



**B U S I N E S S   P L A N   ·   I N D I A**

# **Contract / Temp-Staffing Firm**

*Flexi staffing that never resets continuous service - gratuity funded from day one, fixed-term parity honoured*

**STAFFING & WORKFORCE SOLUTIONS**

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

## 1. Executive Summary

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This plan sets out a **Contract / Temp-Staffing Firm** in India — flexi and contract workforce supply across manufacturing, retail, e-commerce, quick-commerce and logistics, covering general contract staffing, retail and e-commerce flexi deployment, logistics and warehousing labour, fixed-term employment mandates, payroll and statutory administration, and seasonal surge deployment, with roughly 4,200 workers deployed by Year 3.

This plan inherits the ten staffing anchor rules set by **staffing-agency** and hardens rule (f). **In a general agency the rolling contract is a device. In flexi-staffing it is the product — the client is not buying labour, it is buying the absence of an employment relationship.**

☐ **THE THING BEING SOLD IS THE INTERRUPTION.** A flexi-staffing firm's proposition to its client is precisely that the worker never accumulates: never reaches the continuous service that triggers protection, never reaches five years for gratuity, never becomes permanent, never appears on the client's headcount. **SO A MAN CAN DO THE SAME JOB, AT THE SAME MACHINE, FOR THE SAME SUPERVISOR, FOR FOUR YEARS — AND BE, ON PAPER, EIGHT SEPARATE SIX-MONTH ENGAGEMENTS WITH A NINE-DAY GAP BETWEEN EACH.** Nothing about his work changed at any point. Everything about his entitlement did, seven times. The break is not an accident of demand; **IT IS ENGINEERED, DIARISED AND BUDGETED FOR**, and it is the specific feature the client is paying a margin to obtain. So this business **MEASURES CONTINUOUS SERVICE FROM THE WORKER'S FIRST DAY ACROSS EVERY CLIENT, EVERY RENEWAL AND EVERY GROUP ENTITY AND NEVER RESETS IT, ACCRUES AND FUNDS GRATUITY FROM DAY ONE, USES FIXED-TERM EMPLOYMENT ONLY WITH ITS PARITY CONDITION, and PAYS NOTICE AND SEVERANCE ON NON-RENEWAL AS IF IT WERE TERMINATION.** WHERE THE PRODUCT IS THE ABSENCE OF AN EMPLOYMENT RELATIONSHIP, CONTINUOUS SERVICE IS THE THING BEING SOLD — **SO COUNT IT FROM THE FIRST DAY AND NEVER RESET IT.**

☐ **AND FIXED-TERM EMPLOYMENT CAME WITH A CONDITION THE TRADE QUIETLY DROPPED.** FTE was permitted precisely to legitimise flexible hiring, and the permission carries an explicit quid pro quo: the same wages, hours, benefits and social security as a permanent worker doing the same work, with gratuity pro-rata after a year. **THE INDUSTRY TOOK THE FLEXIBILITY LIMB AND LEFT THE PARITY LIMB, WHICH IS WHY FTE LOOKS LIKE A CONCESSION RATHER THAN A BARGAIN.** So 100% of FTE mandates carry verified parity against the client's own permanent grades, and 24 clients were refused for demanding FTE without it.

☐ **AND THE INTERRUPTION FOLLOWS HIM OUT OF THE JOB.** After four years he holds no document showing four years — only eight short stints that his next employer reads as unreliability. So a **CONTINUOUS SERVICE CERTIFICATE** showing his real, unbroken total is issued to 100% of workers, and 214 of them now hold five or more years of recorded continuous service — a number that is structurally zero everywhere else in this trade.

This plan models an operator requiring **₹14.00 crore** (₹5.60 crore investor + ₹3.60 crore working capital + ₹3.00 crore term loan + ₹1.80 crore promoter), moving from **₹24.00 crore revenue and a ₹1.72 crore loss** to **₹120.00 crore revenue and ₹2.64 crore profit** by Year 3 — a 2.2% net margin and 31.7% return on capital. (Contract staffing — figures illustrative.)

## 2. Business Description, Vision & Legal Structure

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**Concept:** A flexi-staffing firm whose workers accumulate service instead of losing it.

**Vision:** To sell flexibility to the client without selling the worker's continuity to pay for it.

**Mission:** Count continuous service from the first day and never reset it; fund gratuity from day one rather than hoping tenure stays short; use fixed-term employment only with the parity it was granted for; treat a non-renewal as the termination it is; and give every worker the record of his own service to take with him.

## Legal structure

- **Private Limited** — recommended. Principal-employer contracting, CLRA licensing, gratuity funding and outside capital all assume it.
- **A single employing entity, with nil inter-company transfers used to interrupt service — the structural precondition for unbroken continuity, since a group with four payroll companies can reset a worker's clock without ever moving his desk.**
- **A funded gratuity trust rather than an unfunded book provision — because a liability that only crystallises if workers stay is a liability an operator is quietly incentivised to prevent from crystallising.**

**Regulatory anchor:** the Industrial Disputes Act 1947, under which **240 days of continuous service in twelve months attracts retrenchment protection, and the engineered break exists specifically to prevent that clock reaching it;** the Industrial Employment (Standing Orders) Act 1946 and the fixed-term employment provisions, which **grant flexibility expressly conditional on parity of wages, hours, benefits and social security with a permanent worker doing the same work, plus pro-rata gratuity after one year;** the Payment of Gratuity Act 1972 and its continuous-service definition; the Contract Labour (Regulation and Abolition) Act 1970 and state rules; the Code on Wages 2019 and Code on Social Security 2020 as notified; the EPF & MP Act 1952 and ESI Act 1948, with **UAN portability making a worker's real service history visible for the first time to anyone who chooses to look;** state Shops and Establishments and Factories Act duties at the deployment site; POSH at the site rather than at the employing office; and the Digital Personal Data Protection Act 2023 for worker records. **The decisive structural fact is that NOTHING PREVENTS AN EMPLOYER FROM RESETTING A WORKER'S CONTINUOUS SERVICE BY INSERTING A GAP, AND ALMOST THE ENTIRE TRADE IS ORGANISED AROUND DOING SO.**

## 3. Promoter & Ownership

Led by a promoter with flexi-staffing, industrial-relations or large-scale workforce-operations background, with a labour-law specialist as compliance director. Three competences decide outcomes. *Continuity accounting*, because measuring service properly creates liabilities most competitors have arranged never to incur, and they must be funded rather than discovered. *Mobilisation at scale*, since quick-commerce and seasonal clients want hundreds of workers in days and the temptation to cut corners is proportional to the urgency. And *the willingness to lose an FTE mandate on parity*, which is where this plan's proposition sits and which is refused most often by exactly the clients who most want flexibility. Ownership, equity & investor terms are editable inputs; **the continuity and compliance functions report to the board independently of sales, and no employee's pay is linked to deployment volume or to margin percentage.**

## 4. Market Analysis — India

The fastest-growing segment in Indian staffing, and the one built most explicitly on discontinuity.

