



BUSINESS PLAN · INDIA

Corporate Canteen and Institutional Catering

Asking the people eating and publishing what they said

FOOD SERVICE

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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

This plan sets out a **Corporate Canteen & Institutional Catering** business in India — 22 client sites by Year 3 serving roughly 24,700 covers a day across fixed-fee management, cost-plus and concession contracts, plus retail counters and cafés within sites, in-site hospitality catering, and a canteen design, transition and food-safety audit service.

The vertical's anchor established that **food safety is a probability rather than a state and its leading-indicator rate must be published; that a zero reading is a measurement failure; that the margin under price pressure comes out of the ingredient or the wage; and that a handler who cannot afford to report sick is an outbreak already costed. All of it applies. What is specific to a canteen is who is choosing.**

□ **THE PERSON WHO EATS THE FOOD DOES NOT CHOOSE THE CATERER, AND THE PERSON WHO CHOOSES DOES NOT EAT IT.** An administration or procurement head selects on per-plate price against a subsidy budget, signs a three-year contract, and eats in the executive dining room or not at all — while fourteen hundred employees eat the result every working day with NO EXIT, NO ALTERNATIVE ON SITE AND NO COMPLAINT MECHANISM THAT REACHES ANYBODY WITH AUTHORITY TO ACT. This is the principal-agent problem in its purest form, and its consequence is specific: a canteen contract can be renewed for years on a satisfactory price while the food is quietly disliked by every person who eats it, because dissatisfaction has nowhere to go. The caterer is not indifferent — he simply receives no signal, since the only feedback loop that exists runs through a buyer whose own experience of the food is second-hand. So this business **RUNS A MANDATORY ANONYMOUS DINER SATISFACTION MEASUREMENT AT EVERY SITE MONTHLY, PUBLISHES THE RESULT TO THE DINERS THEMSELVES AS WELL AS TO THE CLIENT, and TIES 15% OF THE CONTRACT FEE TO IT** — forfeiting ₹78 lakh in Year 3 on sites that scored below the threshold. **WHERE THE BUYER IS NOT THE CONSUMER, MEASURE THE CONSUMER AND PUT MONEY ON THE MEASUREMENT.**

□ **AND THE DINER DOES NOT KNOW WHAT HIS MEAL COSTS.** A ₹66 plate for which the employer pays ₹44 and the employee pays ₹22 is experienced by the employee as a ₹22 meal that is worse than a ₹22 meal outside — an entirely reasonable judgement based on the only number he can see, and completely wrong. So **THE SUBSIDY SPLIT IS PUBLISHED ON THE COUNTER BOARD** at every site: what the employer pays, what the diner pays, and what the food actually costs. Diners who knew the subsidy existed rose from 22% to 84%, which changed the satisfaction score more than any menu intervention did.

□ **AND WASTE IS THE ONLY MARGIN NOBODY TAKES FROM THE PLATE.** A fixed-headcount site is the one food business where waste is precisely measurable, and almost nobody measures it — so the cheapest available margin sits in the bin while operators take it from the portion instead. Plate waste fell from 68g to 29g per cover and production waste from 41g to 17g, and the entire saving — ₹1.06 crore — was **REINVESTED IN THE PLATE** rather than taken as margin.

This plan models an operator requiring **₹4.60 crore** (₹1.60 crore investor + ₹1.60 crore term loan + ₹90 lakh promoter + ₹50 lakh working capital), moving from **₹11.00 crore revenue and a ₹52 lakh loss** to **₹52.00 crore revenue and ₹3.64 crore profit** by Year 3 — a 7.0% net margin and 38.2% return on capital. (Institutional catering — figures illustrative.)

2. Business Description, Vision & Legal Structure

Concept: A canteen operator that asks the people eating and publishes what they said.

Vision: To make the diner's score the number a client renews on.

Mission: Measure the diner anonymously every month and publish it to him as well as to his employer; put fee at risk against it; print the subsidy split on the counter board; weigh the waste and put the saving back on the plate; publish the ingredient cost against the specification; and pay for sick leave so nobody cooks ill.

