpower to secure premises and individuals. Relevant activities within manned guarding include surveillance and protection of industrial, commercial and infrastructure facilities goods and people (both static and mobile), security checks, crowd management (e.g., event security) and close protection. Cash services is a relatively small but rapidly growing opportunity. It relates to provision of secured logistics for cash and other valuables from banks and other corporate entities.

While there are specialized cash services players, given the synergistic nature of the services, it is also an extension of manned guarding operations of a number of private security services players.

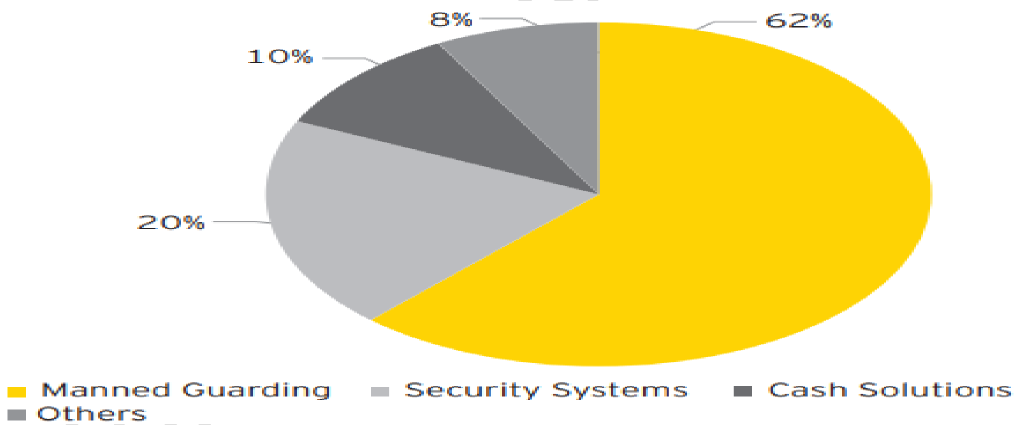
While electronic security services is a substantial opportunity (albeit significantly smaller than manned guarding, it is primarily dominated by large international OEMs and building solutions provider. Security service companies typically provide electronic security services as an add-on service to their existing customers, and are involved in installation, monitoring and maintenance.

Market Size & Trend:-

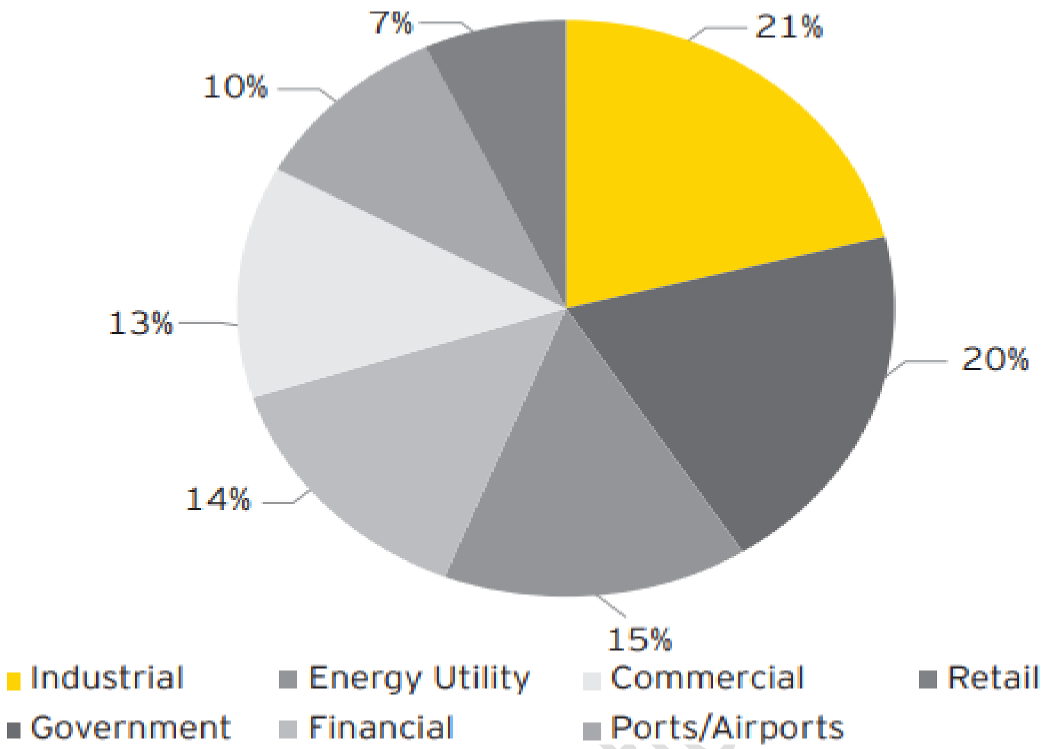
The global security services market size was estimated at USD 132.11 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 6.2% from 2023 to 2030. With increased possible threats in recent years, ranging from computer viruses & terrorism to organized crime & fraud, security has become important. As a result, the focus on security issues is increasing and the demand for security-related goods & services is steadily growing, giving rise to a wide range of economic activities in both the government domain and business sector. The advancement of technology is partially driving the market demand. A further significant factor contributing to security concerns is globalization.



Global security services: Service-wise split:-



Global security services: User industry split

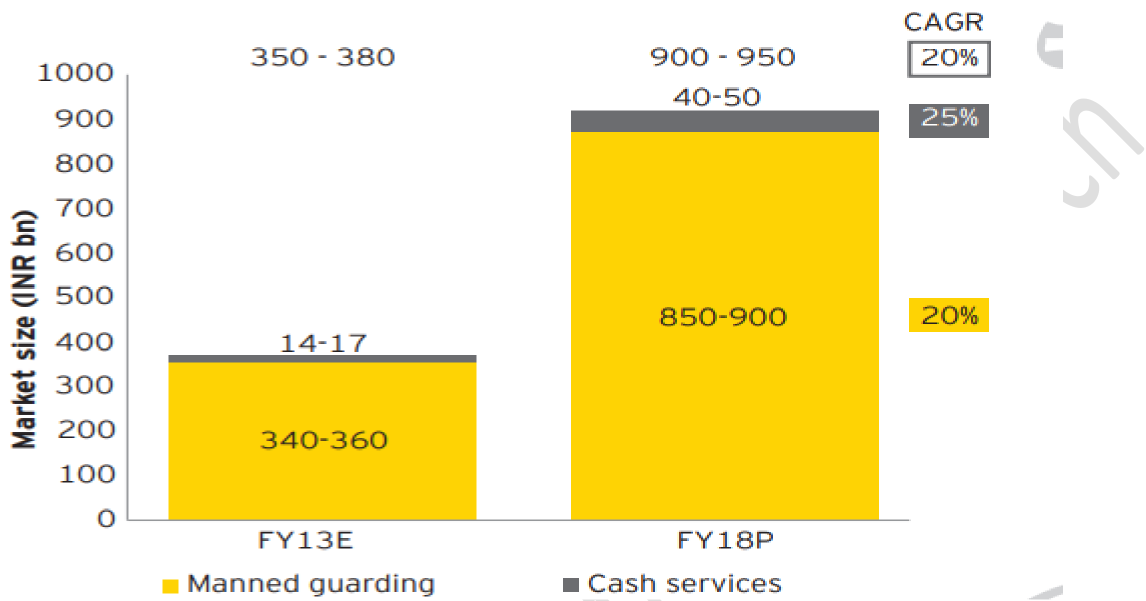


Overview of Private Security Service Industry in India:-

The private security services market is dominated by large multinational and Indian players on one end of the market and a fairly fragmented, unorganized segment on the other. The key service offerings for private security players are around manned guarding and cash services and allied services such as electronic security services. The Indian security services industry has grown rapidly in the last decade, given the continuing threat perception from crime and terrorism; demand for security in new infrastructure projects such as airports roads and telecom towers; emergence of modern retail and growing need for security for movement of cash within the banking system.

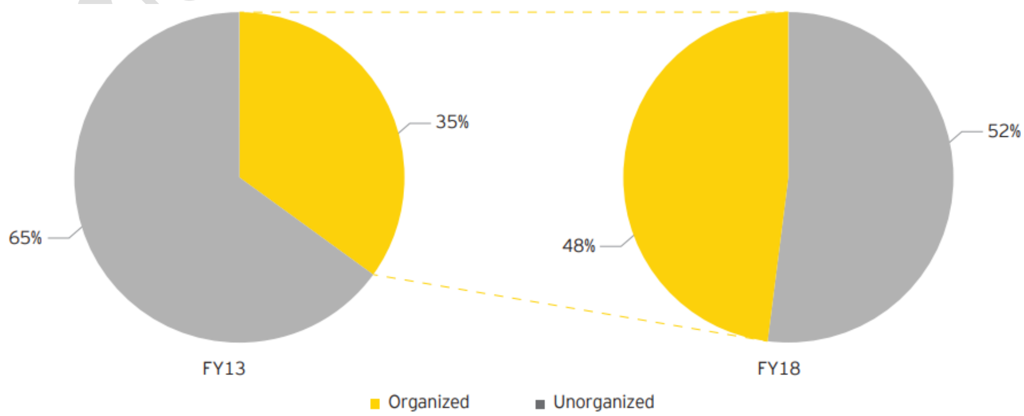
The Security Services market in India is expected to witness significant growth in the coming years. According to projections, the market's revenue is estimated to reach INR US$1.42bn by 2024. This growth is expected to continue at an annual rate of 9.93% between 2024 and 2029, resulting in a market volume of INR US$2.28bn by the end of 2029. When it comes to the average Spend per Employee in the Security Services market, it is projected to reach INR US$2.60 in 2024. This indicates the increasing investment and focus on security measures within the industry. In terms of global comparison, United States is expected to generate the highest revenue in the Security Services market. In 2024 alone, United States is projected to generate a revenue of US$44,700.0m. This signifies the dominant position of the United States in the global security services industry.Overall, the Security Services market in India is poised for growth, with increasing revenue, average spend per employee, and a positive market outlook. India's security services market is experiencing a surge in demand due to the country's growing economy and increasing focus on national security.

Market size – Private security services market:-



Growth in the manned guarding industry has led to proliferation of a number of private security agencies. The industry is highly fragmented, with the share of organized market currently pegged at ~35%24. The industry is expected to become more organized in the future, with 45%–50% of the industry being organized in the next five years.

Expected trend in industry split:-



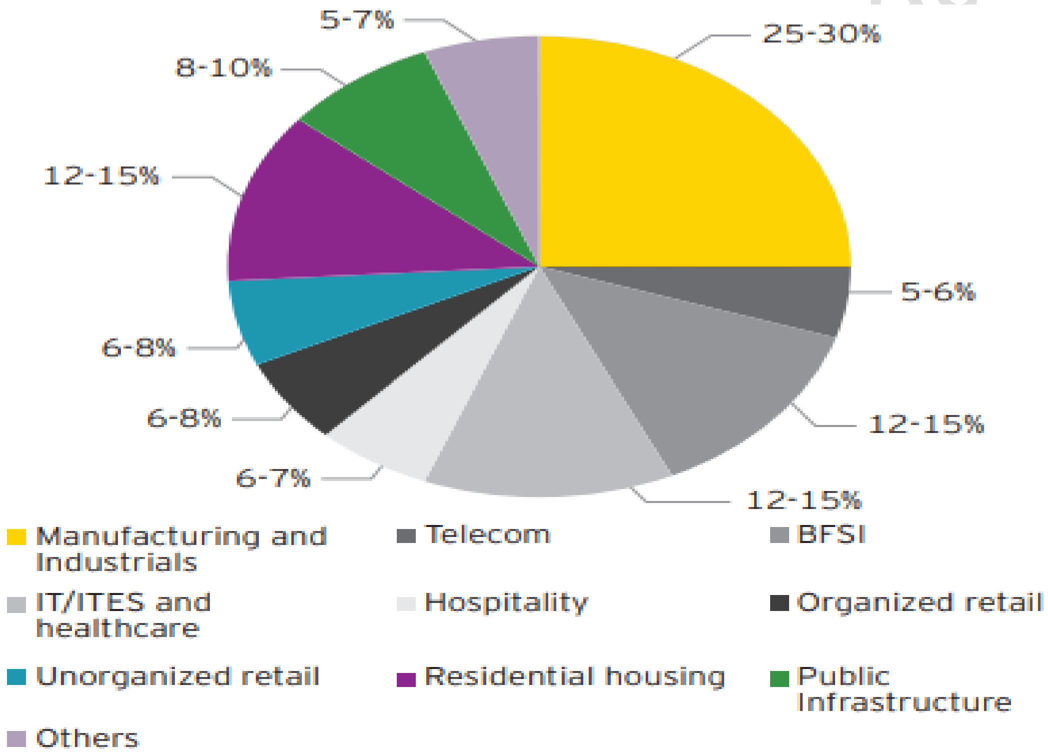
Penetration and outlook for key user segments:-

Key sectors	Current organized penetration	Growth outlook
Manufacturing and Industrials	Average	Low
Telecom	Average	Low
BFSI	High	High
IT/ITES	High	Average
Healthcare	Average	High
Hospitality	High	Average
Organized retail	High	High
Unorganized retail	Low	Average
Residential housing	Low	Average
Public infrastructure	High	Average

Very Low   Low   Average   High   Very High

Indicative split of key user segments:-

The user segments with relatively high penetration of organized play include — BFSI, IT/ITeS, hospitality, retail and public infrastructure. BFSI — primarily due to increase in number of bank branches and ATM installations and retail — on account of increase in organized retail space is expected to further witness increased participation from organized players in the manned guarding market in the coming years. The imposition of stringent regulations and inspection carried out by the pension fund department has played a major role in the increase of organized penetration of security services in most industries.