### Demand drivers

- **Quick-commerce and e-commerce** demand cycles that permanent headcount cannot follow.
- **Manufacturing flexibility** against seasonal and export-order volatility.
- **Headcount discipline**, where flexi workers sit outside the client's sanctioned strength.
- **Formalisation** converting informal daily-wage hiring into invoiced supply.

- **Fixed-term employment** giving a statutory route to term hiring.
- **Festive and harvest surges** requiring thousands of workers for weeks.

### Market sizing (illustrative framing)

| Layer        | Definition                                                       | Indicative scale                                              |
|--------------|------------------------------------------------------------------|---------------------------------------------------------------|
| TAM          | Indian flexi and contract workforce demand                       | Large; the fastest-growing staffing segment                   |
| SAM          | <b>Mandates deliverable without resetting continuous service</b> | <b>Bounded by CLIENT ACCEPTANCE of continuity, not demand</b> |
| SOM (Yr 1-3) | Workers deployed on unbroken service with funded gratuity        | ₹24cr → ₹120cr; 4,200 deployed; 24 clients refused            |

### Revenue mix and share (Year 3)

| Stream                                                            | Share        | Gross margin — and what the client is really buying          |
|-------------------------------------------------------------------|--------------|--------------------------------------------------------------|
| <b>General contract staffing — industrial &amp; manufacturing</b> | <b>34.0%</b> | <b>9.5% — longest tenures; where continuity costs most</b>   |
| <b>Retail, e-commerce &amp; quick-commerce flexi</b>              | <b>24.0%</b> | <b>8.5% — thinnest margin; highest churn by design</b>       |
| Logistics & warehousing contract labour                           | 18.0%        | 9.0% — volume work, physically demanding, high attrition     |
| <b>Fixed-term employment mandates (with parity)</b>               | <b>12.0%</b> | <b>12.5% — priced for parity; the segment we refuse most</b> |
| Payroll, compliance & statutory administration                    | 8.0%         | 40.0% — selling the discipline that governs us               |
| Seasonal & project surge deployment                               | 4.0%         | 14.0% — short, urgent, where corners get cut                 |

The second row is where this plan is hardest and least profitable: quick-commerce flexi runs at 8.5% gross margin with churn the client actively wants, and it is precisely the segment where counting continuous service across engagements creates a liability nobody else is carrying. The fourth row is the honest one — fixed-term mandates are priced higher because parity costs more, which is why they are only 12% of revenue and why 24 clients walked rather than accept the condition their own statutory route was granted on. The fifth row is unusual: we sell payroll and statutory administration as a service, so the continuity apparatus that constrains us is also a 40%-margin revenue line rather than pure overhead.

### Constraints

- **Client acceptance of continuity**, which is the hard ceiling on doing this properly.
- **Gratuity funding**, since long service is a cost competitors have arranged never to incur.
- **Working capital**, with wages monthly and clients settling at 62 days.
- **Attrition**, which destroys margin through repeated mobilisation cost.

## 5. Competition & Position

| Competitor type                | Strength                                                   | Weakness this plan exploits                                 |
|--------------------------------|------------------------------------------------------------|-------------------------------------------------------------|
| National flexi-staffing majors | Scale, client depth, mobilisation speed, technology, price | <b>Service reset at renewal; gratuity avoided by design</b> |

|                             |                                                                                      |                                                             |
|-----------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Regional contractors        | Cheapest rates, local supply, fast surge fulfilment                                  | Engineered breaks; no service record given to the worker    |
| Gig and app platforms       | Infinite elasticity, no employment relationship at all                               | <b>Nothing statutory attaches, so nothing accrues, ever</b> |
| Client in-house term hiring | Direct control, no agency margin                                                     | FTE used without the parity it was granted for              |
| <b>This plan</b>            | <b>Unbroken service, funded gratuity, verified FTE parity, service record issued</b> | Higher rate card; carries liabilities rivals do not         |

The positioning makes one claim the worker can verify in his own EPFO passbook and one a client's auditor can verify in ours: your service with us has never been reset, and the gratuity you have accrued is funded in a trust rather than promised in a footnote. No competitor offers the first, because the reset is the product they are selling. The commercial difficulty is that our rate card carries a continuity cost rivals have engineered away entirely — and a procurement officer comparing per-worker rates has no column for whether the previous supplier's workers were being reset every six months.

The cost of the honest position is stated in rupees rather than implied. Measuring continuous service from the first day across every client, renewal and group entity, with nil artificial breaks, cost ₹2.46 crore of Year-3 margin — the largest item and the entire structural difference between this firm and the segment. Accruing and funding gratuity from day one rather than relying on short tenure cost ₹1.88 crore. Honouring the fixed-term parity condition, and refusing 24 clients who would not, cost ₹1.34 crore. Paying notice and severance on non-renewal as if it were termination cost ₹96 lakh. Issuing a continuous service certificate to every worker cost ₹42 lakh. Total ₹7.06 crore against ₹2.64 crore of profit — so an operator with the same client book running trade-standard practice would earn ₹9.70 crore.

## 6. The Product Is the Interruption

This is the finding, and it is a design feature rather than a lapse.

| What continuous service would trigger                | What the engineered break achieves               |
|------------------------------------------------------|--------------------------------------------------|
| 240 days in twelve months — retrenchment protection  | <b>Never reached. Reset at month six.</b>        |
| Five years — gratuity entitlement                    | <b>Structurally impossible</b>                   |
| Permanency claims on continuous identical work       | Defeated on paper, not in fact                   |
| Seniority, increments and leave accrual              | Restarted from zero, repeatedly                  |
| <b>A service record showing what he actually did</b> | <b>Eight short stints, read as unreliability</b> |
| Notice and compensation on losing the job            | <b>None — the contract merely "expired"</b>      |

The last row is the one that should stop a reader. A contract that expires requires no notice, no reason, no retrenchment compensation and no hearing — so a worker of four years' standing can discover on the thirtieth that there is no first, and nothing has been done to him that the law recognises as dismissal. **THE BREAK IS NOT AN ACCIDENT OF FLUCTUATING DEMAND: IT IS ENGINEERED, DIARISED AND BUDGETED FOR**, and in the ordinary case it is a gap of a few days inserted between two engagements at the same site, or a transfer between two payroll companies of the same group without the worker moving his desk. He is frequently not

told the gap has happened, because from where he stands nothing happened — he took a week off between contracts, as he was asked to. And the whole apparatus is legal. Every individual contract is valid, every renewal is voluntary, every expiry is contractual. **NOBODY IS BREAKING A RULE; THE RULE IS BEING SATISFIED EIGHT SEPARATE TIMES IN ORDER THAT IT NEVER APPLIES ONCE.** UAN portability has made his real history visible for the first time to anyone who chooses to look, and almost nobody chooses to look, because what it would show is a liability.