Legal structure

- **Private Limited** — recommended. Multi-site contracts, client audits, contract-labour compliance, insurance and outside capital all assume it.
- **Proprietorship** — common at two or three sites, and unsuited to contract-labour obligations across client premises.
- **Diner-satisfaction measurement run by a function outside site operations — because a score collected by the site manager it judges is a score he has collected.**

Regulatory anchor: a food business operating inside somebody else's premises, which doubles the compliance surface. **FSSAI licensing applies per site kitchen with Schedule 4 hygiene, food-safety supervisor training, medical fitness certification for every handler, water potability testing and record-keeping — and where the client's premises are a factory, the Factories Act canteen provisions impose their own obligations on the OCCUPIER, which means a site can be simultaneously compliant for the caterer and non-compliant for the client, a distinction worth establishing in writing before the contract starts. Contract-labour law is the exposure most caterers underestimate: staff deployed on a client's premises engage the Contract Labour (Regulation and Abolition) Act with licensing, wage, welfare-facility and record obligations, and principal-employer liability sits with the CLIENT if the contractor defaults — so a caterer who underpays creates a liability for the customer he is serving. Then the contract model itself matters legally as well as commercially: a concession arrangement where the caterer takes volume risk and collects from diners directly is a different tax, licensing and consumer-facing position from a fixed-fee management contract where the client owns the sale.** Then: fire, occupancy and access at client premises; Legal Metrology on any packed item; GST, which differs by contract model; product liability insurance naming the client; and EPF/ESI, POSH and working hours.

3. Promoter & Ownership

Led by a promoter with institutional catering, facilities or hospitality-operations background. Three competences decide outcomes. *Multi-site consistency*, because a canteen business is judged at its worst site rather than its average one, and a client with three locations hears about the bad one. *Contract-model judgement*, since fixed-fee, cost-plus and concession distribute volume risk completely differently and the same site can be profitable under one and ruinous under another. And *the willingness to lose fee on a score*, which is what makes the satisfaction measurement real rather than decorative. Ownership, equity & investor terms are editable inputs; **the diner-satisfaction measurement is run by a function reporting to the promoter and never by the site it scores, and the fee-at-risk calculation is automatic rather than discretionary.**

4. Market Analysis — India

Corporate and institutional catering is a large, contract-driven market where the customer and the buyer have been separated for decades.

Demand drivers

- **Workplace experience competition**, with food consistently among the top-cited employee complaints.
- **Outsourcing of in-house canteens** by organisations that no longer want the liability.
- **Statutory canteen obligations** on factories above threshold headcount.
- **Institutional demand** from hospitals, campuses and residential facilities.
- **Client audit expectations** from multinational and regulated customers.
- **Retail counters within sites**, monetising footfall beyond the subsidised meal.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Institutional and workplace catering spend in served regions	Large; contract-driven and price-tendered
SAM	Sites where the contract model matches the volume risk	Bounded by CONTRACT STRUCTURE, not by site count
SOM (Yr 1-3)	Sites operated and covers served	₹11cr → ₹52cr; 8 → 22 sites; 24,700 covers a day

Revenue mix and share (Year 3)

Stream	Share of revenue	Why it is there
Fixed-fee management contracts	35.0%	Client owns volume risk; ₹28 contribution per cover
Cost-plus contracts	26.0%	Transparent pass-through; ₹31 per cover
Concession / self-operated counters	18.0%	We take volume risk; ₹44 per cover and where quality dies
Retail counters, cafés & vending in site	11.0%	Unsubsidised; diner chooses freely
Event, meeting & hospitality catering in site	7.0%	Higher value; uses the same kitchen
Design, transition & food-safety audit services	3.0%	Sells the capability; wins the next contract

The three contract models are not three ways of pricing the same thing — they distribute risk so differently that the same site is a good business under one and a bad one under another. Under fixed fee the client carries volume risk and the caterer earns a management fee on a cost base the client can see; under cost-plus everything is transparent and the fee is explicit; under CONCESSION the caterer takes the entire volume risk, collects from diners directly, and earns nothing if footfall falls — which is precisely why concession is where quality collapses, because a caterer facing a footfall shortfall he cannot control has only the plate to adjust. Concession is held at 18% of revenue deliberately, and 22 concession tenders worth ₹2.20 crore were declined where the footfall guarantee could not be delivered on.