5. Integrated Facility Management (IFM) services:-

Overview of the global integrated facility management market:-

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

Various segment of Integrated Facilities Management (IFM):-

Soft Services: This includes Housekeeping/ Cleaning/ Janitorial, Disinfection & Sanitation, and Landscaping & Gardening services. More than one or all the services are combined in a Soft Services contract.

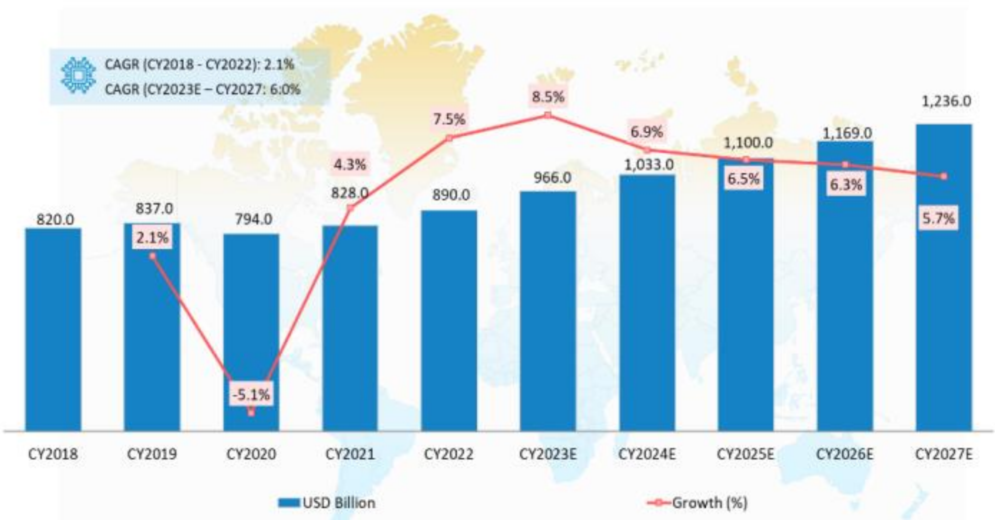
Hard Services: Pest Control Services, Mechanical, Electrical, Plumbing Maintenance Services, Heating, Ventilation & Air-conditioning Services, Façade Cleaning, and City Maintenance Services (Municipal Sewage Treatment and Solid Waste Management.

Other Services: This includes Catering, Production Support Services, Warehouse Management, Airport Management for Multi-level Parking and Airport Traffic Services.

Market Size and Forecasts:-

The global outsourced Facility Management Market for CY2022 is valued at USD 890.00 billion and has recorded a CAGR of 2.1% from CY2018 – CY2022. Market performance has stabilised and recovered since the 5.1% drop in revenue in CY2020. The market reached pre-pandemic spending levels by late CY2021.The outsourced Facility Management Market is expected to reach USD 1,236.00 billion by CY2027, recording a CAGR of 6.0% from CY2023 – CY2027.

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



Source:- Frost&Sullvian Analysis

Market Segmentations by Regions:-

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

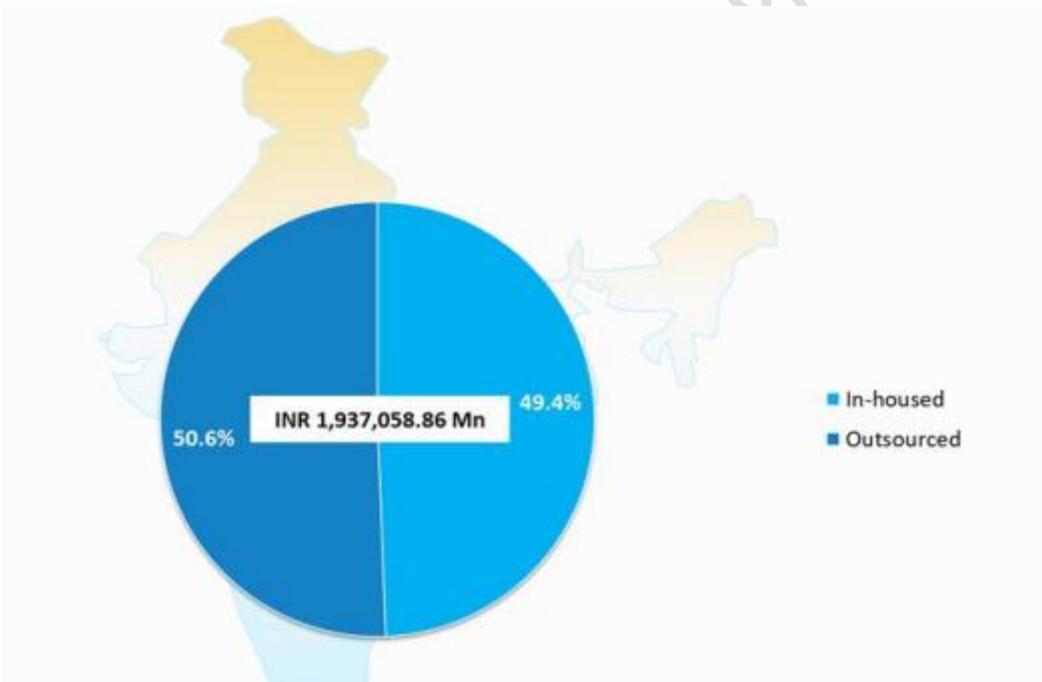
An overview of the Indian integrated facility management market:-

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

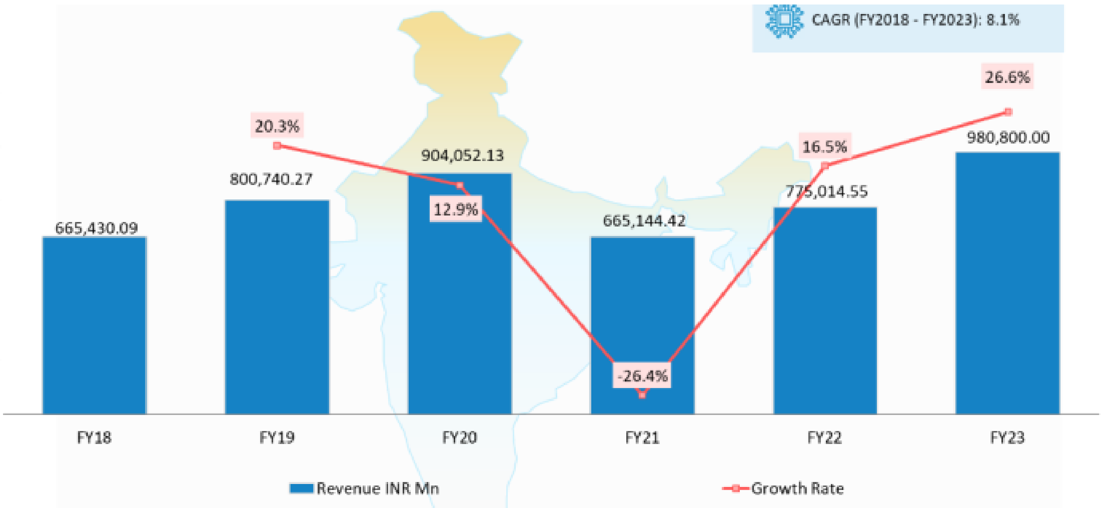
Historical Growth Trends:-

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

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



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



Outsourcing of Facility Management Services is becoming a well-accepted concept in both the Commercial and the Residential segment. Within the Residential segment, high-rise residential complexes and premium villas/ homes in urban areas are more inclined to outsourcing. Recently, the market has witnessed increase in outsourcing of Facility Management from the government segment. The government sector has grown at a CAGR of 10.4% during FY2018 – FY2023, higher than the 6.0% recorded by the private sector during the same period. With the increasing choice of outsourcing for safe, clean, secure, and sustainable built environment, the demand for Facility Management Services have been increasing. The market in FY2023 recorded a growth rate of 26.6% from FY2022. The market witnessed a degrowth of 26.4 % in FY2021 due to the global pandemic and recovered in the second half of FY2022.

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

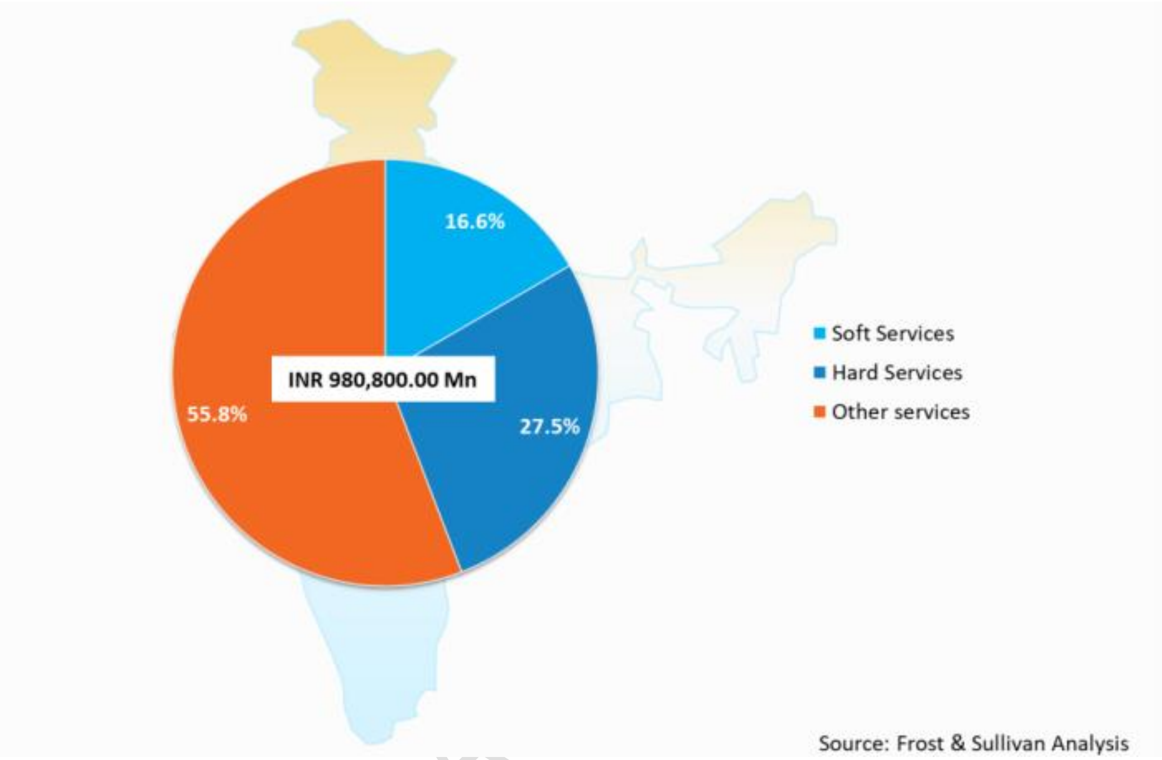
Market Segmentations:-

Integrated Facility Management Market by Services:-

The Integrated Facilities Management Market primarily consists of Soft Services and Hard Services that account for a combined market share of 44.1 % of the total market in

FY2023. In terms of market revenues, the Integrated Facilities Management Market is dominated by the Other Services segment. The wide range of services provided under the segment makes it the largest category.