So the clock is never reset and the liability is funded rather than avoided. **CONTINUOUS SERVICE IS MEASURED FROM THE WORKER'S FIRST DAY WITH US, ACROSS EVERY CLIENT, EVERY RENEWAL AND EVERY GROUP ENTITY, at 100% with NIL resets applied at renewal and NIL artificial breaks inserted — median continuous service has risen from 9 to 26 months and 214 workers now hold five or more years, a figure that is structurally zero across this trade. GRATUITY IS ACCRUED AND FUNDED FROM DAY ONE IN A TRUST rather than provisioned in a footnote, at 100% of accrued liability by Year 3, and paid pro-rata — because a liability that only crystallises if workers stay is a liability an operator is quietly incentivised to prevent from crystallising. NOTICE AND SEVERANCE ARE PAID ON NON-RENEWAL AS IF IT WERE TERMINATION, at a 34-day median notice, because a job that ends is a job that ended whatever the paperwork calls it. Cost ₹5.30 crore across the three commitments. WHERE THE PRODUCT IS THE ABSENCE OF AN EMPLOYMENT RELATIONSHIP, CONTINUOUS SERVICE IS THE THING BEING SOLD — SO COUNT IT FROM THE FIRST DAY AND NEVER RESET IT.**

## 7. Parity, and the Record He Takes With Him

Two further rules, plus the anchor obligations this plan carries unchanged.

□ **FIXED-TERM EMPLOYMENT CAME WITH A CONDITION THE TRADE QUIETLY DROPPED.** FTE was permitted expressly to legitimise term hiring, and the permission is conditional: the same wages, hours, benefits and social security as a permanent worker doing the same work, with gratuity pro-rata after a year. **THE INDUSTRY TOOK THE FLEXIBILITY LIMB AND LEFT THE PARITY LIMB —** which is how a statutory bargain became, in practice, a one-sided concession. So 100% of FTE mandates carry **PARITY VERIFIED AGAINST THE CLIENT'S OWN PERMANENT GRADES** rather than against our assurance, NIL mandates are accepted without it, and **24 CLIENTS WERE REFUSED** in Year 3 for demanding fixed-term flexibility without the parity that licences it. Verification against the client's grades is the expensive half, because it requires the client to disclose what it pays its own people — and a client unwilling to show that is telling us the answer.

□ **AND THE INTERRUPTION FOLLOWS HIM OUT OF THE JOB.** After four years he holds no document showing four years — only eight short engagements, which the next employer reads as a man who does not stay anywhere. The harm outlives the deployment and compounds: a broken record makes the next job worse, which makes the record worse again. So a **CONTINUOUS SERVICE CERTIFICATE** showing his real unbroken total, the sites worked and the skills demonstrated is issued to 100% of workers — on exit and on request, not only when he thinks to ask. NIL workers leave without a service record.

□ **AND THE TEN ANCHOR RULES APPLY UNCHANGED.** The margin is published to every deployed worker at offer stage (rule a); the PF base is computed on the full wage at 98% of gross (rule d); wages are paid on a fixed date whether or not the principal has paid (rule c); grievances reach a named human at neither the client nor the site at 99.5% (rule e); NIL candidate fees (rule b); compliance is quoted separately and never discounted (rule g); refusals are published with the rate refused (rule h); and the payroll engine cannot process below the statutory floor (rule j).

## What a worker can check in sixty seconds, before he signs a renewal

Every commitment here is verifiable by the worker himself, and the first two need only his phone.

- **Open your EPFO passbook — is it one continuous record, or several?** Gaps and multiple establishment codes are the reset, visible in the one place nobody thinks to look.
- **Were you asked to take a few days off between contracts?** That was not a rest. That was the break that erased your service.
- **Does your renewal letter carry your original joining date, or today's?** If the clock restarts on the page, it has restarted in law.
- **If you are on a fixed-term contract, what does a permanent worker on your line earn?** The statute says the same as you. Ask whether anyone checked.
- **Is your gratuity funded somewhere, or only written down?** A provision is a promise; a trust is money.
- **When you leave, will you get a paper showing your whole service?** If not, your four years become eight short jobs in the eyes of the next employer.

The asymmetry is why the reset is universal rather than occasional. Breaking a worker's service costs him retrenchment protection, gratuity, seniority and his own employment record, and costs the firm NOTHING — indeed it removes a provision from the balance sheet and wins the mandate on rate. The saving is immediate, certain and bankable; the loss is deferred, invisible and lands on someone who will not discover it until he is refused a gratuity payment he never knew he was accruing. AND UNIQUELY IN THIS TRADE, THE HARMED PARTY IS ALSO THE ONE ASKED TO CONSENT TO IT — he signs the fresh contract, he takes the week off, he is grateful for the renewal. CONSENT OBTAINED FROM SOMEONE WHO HAS NOT BEEN TOLD WHAT HE IS GIVING UP IS NOT A DEFENCE, IT IS THE MECHANISM. That is why continuity here is not a policy but a data structure: service is keyed to the worker rather than to the engagement, the payroll system has no field in which a renewal can start a new clock, and no sales or branch pay is exposed to deployment volume or margin percentage.

## 8. Operations Plan (mobilise, deploy, accrue, record)

### Continuity

- **Service keyed to the worker, not the engagement** — no field exists to reset it.
- **Nil artificial breaks** between engagements at the same or any site.
- **Nil inter-company transfers** used to interrupt service; one employing entity.
- **Median continuous service published** — 26 months in Year 3.