Constraints

- **Per-plate price tendering**, which sets the specification ceiling.
- **Site-by-site labour**, where contract-labour compliance is the caterer's obligation and the client's liability.

- **Footfall variability**, which under concession is entirely the caterer's problem.
- **Menu fatigue** among captive diners eating 250 lunches a year.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
National institutional caterers	Scale, procurement, multi-site delivery, audit systems	Diner feedback collected by the site it judges, and never published
Regional and single-city operators	Price, flexibility, close client relationships	Thin food-safety systems; contract-labour exposure
In-house client-run canteens	Control, no margin, employee goodwill	Full fixed cost and liability retained by the employer
Aggregator and cloud-kitchen supply	Choice, no site overhead, variable cost	No subsidy mechanism; unsuitable for statutory canteens
This plan	Anonymous diner score published and fee at risk, subsidy split disclosed, waste reinvested, ingredient cost against spec	Forfeits fee on poor scores; declines concession tenders

The positioning solves a problem the client has and cannot articulate: he is accountable internally for a service he has no evidence about. An HR or administration head defending a canteen contract at a leadership meeting has a price, a compliance file and anecdote — and anecdote in this category is always negative, because satisfied diners do not write emails. A monthly anonymous score with a published trend and fee at risk gives him the first defensible number he has ever had, and gives him it in a form his own employees have also seen, which is what makes it credible rather than a vendor's self-report. Contract retention at 92% against a category norm nearer 70% follows from that, and retention is the entire economics of a business where winning a site costs a mobilisation.

The cost of the honest position is stated in rupees rather than implied. Declining 22 concession tenders where the footfall guarantee could not be delivered on forfeited ₹2.20 crore of Year-3 revenue. Reinvesting the entire waste-reduction saving in the plate rather than taking it as margin cost ₹1.06 crore. Fee forfeited on sites scoring below the satisfaction threshold cost ₹78 lakh, with a further ₹46 lakh spent running the measurement itself. Publishing the subsidy split, which removes the pricing opacity a caterer ordinarily benefits from, cost an estimated ₹34 lakh. Against that: contract retention of 92%, a satisfaction score that rose from 3.4 to 4.3 out of five, and a tender position at audited multinational clients that price alone would not win.

6. The Buyer Who Does Not Eat

This is the finding, and it explains the category's persistent quality problem better than any account of caterers' behaviour.

Party	Chooses the caterer?	Eats the food?	Can act on quality?
Procurement / administration head	Yes	Rarely	Yes, at renewal
Finance, setting the subsidy	Influences	No	Only on cost

1,400 employees	No	Daily, ~250 times a year	No
Site catering manager	No	Sometimes	Within a fixed budget
Who the caterer hears from	The first row, quarterly, about price		

Read the third row against the last one. Fourteen hundred people eat this food two hundred and fifty times a year and have no exit — no alternative on site, no ability to switch supplier, and a complaint route that terminates in a suggestion box nobody empties. The only voice the caterer actually hears belongs to somebody who eats elsewhere and is asking about cost. The result is not that caterers are careless; it is that they are optimising the only signal they receive, and that signal is price. A canteen contract can therefore be renewed for five years on excellent commercial terms while every person eating in it is quietly unhappy — and nobody in the chain is behaving badly, which is the vertical's recurring pattern in a new setting.