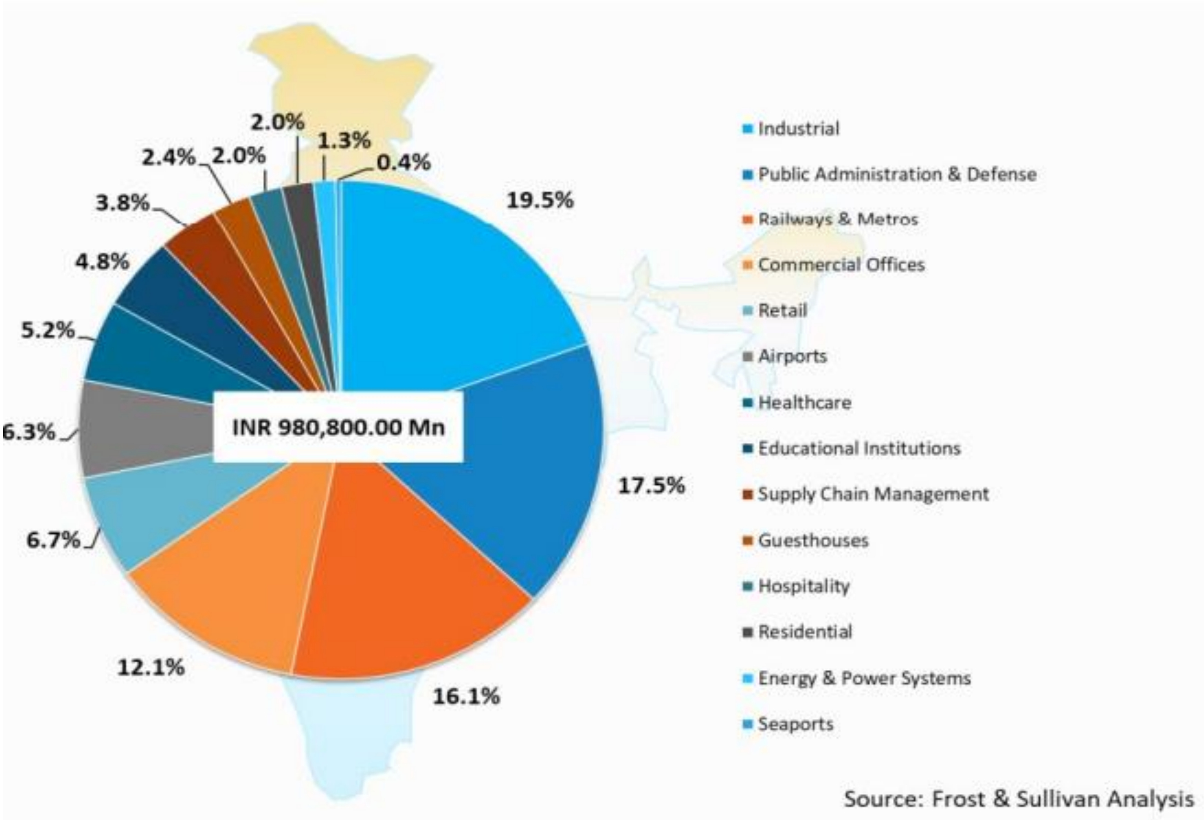
Outsourced Integrated Facility Management Market: Breakdown by Service Types, India, FY2023:-



Integrated Facility Management Market by End-user Segments:-

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

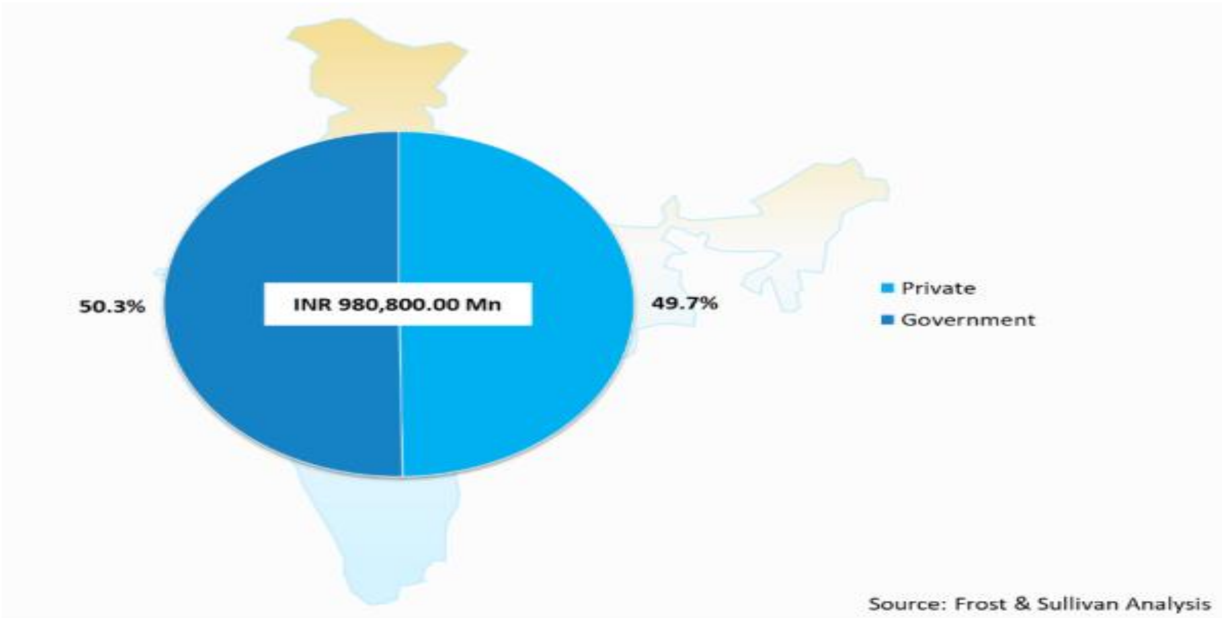
Outsourced Integrated Facility Management Market: Breakdown by End-user Segments, India, FY2023:-



Integrated Facility Management market by Government versus Private:

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

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



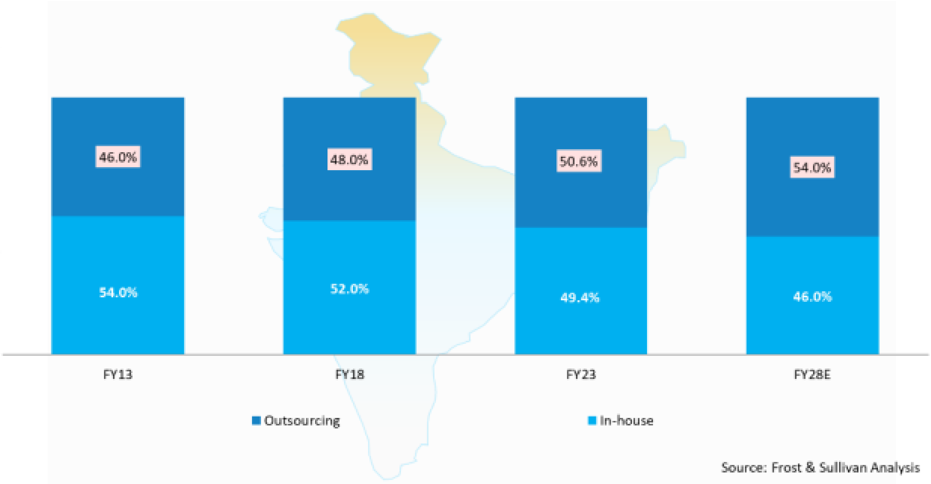
Key Market Characteristics:-

Outsourced versus In-house Market:-

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

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

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



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

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

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

The most critical factors driving service outsourcing are:

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

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

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

Source: Frost & Sullivan Analysis

Technology trends and impact on IFM services:-

Technology is evolving at a rapid pace, and it is important for Integrated Facility Management companies to keep up to the evolving requirements. From wearables to artificial intelligence, new tools are emerging every day to help facility managers manage their responsibilities more effectively. The increase in internet and cloud connected devices has led to tools like mobile apps that enable facility managers to see what is happening with different systems in a building from anywhere (on- or off-site) and take actions or make changes with the press of a button. Increased connectivity is also providing facility managers the ability to quickly collect and analyse all sorts of building data. This data can be used to show which equipment will need proactive maintenance and when, or to predict and manage energy consumption in various parts of a facility. Some of the key technology trends which will have high impact on organised players include the following:

IoT and Big Data Analytics:

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

Remote Monitoring:

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

Cloud Solutions:

Facility Management Software which are cloud-based, brings in opportunities for the remote servicing of equipment and systems enabled by connectivity and helps to access from any location/any device.

This trend is depicting a growing shift to meet the mobile needs of Facilities Management.

Workers are on the move and in order to access systems and information online, facility managers are increasingly depending on mobile applications.

Deployment of Artificial Intelligence and Robots in Integrated Facilities Management:

- Assigning robots to complete complex cleaning and simple repair task helps to free up time.
- This shall enable to focus on strategic aspects of Integrated Facilities Management such as workplace management ensuring compliance, etc.
- Still at a nascent phase, implementation of Robotic solutions on smart cleaning and security & surveillance is yet to be explored fully in India.

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.

Computerised Maintenance Management Systems:

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

Automated Facility Maintenance:

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

Industry Risks and Challenges:-

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

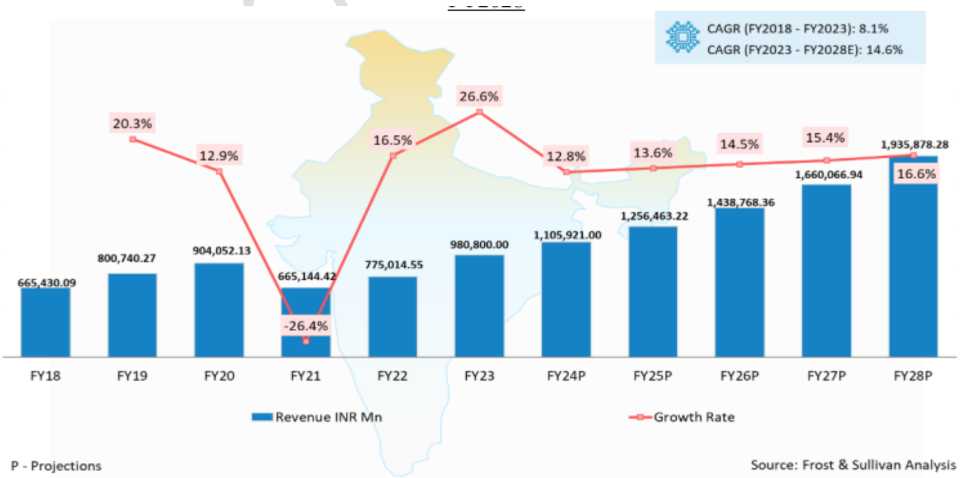
Industry Challenges, India, FY2023 – FY2028

Industry Challenge	Description	Risk category
Stiff competition	The market is highly competitive with the presence of large number of domestic and few international companies. It is also noted that some big domestic companies having principal business in real estate are entering into this market by forming a subsidiary, thereby increasing competition	Medium to High
Retention of workforce	High attrition rate mainly because of high demand for quality manpower and competitive remuneration, is making it difficult to retain skilled workforce, especially in Soft Services segment	Medium to High
Lack of market maturity	The Indian Integrated Facility Management Market lags in areas such as market maturity and appreciation for high standards of service delivery	Medium
Price sensitivity	Customers are highly price sensitive, and this has resulted in increasing preference for companies who are non-compliant with regulations related to Provident Fund (PF), Employees' State Insurance Scheme (ESIC) etc	Medium to High

Industry outlook and demand driver:-

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

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



Key market driver:-

Demand driver	Description
Growth in real estate sector	Increase in real estate stock has a direct implication on the growth of the Integrated Facilities Management Market. Regular investments in office, residential and retail segments lead to the rapid addition to India's real estate stock across commercial, residential, retail, industrial and warehousing. Demand for coworking spaces is increasing in India and the global pandemic has contributed to the growth of coworking/ flexible spaces in the past two years. With hybrid working models gaining prominence, the demand for flexible and coworking spaces is expected to increase as companies are uncertain about investing in permanent offices spaces. Flexible office spaces also allow companies to expand into smaller cities, adapt and stay competitive in a dynamic business environment
Operational benefits due to outsourcing Facility Management services	Integrated Facilities Management outsourcing saves the cost of operating and training staff, which is much higher compared to hiring a professional agency. It enhances flexibility in terms of availing the services as per the changing specifications. Outsourcing also helps in better utilization of time for other business activities.
Health and safety issues	Due to the recent COVID -19 situation, companies are getting even more cautious and preparing themselves for similar situations in the future, in terms of maintaining the health and hygiene of the facility. Companies are increasingly engaging professional Facility Management experts, majorly for integrated services. Increased awareness on maintaining indoor air quality, safety aspects related to fire audits, regular maintenance of fire safety systems, electrical equipment, and security devices are driving the need for outsourcing Integrated Facilities Management Services to experts.
Focus of Government initiatives such as Swachh Bharat Mission, Clean Cities etc.	Government of India is expected to spend more on the maintenance of public infrastructure, such as municipal parks and government-run schools, increasing impetus provided to cleanliness in these facilities in the form of government initiatives. The key enabler for the growth of Facility Management Market would be the main objectives of the Swachh Bharat Mission – to clean the streets, to clean the roads and infrastructure of the statutory towns of the country. Facility Management players are capitalising on the opportunity and considering including waste management as one of the top offerings. Along with public infrastructure and government-run schools, railways, metros, and government hospitals are also expected to increase their outsourcing of Facility Management Services in the long-term, creating growth opportunities for service providers.