### Gratuity and severance

- **Gratuity accrued from day one** and funded in a trust, at 100% of liability.
- **Paid pro-rata**, including where tenure is short, per the fixed-term route.
- **Notice and severance on non-renewal** as if it were termination — 34-day median.
- **Nil workers leaving with accrued gratuity unpaid.**

### Fixed-term mandates

- **Parity verified against the client's own permanent grades**, not our assurance.
- **Nil FTE mandates accepted without parity**, at any volume or rate.
- **Clients refused and published** — 24 in Year 3, with the rate refused.

- **Pro-rata gratuity after one year** applied as the statute provides.

## The worker's record

- **Continuous service certificate** issued to 100%, on exit and on request.
- **Sites, skills and unbroken total** stated on it, in his name.
- **UAN continuity maintained** across every engagement and client.
- **Anchor rules a-j applied unchanged**, with every blended figure at its 90th percentile.

The operational hinge is a quick-commerce client at 22% of revenue restructuring to a ninety-day engagement model, with a nine-day gap written into the template between cycles — presented not as a cost demand but as an operating calendar, drafted by people who have never met a worker, applying to 1,100 of ours, and taking effect in three weeks. Refusing costs the largest client in the book; accepting resets 1,100 workers who would never know it happened, since from where they stand it is a week off between contracts. So **THE PAYROLL AND SERVICE ENGINE CANNOT OPEN A NEW SERVICE CLOCK FOR AN EXISTING WORKER**: continuity is keyed to the person, the field does not exist, and there is no branch, regional or executive override. We deploy across the gap at our own cost and bill the client for the cycles it wanted, or we decline the mandate — and the refusal is published alongside the model we refused, because a firm that walks away quietly has protected its own conscience and warned nobody.

## 9. Continuity, Fixed-Term & Statutory Compliance (India)

- **Industrial Disputes Act 1947** — 240 days of continuous service in twelve months attracts retrenchment protection, and the engineered break exists specifically to stop the clock reaching it.
- **Industrial Employment (Standing Orders) Act 1946** and fixed-term provisions — flexibility granted expressly conditional on parity of wages, hours, benefits and social security with a permanent worker doing the same work.
- **Payment of Gratuity Act 1972** — continuous-service definition; **pro-rata entitlement on the fixed-term route after one year**.
- **Contract Labour (Regulation and Abolition) Act 1970** and state rules; principal-employer joint liability throughout.
- **Code on Wages 2019** and **Code on Social Security 2020** as notified, with the existing Acts operating meanwhile.
- **EPF & MP Act 1952** and **ESI Act 1948** — **UAN portability makes a worker's real service history visible to anyone who chooses to look, and almost nobody chooses to**.
- **State Shops and Establishments and Factories Act** duties at the deployment site; **POSH at the site rather than the employing office**.
- **Digital Personal Data Protection Act 2023** for worker and service records. **Nothing prevents an employer from resetting continuous service by inserting a gap, and almost the entire trade is organised around doing so**.

## 10. Organisation & Manpower Plan

| Function                                            | Yr 1 | Yr 3 | Notes                                     |
|-----------------------------------------------------|------|------|-------------------------------------------|
| Promoter / managing director                        | 1    | 1    | Owens the continuity rule                 |
| Field operations, site supervision & worker support | 20   | 58   | 72 deployed workers per supervisor        |
| Recruitment, mobilisation & onboarding              | 14   | 32   | <b>Nil candidate fees (anchor rule b)</b> |

|                                                           |           |            |                                              |
|-----------------------------------------------------------|-----------|------------|----------------------------------------------|
| <b>Statutory compliance &amp; payroll administration</b>  | 10        | 26         | <b>Full-wage base; PF at 98% of gross</b>    |
| Admin, finance, legal & business development              | 5         | 12         | <b>Nil pay linked to deployment volume</b>   |
| <b>Continuity, gratuity &amp; service-record function</b> | 4         | 11         | <b>Board-reporting; independent of sales</b> |
| Technology, payroll engine & service-record system        | 4         | 8          | No field exists to reset a service clock     |
| <b>Total internal staff</b>                               | <b>58</b> | <b>148</b> | <b>Against 4,200 deployed workers</b>        |

The field headcount is derived rather than assumed, and it reconciles three ways. By volume: 4,200 deployed workers at 72 per field supervisor is 58 field staff, inside the trade's 60-80 band and deliberately at the supervised end of it, because a flexi workforce turning over three times a year is permanently staffed by people in their first weeks. By cost per worker: the ₹3.88 crore of compliance, continuity and gratuity provisioning across 4,200 deployed workers is ₹9,238 per worker per year — the figure a client is really declining when it asks for a nine-day gap. By cost per head: the ₹57 lakh continuity salary line across 11 people is ₹5.2 lakh cost-to-company each, and median take-home sits below that because of provident fund, ESI and gratuity — the same arithmetic this plan insists on for the workers it deploys. The continuity function reports to the board rather than to sales, because the client asking for the gap is always the client the salesperson must keep.

## 11. Implementation Timeline & Milestones

| Phase                                                    | Window      | Milestones                                                                    |
|----------------------------------------------------------|-------------|-------------------------------------------------------------------------------|
| Formation, licensing & payroll build                     | Month 0-6   | Incorporation, CLRA licences, EPFO/ESIC registration, single employing entity |
| <b>Service keyed to the worker in the payroll engine</b> | Month 3-9   | <b>No reset field exists; continuity survives renewal and client change</b>   |
| Gratuity trust funded                                    | Month 6-14  | Accrual from day one; corpus 82% → 94% of accrued liability                   |
| FTE parity verification                                  | Month 10-20 | Verified against client permanent grades, 88% → 96%                           |
| Service certificates & severance policy                  | Month 14-26 | Issued to 100%; notice on non-renewal at 28-day median                        |
| Scale & publication                                      | Month 24-36 | 4,200 deployed; 214 workers past five years; 24 clients refused               |

### Training and competence

- **Explaining continuity to a worker** — including what a gap between contracts actually did to him.
- **Reading an EPFO passbook**, taught to field supervisors so they can show a worker his own record.
- **Refusing a gap in an operating calendar**, scripted for account managers under renewal pressure.
- **Parity verification** — how to ask a client what it pays its own people without losing the account.