So the missing signal is created and paid for. **AN ANONYMOUS DINER SATISFACTION MEASUREMENT RUNS AT EVERY SITE MONTHLY**, administered by a function that reports to the promoter and never by the site manager it judges — because a score collected by the person it evaluates is a score he has collected. **THE RESULT IS PUBLISHED TO THE DINERS THEMSELVES AS WELL AS TO THE CLIENT**, on the counter board, which is what makes participation worth a diner's ninety seconds: response rates rose from 24% to 58% once people could see that last month's score had produced a menu change. **AND 15% OF THE CONTRACT FEE IS TIED TO IT**, calculated automatically rather than at anybody's discretion — ₹78 lakh forfeited in Year 3 on sites below the threshold. **WHERE THE BUYER IS NOT THE CONSUMER, MEASURE THE CONSUMER AND PUT MONEY ON THE MEASUREMENT** — because a measurement with no money attached is a survey, and a survey in this industry is a marketing document.

7. The Subsidy, the Bin and the Concession

Three further commitments, each addressing something structurally invisible.

□ **THE DINER DOES NOT KNOW WHAT HIS MEAL COSTS, AND JUDGES IT AGAINST THE WRONG NUMBER.** A ₹66 plate on which the employer pays ₹44 and the employee pays ₹22 is experienced by that employee as a ₹22 meal — and compared against what ₹22 buys outside the gate, it is disappointing. His judgement is entirely reasonable and completely wrong, and no caterer corrects it because the opacity flatters nobody but is nobody's problem to fix. So **THE SUBSIDY SPLIT IS PRINTED ON THE COUNTER BOARD AT EVERY SITE**: what the employer contributes, what the diner pays, and what the meal costs to produce. Diners aware that a subsidy existed rose from 22% to 84%, and the satisfaction score moved more on that disclosure than on any menu change — which is worth stating plainly, because it means a substantial part of this industry's quality problem is an information problem rather than a food problem.

□ **WASTE IS THE ONLY MARGIN THAT DOES NOT COME OFF THE PLATE, AND ALMOST NOBODY MEASURES IT.** A fixed-headcount site is the single food environment where waste is precisely measurable — known covers, known production, a weighable bin — and the industry's near-universal practice is to estimate it, which means the cheapest available margin sits uncounted while operators take margin from the portion instead. So **PLATE WASTE AND PRODUCTION WASTE ARE WEIGHED PER COVER AND PUBLISHED** — plate waste from 68g to 29g, production waste from 41g to 17g — through forecasting from actual attendance, batch cooking to demand, and counter portioning that lets a diner take less. **AND THE ENTIRE SAVING IS REINVESTED IN THE PLATE RATHER THAN TAKEN AS MARGIN**: ₹1.06 crore in Year 3, which is stated as a cost precisely because a competitor would book it as profit and nobody would know.

□ **AND THE CONCESSION CONTRACT IS WHERE QUALITY DIES.** Under a concession the caterer takes the entire volume risk, invests in the kitchen, collects from diners directly and earns nothing if footfall falls — and footfall is determined by the client's headcount policy, hybrid working, shift patterns and campus layout, none of which the caterer controls. When it falls short, the only lever left is the plate. So concession is held at 18% of revenue, is accepted only where a realistic footfall floor is contractually stated by the client, and 22 TENDERS WORTH ₹2.20 CRORE WERE DECLINED where the footfall assumption could not be stood behind. Declining is the only enforcement a risk-allocation judgement has, per the anchor's rule.

□ **AND THE CONTRACT-LABOUR OBLIGATION IS THE CLIENT'S LIABILITY.** Staff deployed on a client's premises engage contract-labour law, and principal-employer liability for wage or welfare default sits with the CLIENT — so a caterer who underpays is manufacturing a liability for the customer he serves, usually without either party noticing until an inspection. Wage, welfare-facility, licensing and record compliance is treated here as a client-protection obligation and evidenced monthly to each client rather than asserted at tender.

8. Operations Plan (mobilise, produce, serve, measure, review)

Mobilisation and contract

- **Contract model matched to who controls footfall**, with concession accepted only against a stated floor.
- **Per-cover ingredient cost specified and published against the contract specification.**
- **Contract-labour licensing, wages and welfare facilities established before service begins**, and evidenced monthly.
- **Factories Act canteen obligations clarified in writing** with the client before mobilisation.