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

6. Cash service Management: -

Cash Management Market in India:-

Market Overview:-

Cash-based transactions dominate the Indian payments industry today in areas such as Retail (both organized and unorganized),COD in e-commerce, petroleum outlets, insurance premium payments, railways, NBFCs, microfinance, restaurants, etc. As a result, one of the primary service deliverables for the banking business in India is cash management. The RBI, State & Private Banks, Foreign Banks, ATM Equipment Manufacturers, Retail Cash Management (RCM) Service Providers, Cash Van Operators, and a few companies that offer other cash logistics services make up India's Cash Management Ecosystem. Each of these parties serves as a point of contact for the economy's smooth financial flow. The banks are the main orchestrators for cash management in the country, with the RBI as the controlling authority. Cash-in-transit services provide generic cash logistics solutions such as cash transportation and cash storage during transit.

An increase in cash circulation and growth in outsourcing cash-related activities by financial and business institutions will have a positive impact on this market. The increasing number of ATMs and ATM transactions, the growth in debit card transactions, growth in e-commerce, the growing number of organized retail shops, NBFCs, restaurants, pharmacy chains, jewellers, gold loan companies, and hospital chains, and the positive economic outlook and continued use of cash in the country are all key demand drivers for the cash logistics business.

ATM cash management, Retail Cash Management (RCM), and Dedicated Cash-in-Transit Vans (DCV) — vehicles utilized for cash transportation and replenishment activities – are the three primary components of cash management services in India. Other services provided by cash management service providers include transportation of jewels, art works, valuables, and bullion, as well as cash processing and vaulting.

The Indian cash management services market revenue grew at a CAGR of ~10% during the period FY 2010 - FY2021, from ~INR 10 billion to INR 27.7 billion, majorly due to the outsourcing of these activities by the Banking sector to specialized service providers, as stringent requirements such as armed guards with fire-arm license, specialized vehicles, GPS monitoring, etc. to ensure safety of the cash transported, has necessitated such outsourcing.

Due to the impact of demonetization on the financial sector, the cash management market experienced a fall in growth rate from FY 2016 to FY 2017. This had a negative impact on the profitability of cash management organizations. However,following demonetization, cash management gained traction and has continued to develop at a healthy growth rate.

COVID-19 had an influence on the cash management business, although its impact was much short-lived as compared to the demonetization period. Because of the increase in economic activity and the vaccination effort, the situation has eventually reversed, resulting in the return of major industries that were heavily depended on cash (e.g. travel & hospitality, retail shops, restaurants etc.). Also, while most retail shops were closed during multiple lockdowns, the e-commerce sector saw an increased traction owing to the same. As a consequence, the COD component within e-commerce saw a proportionate increase – one that has aided the growth of cash management companies during the COVID-19 period.

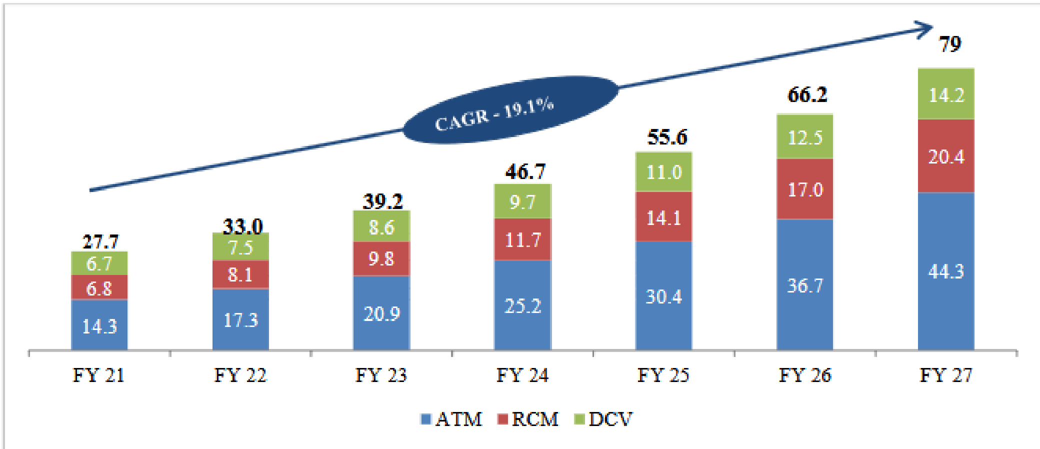
BFSI, NBFCs, malls, fashion stores, food and beverage stores, pharmacy chains, and hospitals are all boosting the cash management market in India, especially the RCM business. These industries deal with enormous amounts of cash and need the help of private cash management companies. The organized retail market in India is growing at a rate of 20% per year (FY 2020-25) and is predicted to account for 30 percent of the market by FY 2025. The RCM segment of the cash management sector is projected to grow as organized retail expands.

The Indian cash management market is consolidating, mostly as a result of smaller/unorganized players quitting the market due to stringent compliance requirements and a growing trust among scale players. The consolidation trend is expected to continue in India, as is the case in most worldwide economies where cash management is a duopoly.

The cash management market in India grew at a CAGR of more than 10% from approximately INR 10 billion in Fiscal Year 2010 to approximately INR 27.7 billion in Fiscal Year 2021, and primarily consists of ATM replenishment services, retail cash management services, and cash-in-transit services, which are expected to grow at CAGRs of 20.7 percent, 20.3 percent, and 13.4 percent, respectively. In the last decade, the market experienced a slowdown in its growth owing to a decreased level of outsourcing, macroeconomic disruptions (e.g. Demonetization, GST etc.) and so on. The cash management services market in India is expected to continue to grow at a healthy pace of 19.1%, on account of several factors such as the recovery in the banking sector in India which is positioned for a growth phase with CIC having grown in the past five years at a rate of 14%.

The projected increase in cash-related services such as ATM cash management and retail cash management services are also expected to contribute to a healthy growth of the sector in the future.

Cash Management Market, INR Billions, FY 2021-27:-

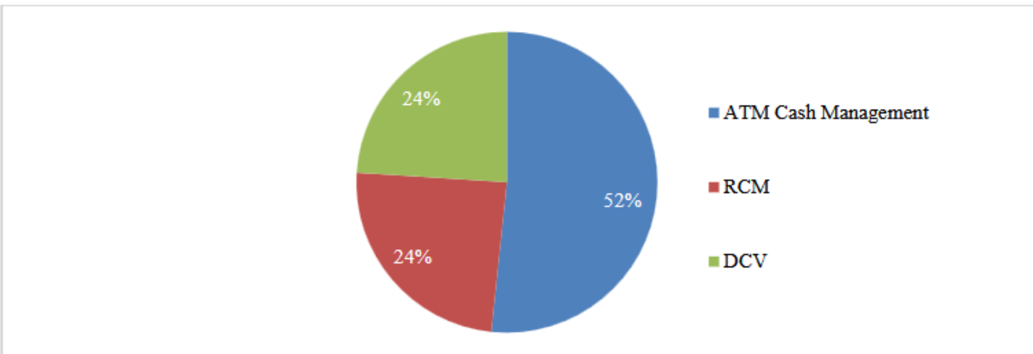


Source: Frost & Sullivan, Secondary Sources

Market Split by Segments:-

ATM Cash Management business (INR 14.3 Billion) is the biggest segment holding about 52% of the market share in Cash management services market. Retail Cash Management (INR 6.8 Billion) contributes to about 24% of the market revenue while Dedicated Cash-in-transit Vans (INR 6.7 Billion) contributes to the remaining 24% of the market**.**

Cash Management Services, Market Revenue by Major Service Types, FY 2021 (in %):-



Note: Excludes auxiliary services such as CC management, bullion, vault and other auxiliary services as they form only a minor portion of the market share

Source: RBI, Frost & Sullivan, Secondary Sources

Market Segment: Retail Cash Management:-

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 (RCM). Depending on the client and bank agreement, the service may additionally include cash processing and overnight vaulting. 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 travellers' cheque elivery services etc. are available as per the customer's requirement.

Cash is used extensively in India's retail transactions. There has been a significant increase in demand due to the expansion/proliferation of NBFCs, e-commerce, and other enterprises, as well as their expansion into Tier 2+ cities, leading to far greater share of cash on delivery. In FY 2022 COD constituted more than 60% of all e-commerce payments, indicating the significance of cash with respect to payments. Also the share of COD payments is more pronounced as we move from metros (~50% COD) to lower tiers such as tier 2 (~70% COD) and tier 4 regions (~90% COD). As the e-commerce penetration increases in these lower tiers, the share of COD payments is also expected to increase correspondingly.

In India, retail cash management remains relatively untapped. Although the country has over 30 million retailers, only 10% of them are members of the organized sector. Approximately 15% of retailers in the organized sector use retail cash management services. As the unorganized sector exempts itself from consuming RCM services, the market for retail cash management is significantly underpenetrated in India as compared to advanced economies. For instance, in the United States, two-thirds of the total retailers avail some form of cash management solutions. This is because more than 85% of the retail market in the United States is organized. Hence there is a latent potential for RCM to be used as doorstep banking for retailers in India.

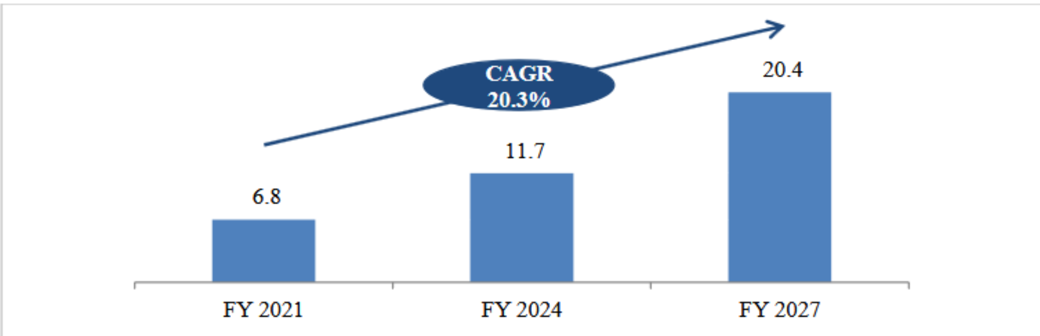
Until recently, banks facilitated the majority of the RCM market. Banks used to allow retailers to create accounts at their branches, and as part of their other banking services, they would provide cash management services. Various banks actively pursue cash management services and provide services such as escrow, other services, and door-to-door banking. For the most part, cash management firms make only one visit or pick up for each touch point. As cash quantities rise, some merchants may require two pick-ups in one day. RCM's main segments are BFSI, malls, fashion stores, food and beverage stores, and hospitals.

Because of the cost and maintenance advantages, an increasing number of retailers are opting for RCM services. This tendency is expected to expand RCM market penetration in India over time.

In addition, the outsourcing of cash management services is expected to also be driven by public sector banks which are, after the recent consolidation, looking for measures to stem the erosion of the market share to the private sector banks.

CMS, Radiant, and Writer Safeguard (WSG) dominate the Retail Cash Management market, accounting for more than 75% of the total market share. Owing to regulatory mandates and profitability concerns within the cash management sector, companies like WSG have decided to focus more on the ATM Cash management business, thereby leading to a consolidation of the RCM market which consists of CMS and Radiant as the two key players. While CMS has a differentiated offering across the cash management services market (including ATM cash management, RCM and DCV), Radiant has established itself as an integrated cash logistics player with leading presence in retail cash management (RCM) segment.

Retail Cash Management Market, INR Billions, India, FY21-27



Source: Frost & Sullivan, Secondary Sources

The RCM market is estimated at INR 6.8 billion in FY 2021 and is projected to reach a market size of INR 20.4 Billion by FY 2027, growing at a CAGR of 20.3%. The growth in the organized retail sector as well as the corresponding outsourcing potential is expected to be prime factors for the development of the RCM market in India.

Growth Drivers:-

Growth in currency-in-circulation:-

In the future, CIC is expected to increase at a pace, roughly in line with or slightly slower than long-term nominal GDP growth. In India, CIC has almost increased three folds in the last decade. Despite demonetization, in FY 2021, CIC had doubled as compared to FY 2017 (period of Demonetization). CIC is expected to reach INR 50 trillion rupees by FY 2027.Regardless of whether or not digital payments are used, CIC has expanded in developing countries in lockstep with GDP development.

Rise in the Number of Key Retail Touch Points:-

A positive economic outlook has paved way for the organized retail movement in India. Organized retail sector is growing at an annual rate of 20%. (Source: Equitymaster) Increasing customer base in the form of rising number of retail outlets (both organized and unorganized), COD in ecommerce, petroleum outlets, insurance premium payments, railways, NBFCs, microfinance, restaurants, etc. are positively driving the cash management market, especially the RCM business in India. These three sectors handle large volumes of cash and use the services of private cash management companies. There is a positive outlook for all these three sectors. While traditional or unorganized retailing arrangements continue to flood the retail market, organized retail is growing at a faster rate and engulfing traditional retailing.