## 12. Financial Plan (Illustrative)

**All figures are illustrative model assumptions, not forecasts or guarantees.** They exist to show the drivers of a flexi-staffing P&L under an unbroken-service rule. Every input is editable. **The defining economics are that revenue is gross billing including wages passed through, at a blended gross margin of 12.2% — so ₹120 crore of billing produces ₹2.64 crore of profit, and the continuity liabilities this plan funds are precisely the ones its competitors have arranged never to incur.**

### 12.1 Project cost & funding

| Item                                                           | ₹<br>lakh    | Notes                                                          |
|----------------------------------------------------------------|--------------|----------------------------------------------------------------|
| <b>Working capital — wages funded ahead of client receipts</b> | <b>546</b>   | <b>Fixed wage date (anchor rule c) is funded, not promised</b> |
| Technology, payroll engine & service-record system             | 248          | No field exists in which to reset a service clock              |
| Branch network, mobilisation centres & field infrastructure    | 214          | Surge fulfilment without cutting corners                       |
| <b>Gratuity trust corpus &amp; severance provisioning</b>      | <b>168</b>   | <b>Funded money, not a footnote provision</b>                  |
| Statutory deposits, CLRA licences & multi-state registrations  | 116          | Renewed continuously across states                             |
| Recruitment, onboarding & training capacity                    | 68           | Mobilisation at scale is the operating skill                   |
| Brand, client acquisition & pre-operative                      | 40           | Tender participation, credentialing, deposits                  |
| <b>Total project cost</b>                                      | <b>1,400</b> | ₹560L investor + ₹360L WC + ₹300L term loan + ₹180L promoter   |

### 12.2 Operating metrics

| Metric                                                                                                                                                                                                                                                                                           | Yr 1                            | Yr 2                            | Yr 3                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|----------------------------------------|
| <b>CONTINUOUS SERVICE MEASURED FROM THE WORKER'S FIRST DAY across every client, renewal and group entity / service resets applied at renewal / artificial breaks inserted between engagements / median continuous service</b>                                                                    | 100% / NIL / NIL / 9 mo         | 100% / NIL / NIL / 17 mo        | <b>100% / NIL / NIL / 26 mo</b>        |
| <b>GRATUITY ACCRUED AND FUNDED IN A TRUST FROM DAY ONE, PAID PRO-RATA / gratuity provisioned but unfunded / workers leaving with accrued gratuity unpaid / corpus as a share of accrued liability</b>                                                                                            | 100% / NIL / NIL / 82%          | 100% / NIL / NIL / 94%          | <b>100% / NIL / NIL / 100%</b>         |
| <b>FIXED-TERM EMPLOYMENT USED ONLY WITH ITS PARITY CONDITION — same wage, hours and benefits as a permanent worker doing the same work / FTE mandates accepted WITHOUT parity / parity VERIFIED AGAINST THE CLIENT'S OWN PERMANENT GRADES / clients REFUSED for demanding FTE without parity</b> | 100% / NIL / 88% / 9            | 100% / NIL / 96% / 16           | <b>100% / NIL / 100% / 24</b>          |
| <b>CONTINUOUS SERVICE CERTIFICATE ISSUED showing his real unbroken total / workers leaving without a service record / notice and severance paid on NON-RENEWAL as if it were termination / median days notice before non-renewal</b>                                                             | 100% / NIL / 100% / 21          | 100% / NIL / 100% / 28          | <b>100% / NIL / 100% / 34</b>          |
| Anchor rules carried unchanged — <b>margin published to the worker (a) / PF base as a share of gross (d) / wages on a fixed date regardless of principal payment (c) / grievances to a named human off-site (e) / candidate fees (b)</b>                                                         | 100% / 95% / 100% / 96.8% / NIL | 100% / 97% / 100% / 98.4% / NIL | <b>100% / 98% / 100% / 99.5% / NIL</b> |

|                                                                                                                                                                            |                                   |                                    |                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|---------------------------------------------------|
| Deployed workers / <b>conversion to permanent employment</b> / worker attrition / <b>workers holding FIVE OR MORE YEARS of continuous service</b> / client receivable days | 1,180 /<br>3.8% / 74%<br>/ 0 / 71 | 2,760 /<br>9.2% / 48%<br>/ 46 / 66 | <b>4,200 /<br/>16.4% /<br/>31% / 214 /<br/>62</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|---------------------------------------------------|

Row six's last figure is the one that does not exist anywhere else in this trade: 214 workers holding five or more years of continuous service, where the structural answer across flexi-staffing is zero — not because workers leave, but because the clock is restarted before they can arrive. Row one is how it was achieved, and it is a data-structure commitment rather than a policy one: service is keyed to the worker, so there is no field in which a renewal can open a new clock. Row two matters because a provision is a promise and a trust is money — an unfunded gratuity liability is one an operator is quietly incentivised to prevent from ever crystallising. Row six's conversion to permanent employment rising to 16.4% is an inverted metric a competitor would be alarmed to see rise, since a converted worker leaves our billing entirely, and it is published for exactly that reason.

### 12.3 Revenue build

| Stream                                                            | Yr 1 (₹L)    | Yr 2 (₹L)    | Yr 3 (₹L)     | Gross margin         |
|-------------------------------------------------------------------|--------------|--------------|---------------|----------------------|
| <b>General contract staffing — industrial &amp; manufacturing</b> | 816          | 2,040        | 4,080         | <b>9.5%</b>          |
| <b>Retail, e-commerce &amp; quick-commerce flexi</b>              | 576          | 1,440        | 2,880         | <b>8.5%</b>          |
| Logistics & warehousing contract labour                           | 432          | 1,080        | 2,160         | 9.0%                 |
| <b>Fixed-term employment mandates (with parity)</b>               | 288          | 720          | 1,440         | <b>12.5%</b>         |
| Payroll, compliance & statutory administration                    | 192          | 480          | 960           | 40.0%                |
| Seasonal & project surge deployment                               | 96           | 240          | 480           | 14.0%                |
| <b>Total revenue</b>                                              | <b>2,400</b> | <b>6,000</b> | <b>12,000</b> | <b>12.2% blended</b> |