Production and service

- **Forecasting from actual attendance rather than headcount**, which is the largest single waste lever.
- **Batch cooking to demand through the service window** rather than a single production run.
- **Counter portioning that lets a diner take less**, which reduces plate waste without reducing entitlement.
- **Time-temperature discipline, retained samples and leading indicators** per the vertical anchor.

Measurement

- **Anonymous diner satisfaction monthly at every site**, run by a function outside site operations.
- **Result published to diners on the counter board and to the client**, with the action taken stated.
- **Plate and production waste weighed per cover** and published alongside.
- **Subsidy split displayed on the counter board** — employer contribution, diner price, production cost.

People and review

- **Paid sick leave from day one for every handler including contract staff**, with relief within two hours.
- **Medical fitness certification current** and hand-hygiene audits unannounced.
- **Fee at risk calculated automatically from the score**, not negotiated at review.
- **Waste saving reinvested in the specification** and the reinvestment shown to the client.

The operational hinge is a quarterly review where the satisfaction score has fallen to 3.6 and 15% of the fee is about to be forfeited, and the site manager can explain the score. He usually can, and the explanations are

usually true — a shift change, a building closure, a monsoon week, a difficult vocal minority — and every one of them is an argument for treating this quarter as an exception. So the fee calculation is **AUTOMATIC AND FORMULAIC** rather than discretionary, the score is collected by a function that does not report to him, and the explanation is recorded alongside the forfeit rather than instead of it. The system deducts rather than debates, because a fee at risk that can be argued away in a review meeting is a fee that is not at risk.

9. Site, Labour & Operating Compliance (India)

- **Company & tax** — Private Limited, PAN/TAN, GST which differs by contract model, shops and establishments.
- **FSSAI** — licence per site kitchen, Schedule 4 hygiene, food-safety supervisor training, medical fitness for every handler, water potability and record-keeping per the vertical anchor.
- **Factories Act canteens** — where the client's premises are a factory above threshold headcount, canteen provisions impose obligations on the **OCCUPIER**, so a site can be compliant for the caterer and non-compliant for the client — a distinction worth establishing in writing before the contract starts.
- **Contract labour** — staff on a client's premises engage the Contract Labour Act with licensing, wage, welfare-facility and record obligations, and **PRINCIPAL-EMPLOYER LIABILITY FOR DEFAULT SITS WITH THE CLIENT** — so a caterer who underpays is manufacturing a liability for the customer he serves.
- **Contract model** — a concession where the caterer takes volume risk and collects from diners directly is a different tax, licensing and consumer-facing position from a fixed-fee management contract where the client owns the sale.
- **Premises** — fire, occupancy and access at client sites; Legal Metrology on any packed item.
- **Insurance & workforce** — product liability naming the client; EPF/ESI, POSH and working hours.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / managing director	1	1	Owns the score, the fee formula and bid discipline
Site kitchen production	96	268	Batch cooking to demand; waste weighed
Site service & counter staff	78	224	Portioning that lets a diner take less
Site catering managers & area managers	10	28	Cannot collect or influence their own score
Diner experience & measurement	2	6	Reports to promoter; runs the anonymous survey
Food safety & quality	3	10	Leading indicators; holds stop authority
Relief pool — sick and absence cover	8	24	Within two hours, so nobody cooks ill
Procurement, transition, finance & admin	12	34	Contract-labour compliance evidenced monthly
Total	210	595	Across 22 client sites

The diner-experience function is six people and its independence is the whole mechanism. A satisfaction score collected by the site manager it judges is not a measurement — it is a self-assessment, and every operator in this category runs one, which is why every operator's scores are good and every client's employees are unhappy. Six people running an anonymous monthly survey across 22 sites, reporting to the promoter, and feeding an automatic fee calculation, is what converts a survey into a control. The relief pool at 24 people is

the anchor's rule carried through, and at a site where the caterer is the only food available, a short shift is not an inconvenience — it is a service failure with no substitute.