Demonstrated Efficiencies Drives RCM Adoption:-

Retailers benefit from cost and operational efficiencies by outsourcing the time-consuming yet basic activities of cash management. As a result, merchants may free up their cashiers to focus on more customer-facing tasks. In general, merchants delegate cash room management to their trusted, more tenured and well-respected staff, who excel at transforming customer-facing time into higher sales and profit. Cost efficiencies manifest through the improvement of payroll, cash variation, cost of cash, cost of armored services, GPS devices, CCTVs, bank service fees and other KPIs related to retail cash management. In a price sensitive market like India, retail merchants opt for RCM services as it is much cheaper to avail an RCM service over credit card charges or self-deposit charges.

Higher Penetration of Cash-on-Delivery in Lower Tiers:-

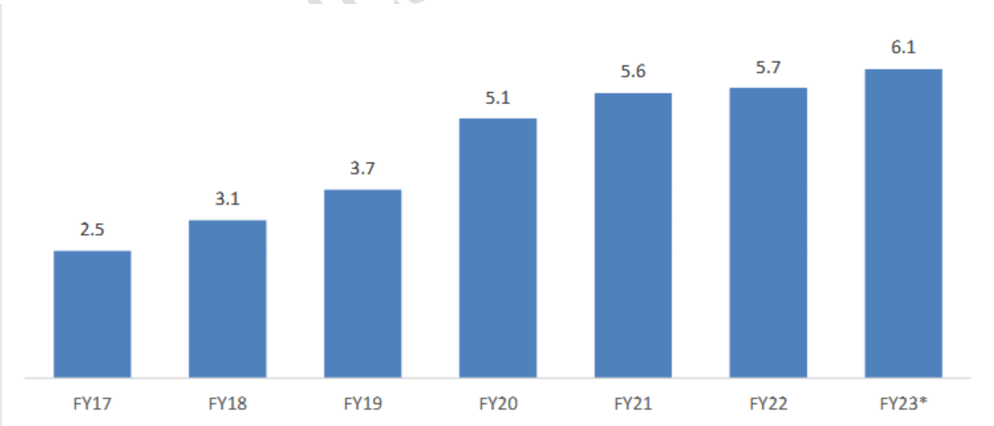
Contrary to the idea that e-commerce could hamper the growth of cash management companies; it is fuelling the growth momentum for RCM. About 60% of the e-commerce transactions are based on COD indicating a strong presence of cashtransactions in India. While prepaid orders have increased significantly in larger cities such as Mumbai, Delhi, Bangalore, and others, the vast majority of purchasers in tier 2 and tier 3 cities (90%) still prefer to pay in cash. Due to the availability of COD, many states are seeing increased e-commerce adoption rates. In the North-eastern states and other semi-urban and rural regions, COD is on the rise, making e-commerce last-mile penetration easier. As the penetration of organized retail increases in the lower tier regions, the potential for cash management services also increases correspondingly.

Market Restraints:-

Increase in Penetration of POS Terminals/Devices in the Retail Sector:-

The deployment of POS terminals or devices is increasing as part of a continuing push by public sector banks to discourage the usage of cash and increase the penetration of card infrastructure in the retail sector. Given the growing use of digital payments, merchant acquiring banks have installed a total of 6.07 million point-of-sale (POS) terminals, with over half of which were done so in the first quarter of the current fiscal year. Comparing the first quarter to the previous year, POS deployment increased by almost 28%.

Number of POS Terminals, in millions, FY 2017-23

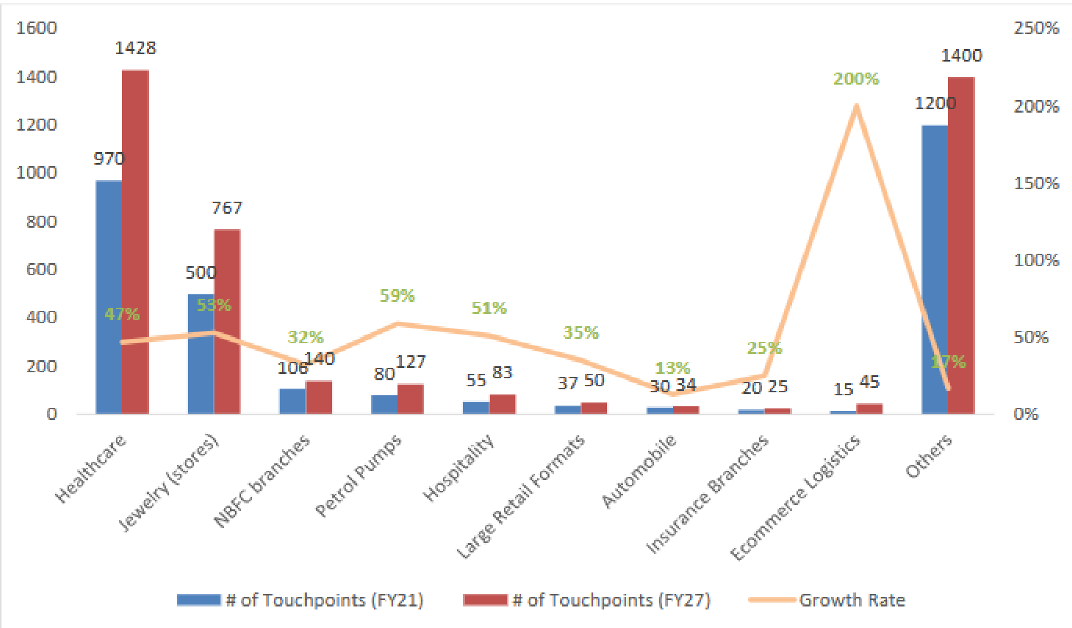


Source: RBI, Frost & Sullivan, Secondary Sources

Rising Mobile Wallets and Digital Transactions:-
In the long run, increasing payments via mobile wallets and other digital alternatives is likely to diminish the volume of cash transactions in urban areas. Such a decline in demand could drive competitive pressure within these regions. However, as the opportunity increases in the lower tiers, owing to the market penetration in such regions, the impact of digital transactions is not expected to be severe for cash management companies.

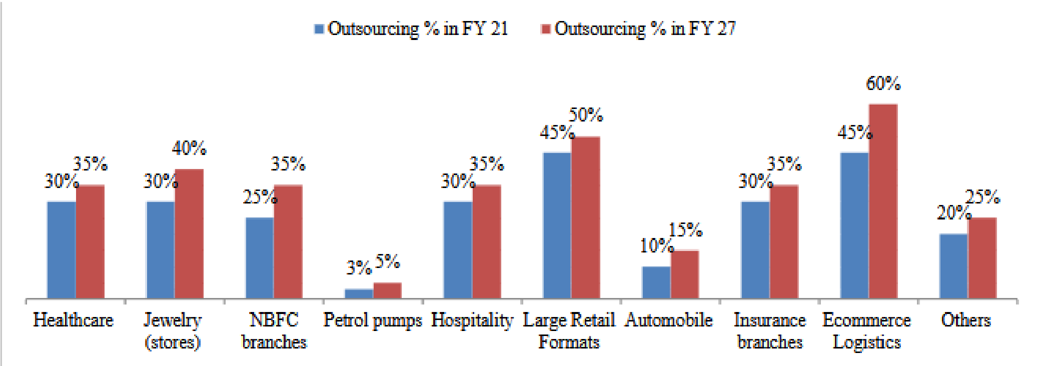
Outsourcing Drivers for Retail Cash Management:-
The number of retail touch points currently addressable for cash management is over 3 million. By FY 27, another one million retail touch points will become addressable; both from the addition of touch points as well as from the increase in the outsourcing of retail touch points. The number of organized retail touch points available for outsourced cash management isexpected to double between FY 21 and FY 27.

Growth of Retail Touch Points, in 000s, FY 21-27



Source: Frost & Sullivan, Secondary Sources

Increase in Outsourcing across Retail Touch Points, in %, FY 21-27



Source: Frost & Sullivan, Secondary Sources

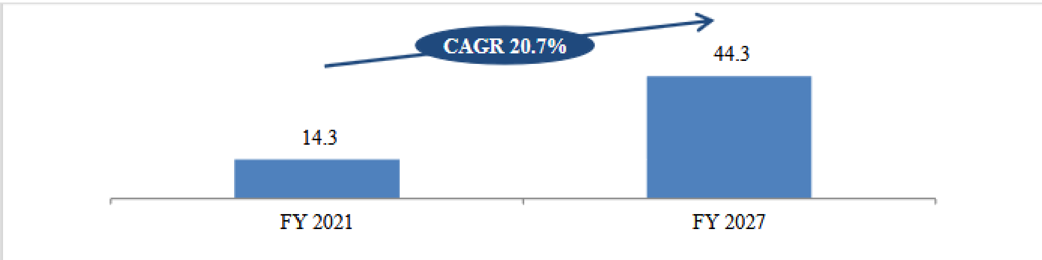
Key Outsourcing Drivers for RCM:-

- Increasing preference for cash mgmt. services among retailers, NBFCs, restaurants, Insurance companies, railways and focus from the government towards outsourcing of cash management.
- Market driven by convenience as rather than spending own resources (e.g., sending staff to banks for cash deposits) retailers chose to pay for bank services (incl. retail cash vaults) driving higher convenience.
- Increasing organized retail outlets lead to increase in demand for ancillary services like retail cash vaults.
- Increasing number of retail outlets crossing threshold of volume of cash collections – making it viable to avail cash mgmt services.
- High demand from T2+ cities driven by select industries and increasing reach.
- As E-commerce logistics expands into Tier 2+ cities (having higher share of COD) it can potentially lead to a huge increase in demand for cash mgmt. services.
- NBFCs are expected to have high concentration of branches in rural areas.
- Expected entry of organized retailers in smaller towns

Market Segment: ATM Cash Management:-

The ATM cash management market size in India is estimated at a size of NR 14.3 Billion in FY 2021. This is expected to grow at a CAGR of 20.7% to reach a potential market size of INR 44.3 Billion by FY 2027. The projected growth in the number of ATMs and the potential for increased outsourcing in the upcoming years are key factors to the growth in this market.

ATM Cash Management - Market Forecast, in INR Billion, FY 2021-27:-



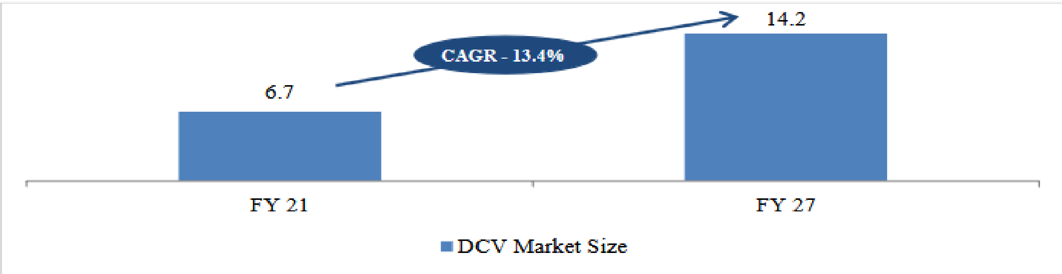
Source: Frost & Sullivan, Secondary Sources

Market Segment: Dedicated Cash Vans (DCV)

Dedicated cash-in-transit business involves leasing out of cash vans along with armed guards, drivers, custodians and fitted with CCTV/GPS etc., for movement of cash and other valuables between bank branches, bank vaults and RBI. DCVs help 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. DCV business is influenced by the expansion of bank branches. Although there is an increase in technology-driven transactions, banks are expanding their branch networks. CIT business pricing is subjective in nature. Cash management companies provide banks with vehicles being dedicated to a particular bank branch, currency chest or head office for particular time period in a day for cash transit betweendifferent cash points.

The DCV market in India is estimated at a value of INR 6.7 Billion in FY 2021 and is projected to reach a market size of INR 14.2 Billion by FY 2027. The number of DCVs in India is also expected to increase from 6720 in FY 2021 to 7500 by FY 2027, growing at a CAGR of 13.4%. With respect to DCVs, compliant vans have a higher realization rate per van per month (at approximately INR 185k), and with the potential increase in compliant vans, owing to regulatory push, the DCV market is expected to increase by 13% between FY 21 and FY 27.

Dedicated Cash Vans Market in India, INR Billion, FY 21-27



Source: RBI, Frost & Sullivan, Secondary Sources

Market Drivers:-

Increase in Bank Branches-

The number of bank branches in India was estimated to be at 125,000 in FY 2021. This number is predicted to increase to 180,000 by FY 2027. Bank branch expansion in India is expected to be driven by the growth of anking services in rural areas and the formation of innovative models within the cash management services sector. In addition, the RBI requires that at least 25% of any new branches that Indian banks open in a given year be in rural areas that do not have access to banking services, and private sector banks have been independently expanding their bank branches in the rural and semi- urban areas as a result of the opportunities created by rural economic growth being created by government initiatives inthose areas.