### 12.4 P&L summary

| Line                                                            | Yr 1 (₹L)      | Yr 2 (₹L)      | Yr 3 (₹L)       |
|-----------------------------------------------------------------|----------------|----------------|-----------------|
| Revenue (gross billing, including wages passed through)         | 2,400          | 6,000          | 12,000          |
| <b>Cost of services — worker wages and statutory dues</b>       | <b>(2,108)</b> | <b>(5,271)</b> | <b>(10,542)</b> |
| <b>Gross profit</b>                                             | <b>292</b>     | <b>729</b>     | <b>1,458</b>    |
| Field operations, site supervision & worker support             | (96)           | (154)          | (204)           |
| <b>Statutory compliance &amp; payroll administration</b>        | <b>(98)</b>    | <b>(152)</b>   | <b>(196)</b>    |
| Recruitment, mobilisation & onboarding                          | (72)           | (108)          | (142)           |
| Technology, payroll engine & service-record system              | (54)           | (74)           | (96)            |
| <b>Continuity, service-record &amp; worker-support function</b> | <b>(42)</b>    | <b>(68)</b>    | <b>(94)</b>     |
| <b>Gratuity, severance &amp; continuity provisioning</b>        | <b>(28)</b>    | <b>(62)</b>    | <b>(98)</b>     |
| Admin, finance, legal & business development                    | (40)           | (44)           | (80)            |
| <b>EBITDA</b>                                                   | <b>(138)</b>   | <b>67</b>      | <b>548</b>      |

|                                                                                       |                |               |              |
|---------------------------------------------------------------------------------------|----------------|---------------|--------------|
| Depreciation & amortisation                                                           | (46)           | (74)          | (104)        |
| <b>Finance cost — wage cycle and gratuity funding</b>                                 | <b>(68)</b>    | <b>(118)</b>  | <b>(168)</b> |
| Other income — statutory administration fees & training recoveries <i>(disclosed)</i> | 22             | 46            | 76           |
| <b>PBT</b>                                                                            | <b>(230)</b>   | <b>(79)</b>   | <b>352</b>   |
| Tax                                                                                   | 58             | 20            | (88)         |
| <b>PAT</b>                                                                            | <b>(172)</b>   | <b>(59)</b>   | <b>264</b>   |
| <b>Net margin</b>                                                                     | <b>(7.2%)</b>  | <b>(1.0%)</b> | <b>2.2%</b>  |
| <b>ROCE</b>                                                                           | <b>(13.1%)</b> | <b>(0.5%)</b> | <b>31.7%</b> |

Worker wages and statutory dues at ₹105.42 crore are 87.9% of revenue, which is what makes flexi-staffing the thinnest business in this vertical: ₹120 crore of billing produces ₹2.64 crore of profit, and half a percentage point of gross margin is worth more than the entire continuity, technology and gratuity budget combined. That arithmetic is exactly why the reset is universal — it is the cheapest available saving and it lands on someone who cannot see it — and exactly why continuity here is enforced as a data structure rather than as a policy. Finance cost at ₹1.68 crore funds both the fixed wage date and the gratuity trust, two expenses most competitors avoid entirely. Other income of ₹76 lakh is statutory administration fees and training recoveries, disclosed as a line and 0.6% of revenue. Commitments of ₹7.06 crore against ₹2.64 crore of profit mean an operator with the same client book running trade-standard practice would earn ₹9.70 crore.

## 12.5 Break-even & sensitivity

| Scenario                                                                               | Yr 3 revenue | Yr 3 PAT | Comment                                                    |
|----------------------------------------------------------------------------------------|--------------|----------|------------------------------------------------------------|
| Base                                                                                   | ₹120.0cr     | ₹2.64cr  | As modelled, service never reset, gratuity funded          |
| <b>Trade-standard — service reset at renewal, gratuity avoided, FTE without parity</b> | ₹136.8cr     | ₹9.83cr  | <b>The segment's model, computed rather than dismissed</b> |
| <b>Gross margin compressed 1 point</b>                                                 | ₹120.0cr     | ₹1.74cr  | <b>At 12.2% blended, one point is a third of profit</b>    |
| Deployed headcount 15% below plan                                                      | ₹105.6cr     | ₹1.64cr  | Fixed internal cost against variable billing               |
| FTE parity mandates halved                                                             | ₹112.8cr     | ₹1.97cr  | Clients declining the condition their route carries        |
| Client terms stretch 62 → 90 days                                                      | ₹120.0cr     | ₹2.06cr  | We absorb it; the worker's date does not move              |

## 13. Funding Requirement & Bankability

| Source                   | ₹ lakh | Terms (indicative)                               |
|--------------------------|--------|--------------------------------------------------|
| Investor equity          | 560    | Network and platform build; continuity covenant  |
| Working capital facility | 360    | Funds a full wage cycle ahead of client receipts |

|                       |              |                                                        |
|-----------------------|--------------|--------------------------------------------------------|
| Term loan             | 300          | Technology, branches and mobilisation centres; 5 years |
| Promoter contribution | 180          | Cash and industrial-relations leadership               |
| <b>Total</b>          | <b>1,400</b> | Illustrative structure                                 |

An investor should read median continuous service, the gratuity funding ratio and the refusal count, and should understand that this firm deliberately carries liabilities its competitors have engineered away. The starkest number in the sensitivity table is that adopting the segment's ordinary practice — resetting service at renewal, avoiding gratuity by keeping tenure short, and using fixed-term employment without the parity it was granted for — would take profit from ₹2.64 crore to ₹9.83 crore with the same clients, the same workers and the same branches. Not one of those changes would be visible to a client, and the largest would be visible to the worker only as a week off between contracts. That is precisely why it is a covenant. The sharpest operating exposure is margin compression: one point takes profit to ₹1.74 crore, because at a 12.2% blended margin there is almost nothing between gross profit and nothing at all. Two loss-making years must be funded deliberately, since the temptation to reach for the reset arrives when cash is tightest.

- **Use of funds** — 39% working capital for the wage cycle, 18% technology and service-record system, 15% branch and mobilisation network, 12% gratuity trust corpus, 8% statutory deposits and licences, 5% recruitment and training, 3% brand and pre-operative.
- **Repayment** — term loan from Year 3 cash flow; working capital revolving against client receivables, never against wage timing.
- **Investor exit** — sale to a national staffing group, a workforce-technology platform or a payroll processor; or promoter buyback. **Continuity, gratuity funding and FTE parity commitments survive change of control.**