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation & first sites	Month 0–6	Incorporation, FSSAI per site, contract-labour licensing, 8 sites live
Measurement framework	Month 2–9	Anonymous diner survey, counter-board publication, fee-at-risk formula
Waste and forecasting	Month 5–14	Attendance-based forecasting, batch cooking, waste weighed per cover
Subsidy disclosure	Month 6–12	Counter-board split at every site; diner awareness measured
Site expansion	Month 12–28	15 then 22 sites; concession tenders assessed against stated floors
Scale & retention	Month 26–36	24,700 covers a day; score at 4.3; retention at 92%

Training and competence

- **Attendance-based forecasting** for site managers, which is the largest single waste lever.
- **Counter service that reduces plate waste** without reducing what a diner is entitled to.
- **Survey administration and anonymity** for the measurement team, including why the site must not touch it.
- **Contract-labour compliance** for site and HR staff, framed as the client's liability rather than ours alone.

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions, not forecasts or guarantees. They exist to show the drivers of an institutional catering P&L and how the measurement, waste and risk-allocation disciplines move them. Every input is editable. **The defining economics are that contribution per cover is small (₹32 blended) and multiplied by very large volume, and that the three contract models distribute volume risk so differently that reporting a blended margin across them conceals the only question that matters.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Site mobilisation — kitchen fit-out and equipment across sites	168	Recovered over contract term, at risk on early exit
Central procurement, stores & transport	86	Buying scale is the caterer's real advantage
Serving counters, portioning & retail fit-outs	72	Portioning that reduces plate waste
Food-safety programme & leading-indicator systems	52	Per the vertical anchor
Diner measurement, counter-board & waste-weighing systems	26	Anonymous survey, publication, weighed bins
Licences, contract-labour registration & insurance	34	Per site and per state

Working capital — client receivables at 45–60 days	86	Institutional payment cycles
Pre-operative, transition & training	36	Mobilisation is where contracts are lost
Total project cost	560	Funded ₹160L investor + ₹160L term loan + ₹90L promoter + ₹50L WC + ₹100L accrual

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
ANONYMOUS DINER SATISFACTION measured monthly at every site by a function outside site operations, PUBLISHED TO DINERS AND CLIENT / response rate / mean score (of 5) / share of contract fee tied to it / fee forfeited (₹L)	100% / 24% / 3.4 / 8% / 34	100% / 41% / 3.9 / 12% / 62	100% / 58% / 4.3 / 15% / 78
SUBSIDY SPLIT PUBLISHED ON THE COUNTER BOARD — employer contribution, diner price, production cost / diners aware a subsidy exists (surveyed)	100% / 22%	100% / 61%	100% / 84%
PLATE WASTE and PRODUCTION WASTE weighed per cover and published (grams) / waste saving reinvested in the plate rather than taken as margin	68g / 41g / 100%	44g / 26g / 100%	29g / 17g / 100%
Leading indicators (anchor) — cold-chain excursions per 1,000 / hold-time breaches per 1,000 service hours / temperature-log completion / a zero reading investigated as a measurement failure	11.6 / 18 / 90% / 100%	6.8 / 11 / 97% / 100%	3.9 / 6 / 99.6% / 100%
Paid sick leave day one incl. contract staff / sick days per handler per year / handlers working while symptomatic / per-cover ingredient cost published against specification / post-award reductions	100% / 2.0 / 168 / 100% / NIL	100% / 3.6 / 74 / 100% / NIL	100% / 4.8 / 26 / 100% / NIL
Sites / covers per day / revenue per cover / contribution per cover / concession tenders declined on footfall risk / contract retention	8 / 5,560 / ₹62 / ₹27 / 6 / n/a	15 / 12,540 / ₹65 / ₹30 / 13 / 86%	22 / 24,700 / ₹66 / ₹32 / 22 / 92%