Increase in outsourcing of dedicated cash vans:
The number of compliant vans for cash transfers is projected to rise as a result of RBI directives. Banks may write off current van expenditures and outsource the DCV business to specialized companies due to the high costs of addressingnew regulatory standards.

Shift from unorganized to organized service providers:
Banks will progressively outsource their DCV operations to compliance players rather than to unorganized companies as the need for compliant vans grows, hence increasing the proportion of outsourcing.

Other Related Segments Within Cash Logistics:-

Other services like bullion management, vaulting services and cash processing are seeing gradual increase in importance. India has been the largest gold importer worldwide, with China. Bullion management is also witnessing increasing penetration as the gold and bullion market is becoming organized. Bullion management refers to outsourcing activities related to custom clearance, vaulting and local deliveries. Vaulting services have to be compliant with RBI norms for vaults classified as Class A, Class B and Class C.

Cash processing includes cash collection, counting, sorting process (sorting of notes to identify to fit, usable, mutilated, counterfeit, etc.). Cash processing services are usually carried out on behalf of banks and few large users of cash. These services, which currently form a small portion of the market is estimated to witness increased penetration in the market as more and more customers outsource their cash handling activities to third party service providers. Banks are also running pilot studies to understand the cost benefits of outsourcing currency chests, especially in an era of NPAs. Industry experts opine that banks can save 35 – 50% of costs through outsourcing currency chests operations to cash management companies, which can efficiently deliver services by using the same infrastructure for several banks thus abating costs for each bank.

7. Electronic Security Device Market (E-surveillance Market): -

With increasing urbanization and crime rates, there is a growing nationwide demand for electronic security solutions. City projects and infrastructure developments across India are adopting these solutions, driven by the rise in law enforcement's use of cameras, AI-enabled analytics for facial recognition and thermal scanning, and the surge in residential and commercial buildings.

The both government and private organisation in India are increasingly adopting video surveillance equipment to improve security and safety. With the increasing emphasis on smart cities and integrated security surveillance, many states have incorporated advanced video surveillance solutions in their cities. According to Comparitech, in 2023, Hyderabad has 83 surveillance cameras per 1,000 people which is the highest, followed by Indore with 60 cameras.

Various Electronic Security Device market:-

Closed Circuit Television (CCTV):- (CCTV) is a technology that involves the use of video cameras to transmit signals to a specific set of monitors or video recorders in a designated, closed system. A typical CCTV system includes cameras, monitors, and recording devices. Cameras capture video footage, which is then transmitted to monitors for live viewing. Recording devices store the footage for future reference. Some essential components of a CCTV camera system include Camera, Monitoring station, Cables and routers, Video recorders, Data storage.

CCTV is used in a wide range of applications, including public spaces (airports, malls, streets), commercial establishments, industrial facilities, residential areas, and government buildings.

Access Control Systems:-

Access control systems are security solutions designed to manage and regulate access to physical or digital resources. These systems help organizations control who can enter specific areas, use certain resources, or access particular information. Some types of access control include:

- Discretionary Access Control (DAC)
- Role-Based Access Control (RBAC)
- Attribute-Based Access Control (ABAC)

Alarm Systems:-
Alarm systems are security devices designed to detect and alert individuals or authorities to specific events, emergencies, or security breaches. These systems play a crucial role in safeguarding homes, businesses, and various other environments. Some types of alarm systems are:-

- Intrusion Alarm Systems
- Fire Alarm Systems
- Burglar Alarm Systems

Smart Home Security Devices:-

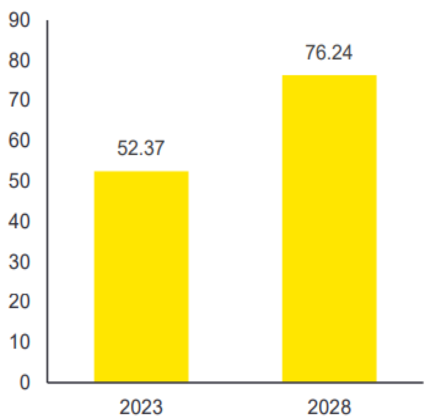
Smart Home Security Devices include:

Smart Doorbells: Include cameras and motion sensors for monitoring and communication.

Smart Sensors: Connect to home automation systems, providing integration with other smart devices.

Global Scenario:-

The Electronic Security Market size is expected to grow from USD 52.37 billion in 2023 to USD 76.24 billion by 2028, at a CAGR of 7.80% during the forecast period (2023-2028).



The increasing security concerns, technological advancements, escalating threats, such as cyberattacks, theft, vandalism, and unauthorized access, and transition to cloud-based storage and remote work arrangements are some of the major factors propelling the market.

Among the various Electronic Security Devices, Access and Control System is estimated to witness the highest CAGR.

Indian scenario:-

The India Electronic Security Market size is expected to grow from USD 2.07 billion in 2023 to USD 5.96 billion by 2028, at a CAGR of 23.57% during the forecast period (2023-2028).

With rising urbanization and crime rate, there is an increasing demand for e-security solutions and services nationwide. Innovative city projects and significant infrastructure developments are adopting electronics security solutions across India. In India, the government raised the outlay for the digital India program by 23% to USD 480 million for the last year. The growth has been mainly focused on incentives for electronic manufacturing, research & development, cybersecurity, and promotion of IT and IT enabled.

The Indian government is also steadily increasing the number of CCTV cameras in the country. For instance, the Delhi government has rolled out a video surveillance program as a crime prevention measure to deliver quarter-million CCTV cameras in commercial and residential areas across the city and schools. As of March last year, the Delhi government has spent USD 32 million installing 132 thousand CCTV cameras across the national capital in five year.

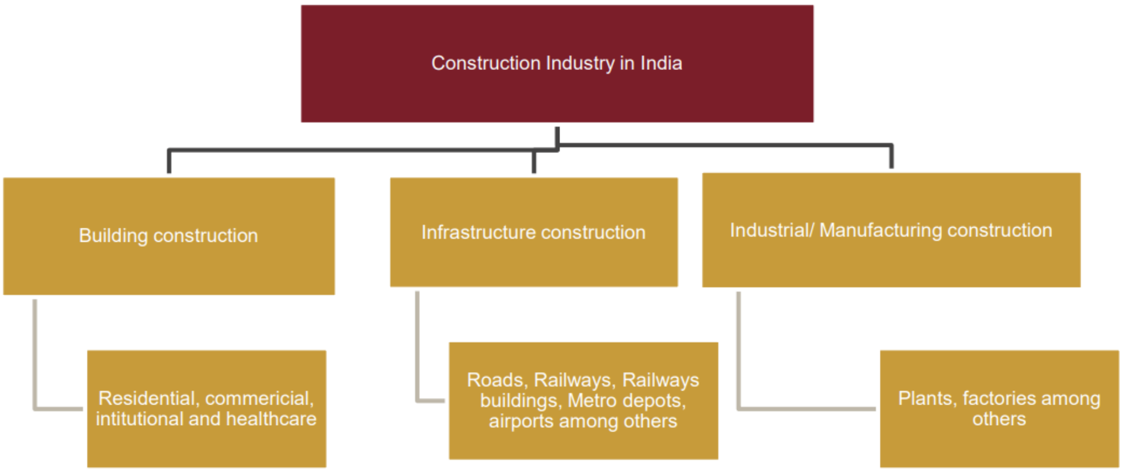
The state governments in India are increasingly adopting video surveillance equipment to improve security and safety. With the increasing emphasis on smart cities and integrated security surveillance, many cities have incorporated advanced video surveillance solutions in their region. Terrorism is undoubtedly another major issue in India, primarily due to the numerous terrorist attacks over the last twenty-five years.

Key Growth Driver	Description
Development of Smart Cities	Development of smart cities in India has acted as a catalyst for the electronic security device sector by driving demand for integrated security solutions, emphasizing public safety, and promoting the adoption of advanced technologies.
Urbanization & Crime Rate	Higher population density often correlates with an increased demand for security measures to protect individuals, businesses, and public spaces. The perceived or actual increase in crime rates can drive individuals and businesses to invest in electronic security solutions to mitigate risks. Surveillance cameras, access control systems, and alarm

	systems can discourage potential offenders and enhance the overall security posture of urban environments. Advances in camera technology, including high resolution imaging, night vision capabilities, and panoramic views, have enhanced the effectiveness of surveillance systems. Internet of Things (IoT) Integration has facilitated the interconnection of various devices, allowing for more intelligent and responsive security solutions. AI-powered analytics can analyze patterns of behaviour, helping to identify potential security threats.
Digital India	National Program Making digital infrastructure a core utility for every citizen. The government has increased the outlay for the digital India program by 67% to INR 10,676.18 crore for the 2022-2023 year. The increase has been mainly focused on account incentives to be given for electronic manufacturing, research and development, cybersecurity.

8. Demand of manpower in construction Industry: -

Overview of Indian construction industry:-



The construction sector in India can be broadly classified into Infrastructure construction, Industrial/ Manufacturing construction and Building Construction. During fiscal 2019-23 the investments in the construction industry stand at Rs 42.45 trillion and is expected to grow by 1.61 times, reaching Rs 67.00 – 69.00 trillion during fiscal 2024-28.

Building construction includes constructing buildings for residential uses such as houses, residential towers as well as institutional and healthcare buildings like hospitals, educational institutions and buildings for commercial use such as offices, retail malls, etc.

Infrastructure construction includes construction of warehouses, bridges, dams, roads, airports, canals, urban infrastructure, railway infrastructure (including railway buildings), metro depots etc.

Industrial/manufacturing construction includes construction of manufacturing plants, factories, power plants, and other highly specialised facilities.

Construction investments in India:-

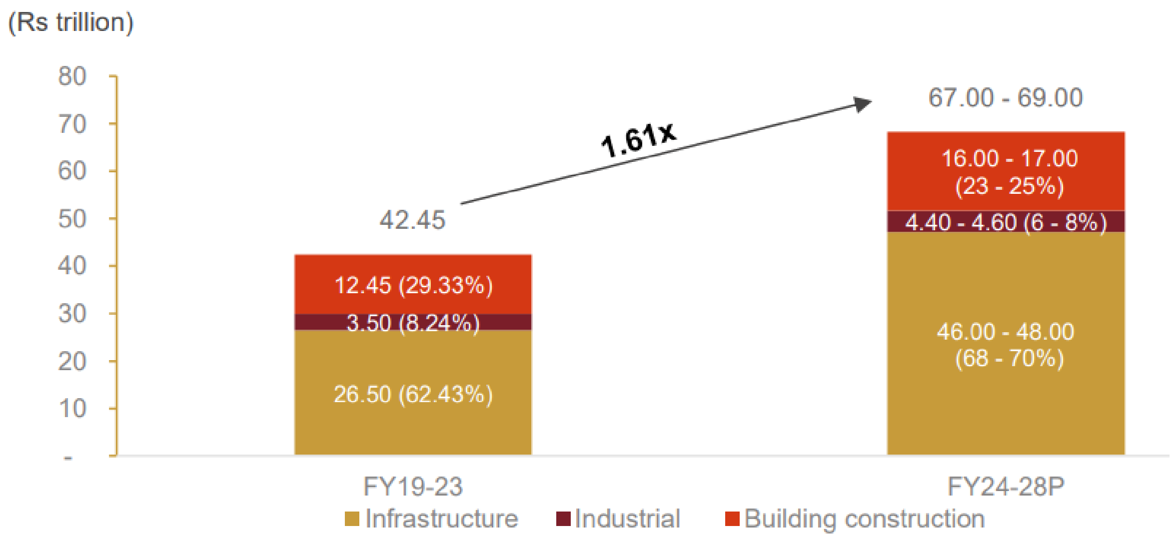
Construction investments to grow by ~1.61 times between fiscals 2024-28 compared to fiscals 2019-23; Infrastructure investments to drive long-term growth. Growth in construction sector is expected to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sectors are expected to record sedate growth rates. Over the long term, CRISIL MI&A projects the overall construction investments to rise by ~1.61 times between fiscals 2024-28 compared with those over fiscals 2019-23. Investments in building construction vertical are expected to increase by ~1.34 times, though its share in overall construction investments is expected to fall to 23-25% between fiscals 2024-28 compared with a share of 29.33% between fiscals 2019-23. This growth is majorly driven by rise of investments in residential segment during the period.

The share of infrastructure investments is expected to increase to 68-70% of the overall construction investments for the five years (fiscals 2024-28) as against 62.43% in the past five years (fiscal 2019-23), as infrastructure investments are expected to see faster growth than the other two segments (building construction and industrial) due to the Government's focus on Infrastructure under the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP) and the Gati Shakti initiative. The Central government's focus on roads, urban infrastructure and railways will boost infrastructure investments. At an investment level, investments in the infrastructure vertical are expected to be ~1.78 times during fiscals 2024-28 compared to fiscals 2019-23 majorly driven by government initiatives towards infrastructure such as National Infrastructure Pipeline, Gati Shakti initiative, Sagarmala among others.