## 14. Risk Analysis & Mitigation

| Risk                                   | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The product is the interruption</b> | The client is not buying labour, IT IS BUYING THE ABSENCE OF AN EMPLOYMENT RELATIONSHIP. A man can do THE SAME JOB, AT THE SAME MACHINE, FOR THE SAME SUPERVISOR, FOR FOUR YEARS AND BE, ON PAPER, EIGHT SIX-MONTH ENGAGEMENTS WITH A NINE-DAY GAP BETWEEN EACH. The break is ENGINEERED, DIARISED AND BUDGETED FOR, and he is frequently not told it happened, BECAUSE FROM WHERE HE STANDS NOTHING HAPPENED — HE TOOK A WEEK OFF BETWEEN CONTRACTS, AS HE WAS ASKED TO. Every contract is valid, every renewal voluntary, every expiry contractual: NOBODY BREAKS A RULE; THE RULE IS SATISFIED EIGHT TIMES SO THAT IT NEVER APPLIES ONCE | <b>NEVER RESET THE CLOCK AND FUND THE LIABILITY. CONTINUOUS SERVICE MEASURED FROM THE WORKER'S FIRST DAY ACROSS EVERY CLIENT, RENEWAL AND GROUP ENTITY (100%), NIL resets and NIL artificial breaks — enforced as A DATA STRUCTURE RATHER THAN A POLICY, since service is keyed to the worker and NO FIELD EXISTS IN WHICH A RENEWAL CAN OPEN A NEW CLOCK. Median service 9 → 26 months and 214 WORKERS PAST FIVE YEARS, WHERE THE STRUCTURAL ANSWER ACROSS THIS TRADE IS ZERO. GRATUITY ACCRUED AND FUNDED IN A TRUST FROM DAY ONE at 100% of accrued liability, BECAUSE A PROVISION IS A PROMISE AND A TRUST IS MONEY. NOTICE AND SEVERANCE PAID ON NON-RENEWAL AS IF IT WERE TERMINATION (34-day median), BECAUSE A JOB THAT ENDS IS A JOB THAT ENDED WHATEVER THE PAPERWORK CALLS IT (₹5.30cr). GENERAL RULE: WHERE THE PRODUCT IS THE ABSENCE OF AN EMPLOYMENT RELATIONSHIP, CONTINUOUS SERVICE IS THE THING BEING SOLD — COUNT IT FROM THE FIRST DAY AND NEVER RESET IT</b> |

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The quick-commerce operating calendar</b>                     | A client at 22% OF REVENUE restructures to ninety-day engagements with A NINE-DAY GAP WRITTEN INTO THE TEMPLATE — presented not as a cost demand but as AN OPERATING CALENDAR, drafted by people who have never met a worker, applying to 1,100 OF OURS, effective in three weeks. Refusing costs the largest client in the book; accepting RESETS 1,100 WORKERS WHO WOULD NEVER KNOW IT HAPPENED | <b>THE PAYROLL AND SERVICE ENGINE CANNOT OPEN A NEW SERVICE CLOCK FOR AN EXISTING WORKER — continuity is keyed to the person, THE FIELD DOES NOT EXIST, and there is NO BRANCH, REGIONAL OR EXECUTIVE OVERRIDE. THE SYSTEM REFUSES RATHER THAN WARNS (anchor rule j). We DEPLOY ACROSS THE GAP AT OUR OWN COST and bill the cycles the client wanted, or DECLINE THE MANDATE — and the refusal is PUBLISHED ALONGSIDE THE MODEL WE REFUSED (rule h), because a firm that walks away quietly has warned nobody</b> |
| <b>Fixed-term employment without its parity condition</b>        | FTE was permitted EXPRESSLY CONDITIONAL on the same wages, hours, benefits and social security as a permanent worker doing the same work, plus pro-rata gratuity after a year. THE INDUSTRY TOOK THE FLEXIBILITY LIMB AND LEFT THE PARITY LIMB, turning a statutory bargain into a one-sided concession                                                                                           | <b>100% of FTE mandates carry PARITY VERIFIED AGAINST THE CLIENT'S OWN PERMANENT GRADES rather than against our assurance — THE EXPENSIVE HALF, because it requires the client to disclose what it pays its own people, AND A CLIENT UNWILLING TO SHOW THAT IS TELLING US THE ANSWER. NIL mandates accepted without parity at any volume or rate; 24 CLIENTS REFUSED and published; pro-rata gratuity after one year applied as the statute provides (₹1.34cr)</b>                                                |
| <b>The interruption follows him out of the job</b>               | After four years he holds NO DOCUMENT SHOWING FOUR YEARS — only eight short stints, WHICH THE NEXT EMPLOYER READS AS A MAN WHO DOES NOT STAY ANYWHERE. The harm OUTLIVES THE DEPLOYMENT AND COMPOUNDS: a broken record makes the next job worse, which makes the record worse again                                                                                                               | <b>A CONTINUOUS SERVICE CERTIFICATE showing his REAL UNBROKEN TOTAL, the sites worked and the skills demonstrated, ISSUED TO 100% OF WORKERS — ON EXIT AND ON REQUEST, NOT ONLY WHEN HE THINKS TO ASK. NIL workers leave without a service record; UAN CONTINUITY MAINTAINED across every engagement and client, so the record he can check himself agrees with the one we issue (₹42L)</b>                                                                                                                       |
| <b>Consent obtained from a man not told what he is giving up</b> | He signs the fresh contract, takes the week off and is GRATEFUL FOR THE RENEWAL — so the harmed party IS ALSO THE ONE ASKED TO CONSENT, which is not a defence but THE MECHANISM                                                                                                                                                                                                                  | <b>Continuity is NOT OFFERED AS A CHOICE HE MUST UNDERSTAND TO RECEIVE — it is structural, applied to every worker by default, with the margin published at offer stage (rule a). Field supervisors are TRAINED TO READ AN EPFO PASSBOOK WITH A WORKER so he can see his own record, and what a gap between contracts actually did to him is explained rather than assumed understood</b>                                                                                                                         |
| Thin margin and rate compression                                 | Wages are 87.9% of revenue; one point of gross margin takes profit to ₹1.74cr, so a single renewal negotiation is worth more than the whole continuity budget                                                                                                                                                                                                                                     | Payroll and statutory administration at 40% margin and FTE-with-parity at 12.5% deliberately grown as the absorbers; attrition driven 74% → 31% to cut repeat mobilisation cost; and continuity quoted as a separate non-discountable line (rule g) so a rate conversation cannot silently become a service-reset conversation                                                                                                                                                                                    |
| Gratuity liability crystallising faster than modelled            | Longer tenures mean more gratuity, so the plan's own success increases its largest deferred liability                                                                                                                                                                                                                                                                                             | Trust funded to 100% of accrued liability rather than provisioned; actuarial revaluation each year; funding ratio published; and a 40% faster crystallisation modelled at ₹2.35cr of PAT rather than discovered later                                                                                                                                                                                                                                                                                             |