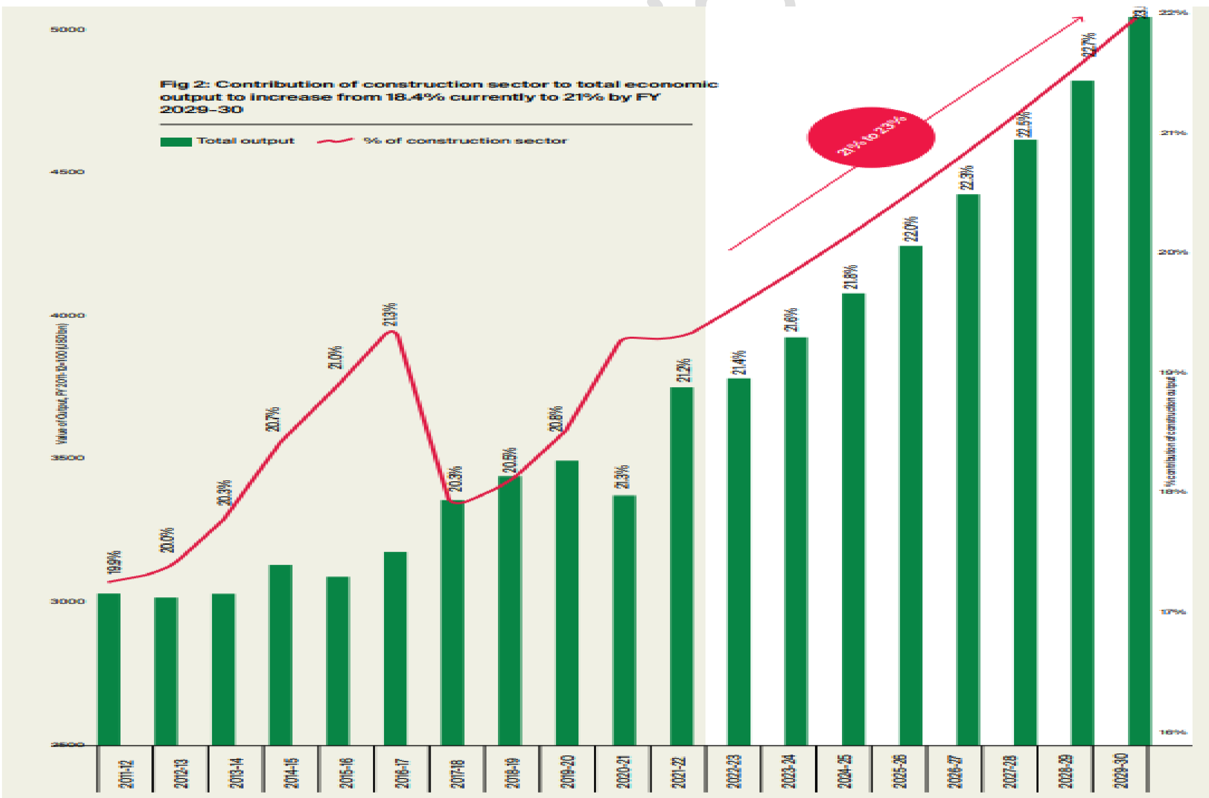
Industrials vertical investments are expected to increase by ~1.34 times between fiscals 2024-28 compared with fiscals 2019-23. Investments in the vertical are driven by the investments in oil and gas segments led by capital expansion plans by industry players as well as investments by upstream oil & gas and downstream natural gas players. Additionally, investments through PLI scheme in sectors such as auto and auto components, textiles and specialty steel are expected to further boost the overall investments.

This growth in the construction sector is majorly poised by continued urbanization, steady income profiles, expected growth in employment generating sectors as well as rising affluence and propensity to spend on real estate by midincome buyers on the residential segment front as well as major government initiatives such as Pradhan Mantri Awas Yojana for affordable housing, infrastructure plans like National Infrastructure Pipeline and investments through PLI scheme in major capital-intensive sectors.

Overall construction investments by vertical:-



Contribution of construction sector to total economic output to increase from 18.4% currently to 21% by FY 2029-30.



Demand and Supply Assessment:-

Growth in real estate and infrastructure development to boost demand for skilled manpower in the construction sector.

Growth in India's real estate and infrastructure sector will generate considerable demand for manpower in the industry. With the advent of technology, the construction sector has also adapted itself to improve productivity, raising the demand for skilled manpower. India's construction sector is the second largest employment generator and as of 2023, 71 mn of the workforce is estimated to be employed in the construction sector. However, 81% of this workforce is unskilled. Only 19% i.e. 1.3 mn of the workforce in the real estate sector are skilled employees. Owing to the growing demand for real estate and infrastructure, the demand for skilled employees will continue to arise from developers, construction companies, consulting firms etc. whereas the supply of the skilled manpower is to be generated from government initiatives, academic and training institutes. As per the estimates of National Skill Development Council (NSDC), 87% of the overall employees (skilled + unskilled) are absorbed by the real estate sector, whereas 13% are absorbed by the infrastructure sector. Currently, of the total workforce of 71 mn employed in the construction industry in India, 4.4 mn are core skilled employees which includes engineers, technicians, clericals etc, and 6.9 mn are vocationally trained employees.

Employment in construction sector is estimated to grow to 100 mn to attain economic growth targets:-

	Unit in 000s				% Share			
Occupation	2005	2011	2023E	2030E	2005	2011	2023E	2030E
Engineers	822	1050	2200	3309	2.7%	2.6%	3.1%	3.3%
Technicians/Foremen	573	1120	2271	3811	1.8%	2.7%	3.2%	3.8%
Clericals	738	930	1916	2908	2.4%	2.3%	2.7%	2.9%
Skilled Force	3267	3730	6884	10530	10.5%	9.1%	9.7%	10.5%
Semi-skilled	25600	34200	57695	79724	82.6%	83.4%	81.3%	79.5%
Total	31000	41030	70966	100282	100.0%	100.0%	100.0%	100.0%

Source: NSDC, CMIE, Knight Frank Research

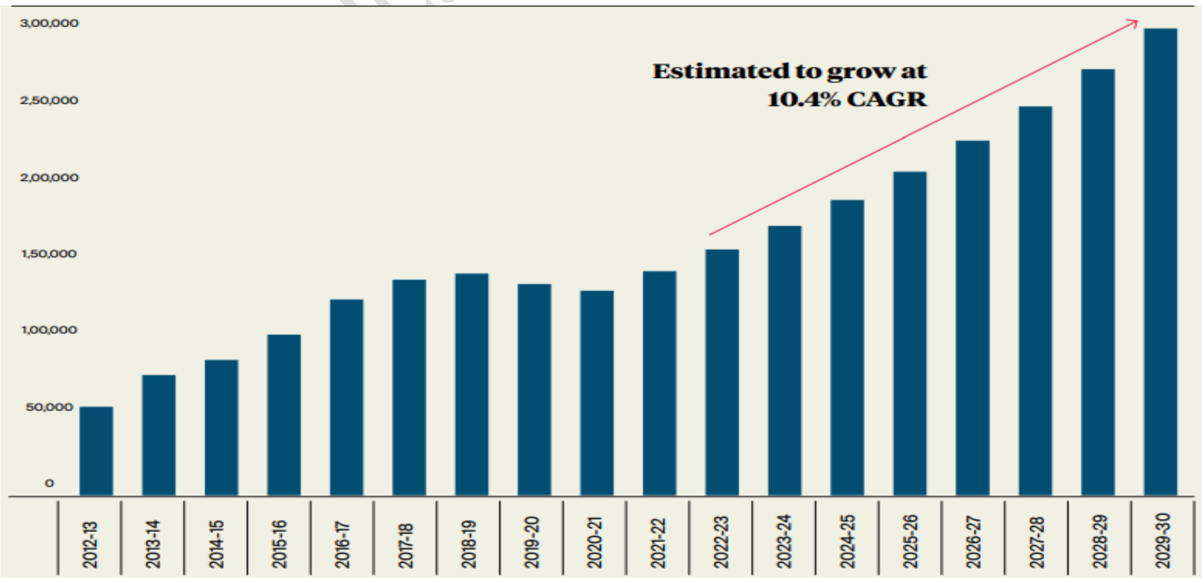
Supply of Skilled employment:-

Skilled employees in the construction sector are broadly defined as individuals who have attained graduation in related courses, primarily civil engineering. Employees in this sector also graduate from other fields such as finance and management to support the non-technical job requirements of the sector. Apart from the core skilled workforce, the sector also provides employment to the secondary level of skilled workforce who are vocationally trained, such as plumbers, carpenters, electricians etc. India has nearly 3200 universities and colleges providing full time construction related courses. Between 2012-21, the cumulative supply of core skilled employees i.e. civil engineers, was 8,96,864. Owing to demographic advantage and the increased leaning towards education, an estimated 17 lakh civil engineers are estimated to seek employment by FY 2029-30, growing at a CAGR of 10.4% with an average annual increment of 1.8 lakhs. However, as per industry discussions only 50% of the civil engineers get absorbed into employment as a) fresh graduates find it challenging to match up to industry requirements b) its convenient to seek employment in other related industries.

Qualitative assessment of skilled workforce in construction sector in India:

In the construction sector the technical skills of the potential employee is the most prominent trait required. This is categorized into – a) Civil traits: those who are closely associated with understanding structures and civil engineering related aspects, b) Mechanical traits: Those which require understanding of machines and mechanical engineering, c) Technological traits. Those who have adept knowledge of technologies and software related to the construction sectors.

Incremental supply of key graduates required for construction sector:-



Hierarchy of skilled manpower in construction sector:-

Skill gap qualitative analysis of the skilled workforce in construction sector:-

Job Role	Education Qualification	Skills Required	Skill Gap
Project Manager	Graduate engineers/post graduate engineers with relevant work experience	Project Management skills Supervision skills Good understanding of the industry Leadership qualities, good communication skills Demonstrated ability to effectively implement the project and finish it in the given time Required technical skills and field experience Leadership qualities	Lack of leadership, managerial, supervisory and project management skills. Inadequate analytical and problemsolving abilities
Project Engineers	Gradate engineers – Civil/Architect/Mechanical/Electrical	Domain skills – technical and construction engineering Project management skills such as – planning, scheduling, designing, procurement & execution.	Mismatch in industry education imparted and industry required skills Lack of application of knowledge into practice

		Knowledge and understanding of the project Safety management and preventive maintenance skills	Lack of specialization in areas such as – CAD, planning, project execution and quality control
Supervisors	Diploma Engineers/ITIs with experience	Domain knowledge Ability to supervise and mentor the labours Planning skills – ability to estimate and forecast the required raw materials, manpower and machinery Ability to schedule and monitor the project Labour management skills Maintain safe and productive work environment	Poor communication skills to increase productivity Inadequacy in the formal training of technical skills to match the industry standards
Skilled workmen – Mason, plumber, welder, equipment	Minimally educated	Trade skills – Carpentry, plastering, plumbing etc. Ability to communicate and coordinate with unskilled workmen Ability to operate machines and operating key equipment	Lack of knowledge on machine operation and equipment maintenance Lack of understanding of quality control process Sub-optimal productivity

Key growth drivers for India's construction sector:

Increasing population driving real estate and infrastructure demand: As per World Bank estimates, India's population has increased from 1.2 bn in 2010 to 1.4 bn in 2022, an average annual growth of 1.1%. Supported by economic growth and growing employment opportunities, the share of urban population in total employment has increased from 30% in 2010 to 37% in 2022 and is further expected to increase to 40% by 2030. Thus, the population shift leading to massive urbanization has accentuated the potential demand for real estate and supporting infrastructure development.

Expansion in commercial and industrial real estate driven by rapid growth of IT/ITeS and manufacturing: Driven by increasing economic activities, the job market in India is extensively getting formalized. In 2022, nearly 80 mn of active workforce was employed in the formal sector7 . Factors such as growing start-ups, innovation in technologies, expanding GCCs, India facing businesses etc. have necessitated the demand for skilled employees in urban centers, consequently driving the demand for commercial office spaces. Currently, the top 8 cities in India have occupied office stock of 750 mn sq ft8.

Increasing consumerism to drive retail and hospitality real estate:

India's per capita gross national income has increased from INR 65,011 in FY 2010-11 to INR 113,144 in FY 2022-23. This has also increased the disposable income of consumers, propelling demand for retail, entertainment, and hospitality consumption. As per Knight Frank estimates, the organized retail sales volume in India is expected to grow to USD 136 bn in FY 2027-28 from USD 52 bn in FY 2021-22. This increases the scope of organized retail development in India such shopping malls. To support the increasing retail consumption, the gross leasing area of shopping malls in the top 8 cities is estimated to grow to 104 mn sq ft by FY 2028 from the existing 93 mn sq ft.

Rise in Capex allocation to Infrastructure:

Aiming at economic growth targets, the Government of India has significantly increased its capital expenditure allocation for infrastructure development in the country. As per the central budget estimates, the Capex allocation for infrastructure has increased from 1.7% of the GDP in FY 2012-13 to 2.5% estimated for FY 2023-24. The maximum allocation has been towards the development of roads and railways. Other sectors such as ports, airports, urban development etc. have also received adequate focus.

Outlook of the manpower solution in Construction Industry:-

Indian economy to grow at an optimum level, it is crucial that the working age population is employable to cater to the industry needs. Emphasis on skill development should be undertaken by educational institutes, the government and policy makers, as well as by private entities such as developers and firms engaged in the construction industry.

Strengthening of training modules in institutes as per industry requirements: Over the last few years, the construction industry has witnessed technological advancement. The industry has been integrating with innovative technologies such as Information and Communications Technology (ICTs), Internet of Things (IoTs), etc along with being a multi-disciplinary knowledge sharing platform. The education curriculum and training modules in India need to be updated accordingly and aligned with industry requirements. As per industry discussion, a significant portion of graduates and trained candidates entering the construction industry are ill-equipped to meet industry requirements and work with modern-day concepts. Therefore, to achieve optimum employability, the education curriculum needs to be updated and integrated with industry requirements. This can be done through extensive engagement with the private employment sector.

Promote global centric education: The employment opportunities in construction sector are not just limited to India. Indian graduates equipped with necessary skills have the potential to attract employment demand from the overseas market too. However, to take advantage of this, the education system in India needs to impart a global curriculum in addition to training and practices. Courses with specializations aiming at global requirements have a potential to provide long term global employment opportunities.

Collaboration between academic institutions and private employers: Student engagement with private sector employers through their academic institutions, increases their exposure to real-world work environment. Regular engagements such as interning, participation in conferences, authoring research papers and building case studies, equips students with real skills required to be employable.

Encourage coursework and certification with professional bodies: Upskilling post-employment, could be one of the key strategies to enable the employees to enhance their capabilities and develop additional skills. Incentives by the private sector employers to encourage their employees to pursue additional certifications, course works and training from reputed professional bodies will not just boost the quality of employees in the organization, but also increase the quality of work and productivity. To achieve this, the private sector can collaborate with reputed academic institutions and other professional bodies.

Source:- RICS; knightfrank.co.in/research

9. Demand of manpower in Telecom Industry: -

Overview on Telecom Industry in India:-

The Telecom industry in India is the second largest in the world with a subscriber base of 1.18 bn as of December 2021 (wireless + wireline subscribers). India has an overall tele-density of 85.91%, of which, the tele-density of the rural market, which is largely untapped, stands at 58.50% while the tele-density of the urban market is 137.26%. The industry's exponential growth over the last few years is primarily driven by affordable tariffs, wider availability, roll-out of Mobile Number Portability (MNP), expanding 3G and 4G coverage, evolving consumption patterns of subscribers and a conducive regulatory environment.

The Government has emphasized and undertaken initiatives for bolstering India's domestic telecom manufacturing capacity. Efforts are also underway to soon develop a foundational network for 5G technology deployment in India.The Telecom sector is the 3rd largest sector in terms of Foreign Direct Investment (FDI) inflows, contributing 7% of total FDI inflow.

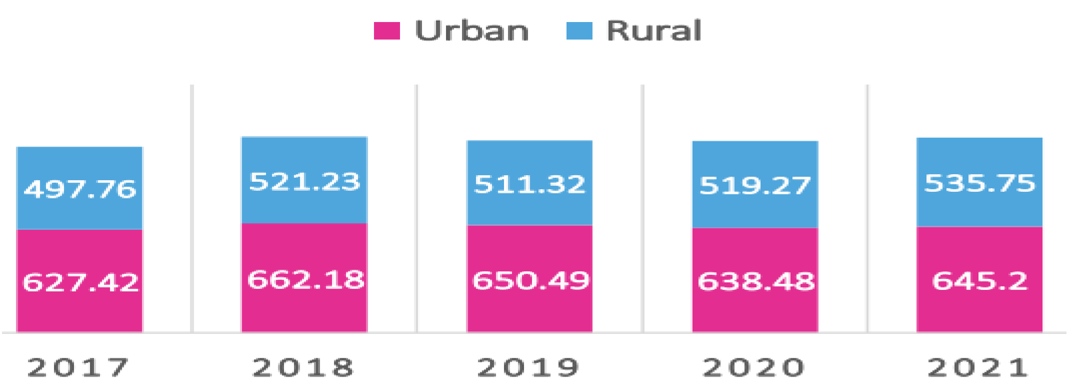
Major milestone in telecome sector:-

- Digital India is expected to create $1.3T business opportunity by 2025.
- Number of internet users in India is expected to reach 900 Mn by 2025
- 410 mn additional smartphone users are expected in India by 2025
- 100 Smart cities
- Highest Subscribers in the world 765 Million
- Highest Data Usage per user 17 GB/month, 25 GB/month by 2025

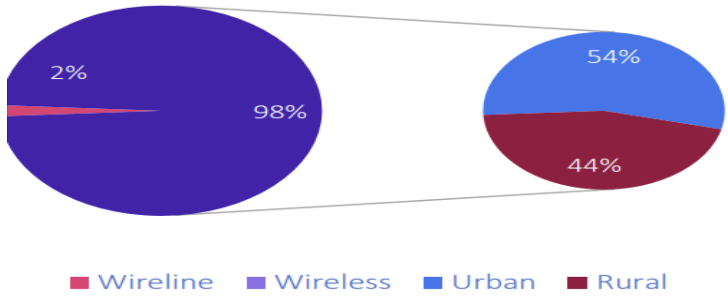
The telecom tower industry:-

The telecom tower industry continues to be a pivotal force in aiding the connectivity revolution. India boasted 400,00 telecom towers in 2015. Between 2007 and 2020, the number of towers grew to over double at a CAGR of 7.1% to reach a total of 636,300 with around 2,254,658 total BTS and currently stands at 7,02,641 according to DoT. As data consumption grows and the imminent launch of 5G technology takes center stage, the next decade holds exciting new prospects for infrastructure providers. New opportunities arise for tower companies shifting their attention from a macro tower focused business, towards new business models hinged on fiber, Wi-Fi, Data Centers, smart cities, small cells and beyond. Optical Fiber deployment curve is expected to increase 1.9x touching 28 lac cable kilometers expected in 2023. Outdoor small cell deployment is also slated to reach ~250,000 by 2023 showcasing another exciting opportunity. The telecom equipment manufacturing sector was an instrumental part of the governments mandate to attract FDI from big players on the global market this past year. As import restrictions were placed on telecom equipment, the government encouraged the production of network equipment's locally through a series of incentive schemes for the ICT domain. This of course underlines the shift towards self-reliance or 'Atma-Nirbharta", a key objective of the current government. The government pushed for 100% local sourcing of equipment as early last June to encourage global telecom network manufacturers like Ericsson, Nokia, Samsung, Huawei, etc.. to increase equipment manufacturing in India. Reliance Jio has already developed its own 5G technology inline with the national agenda. Airtel has also claimed to be closely working with equipment manufacturers to produce locally.

SUBSCRIBERS (IN MN.)



Total Telephone Connections



Outlook of the Telecom Industry:-

The telecom sector has been the backbone for various initiatives taken by the Government for transformation of the nation into a digital economy. With the Government's vision of enabling the entire country to have same access to e-services, communication facilities and digital resources, the sector has rightly been recognized as key enabler for growth and employment generation. Budget 2022 had 3 main highlights for the Telecom Sector with 5G, Design-led manufacturing under PLI Scheme and contracts to lay will be awarded under Bharat Net Projects in FY 22- 23.

National Digital Communications Policy:-

Provide Universal broadband connectivity at 50Mbps to every citizen b. Provide 1 Gbps connectivity to all Gram Panchayats of India by 2020 and 10 Gbps by 2022 c. Enable100 Mbps broadband on demand to all key development institutions; including all educational institutions d. Enable fixed line broadband access to 50% of households e. Achieve 'unique mobile subscriber density' of 55 by 2020 and 65 by 2022 f. Enable deployment of public Wi-Fi Hotspots; to reach 10 million by 2022. Ensure connectivity to all uncovered areas. Out of the total budget allocated to the Ministry, the expenditure target for telecommunications was raised to Rs 66,431.7 crore year-on-year in Budget 2020.

10. Peer Company Analysis:

	Company Name	Description
1	Supreme Facility Management Ltd	With over 40+ years of experience, Supreme Facility Management leads in integrated facility management, supply chain solutions, employee transportation, corporate food solutions, and production support services. As a 'One Stop Solution Provider', Company enhances employee experiences and optimize operations through Operational Excellence programs, emphasizing safety and sustainability. Established in 1983 under L. V. Shinde Group, Supreme Facility Management excels in diverse corporate needs, streamlining operations with strong emphasis on Safety & Sustainability. Supreme Facility Management, a part of L V Shinde Group, is a leading Facility Management company in India. Offering comprehensive services to 150+ clients across 7+ states, we excel in Facility Management, Supply Chain Solutions, Employee Transportation, Corporate Food Solutions, and Production Support Services.
2	Service Care Ltd.	Established in 1999 and incorporated in 2011, SCL boasts over 20 years of experience providing workspace and workforce management services to businesses across India. The Company continuously grown and adapted, offering a comprehensive suite of services including facility management, payroll, and recruitment. Trusted by more than 100 prestigious clients nationwide, SCL operates from its headquarters in Bangalore with regional offices in Tamil Nadu, Telangana, and Haryana. Our success stems from a commitment to reliability, innovation, and a strong market presence. The company's 23+ years of experience solidifies our reputation as a credible partner for their customers.
3	Krystal Integrated Service Ltd	Krystal Integrated Service Ltd is India's leading integrated facilities management services companies, with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors. Range of service is offerings include soft services such as housekeeping, sanitation, landscaping and gardening, hard services such as mechanical, electrical and plumbing services, solid, liquid and biomedical waste management, pest control and façade cleaning and other services such as production support, warehouse management and airport management services (including multi-level parking and airport traffic management).

		The Company also provides staffing solutions and payropll management to our customers, as well as private security and manned guarding services and catering services.
	Kapston Services Ltd.	Kapston Facilities Management Limited (KFML), was incorporated in the year of 2009 and is a provider of private security and facility management services in India. Presently the Company have around 6394 employees, including a team of competent and qualified professional & esteemed clients spread across different locations. With headquarters in Hyderabad, Kapstopn boasts of a widespread branch network consisting of 4 additional branch offices and 8 training centres across 10 cities in 8 state.

Applicant Company details:-

Company Name	Details
Clear Secured Services Pvt. Ltd.	Clear Secured Services Pvt Ltd. (CSS group) was founded in 2008, by Mr. Vimal Dubey with a vision to deliver world-class services in Integrated Facility Management, Security Solutions, and all Allied Services. The Company provide a well-rounded approach that includes both soft services such as housekeeping, waste management, and security, and hard services like electro-mechanical maintenance, energy management, and essential repairs. Our offerings are tailored to meet the unique needs of commercial and industrial clients, ensuring smooth operations and a high standard of cleanliness, safety, and functionality. In other Support Services, we excel in Total Infrastructure Solutions (TIS), providing cost-effective interior design, plumbing, fire safety, and office furniture services that enhance the functionality and aesthetic appeal of businesses. We also support the agro-food sector through direct sourcing and trading of millets and wheat. Our telecom services offer end-to-end solutions for mobile tower

	installation, and our secure Cash Van service ensures the safe transport of cash for ATM networks. The Company has over 28 branches across 26 cities with 3000 plus employee strength.

Peer Company financials:- **(Rs. in Crs)**

Company Name	Supreme Facility Management	Service Care Ltd.	Krytal Integrated Service Ltd	Kapston Services Ltd.
Sale	401.00	193.56	1026.85	521.33
EBIDTA	16.00	4.72	53.162	24.13
PAT	9.00	4.36	38.44	12.57
PAT Margin	2.24%	2.26%	3.74%	2.41%
NW	89.00	33.70	376.22	71.59
Current market price	31.20	66.00	451.00	230.00

(Rs.in Crs)

Applicant Company – Cleared Secured Services Pvt. Ltd.				
FY	Up to 31-12-2024	FY 2023-24	FY2022-23	FY2021-22
Sale	319.41	281.90	249.39	233.67
EBIDTA	18.84	20.67	14.26	10.85
PAT	11.75	11.74	6.97	4.73
PAT Margin	3.68%	4.16%	2.79%	2.02%
NW	101.45	89.75	77.97	71.00

Best Regards,

T.G Uday Associate Director, Infomerics Analytics & Research Pvt Ltd

Date: 18-06-2025

Place:-New Delhi