## 15. SWOT Analysis

|                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strengths</b> <ul style="list-style-type: none"><li>• Continuous service never reset; nil artificial breaks</li><li>• 214 workers past five years — structurally zero elsewhere</li><li>• Gratuity funded in a trust at 100% of liability</li><li>• FTE parity verified against client permanent grades</li><li>• Service certificate issued to every worker</li></ul>                    | <b>Weaknesses</b> <ul style="list-style-type: none"><li>• ₹7.06cr forgone against ₹2.64cr of profit</li><li>• Carries liabilities competitors have engineered away</li><li>• 12.2% blended margin; two loss-making years</li><li>• Refuses the mandates the segment grows fastest on</li></ul> |
| <b>Opportunities</b> <ul style="list-style-type: none"><li>• Principals exposed to permanency and joint-liability claims</li><li>• Statutory administration sold as a 40%-margin service</li><li>• FTE done properly as a defensible route for clients</li><li>• Workers choosing an employer whose clock does not reset</li><li>• Any enforcement on engineered breaks favours us</li></ul> | <b>Threats</b> <ul style="list-style-type: none"><li>• Competitors quoting rates our continuity cost cannot meet</li><li>• Gig platforms where nothing accrues at all</li><li>• Client payment terms stretching further</li><li>• Attrition eroding mobilisation economics</li></ul>           |

## 16. Recommended AiSevak Tools for This Business

- **Worker-keyed service ledger** — continuity attaches to the person; no field exists to reset it.
- **Break detector** — flags any gap between engagements before it becomes a reset.
- **Gratuity trust tracker** — accrual from day one against funded corpus, with the ratio published.
- **Parity verifier** — FTE wage and benefit comparison against the client's own permanent grades.
- **Service certificate generator** — real unbroken total, sites and skills, issued on exit and on request.
- **Non-renewal notice scheduler** — treats an expiry as a termination for notice and severance.
- **Refusal log** — mandates declined for reset models or parity refusal, with the terms refused.

## 17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, deployed headcount, margin percentages, tenure, gratuity accrual and receivable days are editable inputs; actual outcomes depend on client acceptance of continuity, state-wise statutory rules, labour-code notification and working-capital availability. Figures are in Indian rupees. **This plan inherits the ten staffing anchor rules set by `staffing-agency` and hardens rule (f).**
- **The central integrity finding is that the thing being sold is the interruption.** A flexi-staffing firm's proposition is that the worker never accumulates — never reaches 240 days, never reaches five years, never becomes permanent, never appears on the client's headcount. **So a man can do the same job, at the same machine, for the same supervisor, for four years and be, on paper, eight separate six-month engagements with a nine-day gap between each. Nothing about his work changed at any point; everything about his entitlement did, seven times.**
- **The break is engineered rather than incidental.** It is diarised and budgeted for, and in the ordinary case it is a gap of a few days inserted between two engagements at the same site, or a transfer between two payroll companies of the same group without the worker moving his desk. **He is frequently not told it happened, because from where he stands nothing happened — he took a week off between contracts, as he was asked to. Every contract is**

**valid, every renewal voluntary, every expiry contractual: nobody breaks a rule; the rule is satisfied eight times so that it never applies once.**

- **So the clock is never reset and the liability is funded rather than avoided.** Continuous service is measured from the worker's first day across every client, renewal and group entity, with nil resets and nil artificial breaks — enforced as a data structure rather than a policy, since service is keyed to the worker and no field exists in which a renewal can open a new clock. Median service has risen from 9 to 26 months and 214 workers hold five or more years, where the structural answer across this trade is zero. **Gratuity is accrued and funded in a trust from day one at 100% of accrued liability, because a provision is a promise and a trust is money; and notice and severance are paid on non-renewal as if it were termination. It costs ₹5.30 crore. WHERE THE PRODUCT IS THE ABSENCE OF AN EMPLOYMENT RELATIONSHIP, CONTINUOUS SERVICE IS THE THING BEING SOLD — COUNT IT FROM THE FIRST DAY AND NEVER RESET IT.**
- **Fixed-term employment came with a condition the trade quietly dropped.** It was permitted expressly to legitimise term hiring, conditional on the same wages, hours, benefits and social security as a permanent worker doing the same work, with pro-rata gratuity after a year. **The industry took the flexibility limb and left the parity limb. So 100% of FTE mandates carry parity verified against the client's own permanent grades rather than against our assurance — the expensive half, because it requires the client to disclose what it pays its own people, and a client unwilling to show that is telling us the answer — with 24 clients refused.**
- **The interruption follows him out of the job, and the consent is the mechanism.** After four years he holds no document showing four years, only eight short stints the next employer reads as unreliability, so a continuous service certificate showing his real unbroken total is issued to 100% of workers on exit and on request. **And uniquely in this trade the harmed party is also the one asked to consent: he signs the fresh contract, takes the week off and is grateful for the renewal. Consent obtained from someone not told what he is giving up is not a defence, it is the mechanism — which is why continuity is structural and applied by default rather than offered as a choice he must understand to receive.**
- **The economics explain why the reset is universal rather than occasional.** Wages and statutory dues are 87.9% of revenue, so ₹120 crore of billing produces ₹2.64 crore of profit and half a point of gross margin is worth more than the entire continuity, technology and gratuity budget combined. **Breaking a worker's service costs him retrenchment protection, gratuity, seniority and his own employment record, and costs the firm nothing — indeed it removes a provision from the balance sheet and wins the mandate on rate. The starkest figure is that adopting the segment's ordinary practice would take profit from ₹2.64 crore to ₹9.83 crore with the same clients, workers and branches.** Commitments of ₹7.06 crore against ₹2.64 crore of profit mean a trade-standard operator would earn ₹9.70 crore, and one point of margin compression takes profit to ₹1.74 crore.
- **Compliance and professional advice.** The Industrial Disputes Act 1947, under which 240 days of continuous service in twelve months attracts retrenchment protection and the engineered break exists specifically to stop the clock reaching it; the Industrial Employment (Standing Orders) Act 1946 and the fixed-term employment provisions, **which grant flexibility expressly conditional on parity of wages, hours, benefits and social security with a permanent worker doing the same work;** the Payment of Gratuity Act 1972 and its continuous-service definition; the Contract Labour (Regulation and Abolition) Act 1970 and state rules, with principal-employer joint liability throughout; the Code on Wages 2019 and Code on Social Security 2020 as notified; the EPF & MP Act 1952 and ESI Act 1948, **where UAN portability makes a worker's real service history visible to anyone who chooses to look, and almost nobody chooses to;** state Shops and Establishments and Factories Act duties at the deployment site; POSH at the site rather than the employing office; and the Digital Personal Data Protection Act 2023 for worker and service records. **Nothing prevents an employer from resetting continuous service by inserting a gap, and almost the entire trade is organised around doing so — which is why continuity is a business decision rather than a compliance one.** Professional advice should be taken on fixed-term parity determination, gratuity trust structuring, permanency exposure and principal-employer indemnity.

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