Row one is the row that creates the missing signal, and its last figure is what makes it real: ₹78 lakh of fee forfeited in Year 3 on sites that scored below threshold, calculated automatically rather than negotiated. The response rate rising from 24% to 58% is the diners learning that the score produces action — participation is bought with published results, not with reminders. Row two records the most surprising finding in this plan: diner awareness of the subsidy rose from 22% to 84% and moved the satisfaction score more than any menu change did, which means a substantial part of this industry's quality problem is an information problem. Row six's contribution of ₹32 is blended and stated with its underlying per the library's rule — concession ₹44, cost-plus ₹31, fixed-fee ₹28 — and the difference is not efficiency, it is who is carrying the volume risk.

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Driver
Fixed-fee management contracts	385	910	1,820	Client carries volume risk; ₹28 per cover
Cost-plus contracts	286	676	1,352	Transparent pass-through; ₹31 per cover
Concession / self-operated counters	198	468	936	We carry volume risk; ₹44 per cover

Retail counters, cafés & vending	121	286	572	Unsubsidised; the diner chooses freely
Event & hospitality catering in site	77	182	364	Higher value from the same kitchen
Design, transition & audit services	33	78	156	Sells the capability; wins the next contract
Total revenue	1,100	2,600	5,200	Illustrative

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	1,100	2,600	5,200
Food & ingredient cost	(473)	(1,092)	(2,132)
Gross profit	627	1,508	3,068
Site kitchen & service wages	(336)	(728)	(1,404)
Paid sick leave & relief cover	(26)	(56)	(108)
Site operations, utilities & consumables	(92)	(192)	(356)
Food-safety & leading-indicator programme	(48)	(82)	(142)
Diner measurement & publication	(18)	(28)	(46)
Waste measurement & reduction programme	(14)	(22)	(38)
Transport & central supply	(56)	(104)	(186)
Admin, licences, insurance & other	(94)	(168)	(314)
EBITDA	(57)	128	474
Depreciation & amortisation	(42)	(68)	(88)
Finance cost	(26)	(42)	(56)
Other income — mobilisation recoveries, supplier volume rebates (<i>disclosed; passed through on cost-plus</i>) & interest	56	113	156
PBT	(69)	131	486
Tax	17	(33)	(122)
PAT	(52)	98	364
Net margin	(4.7%)	3.8%	7.0%
ROCE	(21.5%)	13.0%	38.2%

The four commitments total ₹4.84 crore against ₹3.64 crore of PAT — declined concession tenders ₹2.20 crore, waste saving reinvested rather than banked ₹1.06 crore, fee forfeited on scores ₹78 lakh plus ₹46 lakh to run the measurement, and subsidy disclosure ₹34 lakh. An operator without them would report roughly two and a quarter times the profit, and every one of the four would be invisible to a client reviewing a contract on price and compliance. The waste line is worth isolating: it is the only saving in this business that does not come off the plate, and booking it as margin rather than reinvesting it is the single easiest quality erosion available —

which is precisely why it is reported as a cost here. Supplier volume rebates are disclosed per the library's commission rule and passed through in full on cost-plus contracts.

12.5 Contribution and risk by contract model (Year 3)

Contract model	Revenue	Contribution per cover	Who carries volume risk
Fixed-fee management	₹18.20cr	₹28	The client
Cost-plus	₹13.52cr	₹31	The client, transparently
Concession / self-operated	₹9.36cr	₹44	Us, entirely
Retail, café & vending	₹5.72cr	n/a — unsubsidised	Us, but the diner chose
Event & hospitality	₹3.64cr	n/a — per event	Per booking

The concession row earns 57% more per cover than fixed fee and is the most dangerous line in the business, which is the point of showing them together. That extra ₹16 is not efficiency — it is payment for carrying a risk determined entirely by the client's headcount policy, hybrid-working decisions, shift patterns and campus layout, none of which the caterer influences. When footfall falls short the caterer has invested in a kitchen, staffed a service and has only the plate left to adjust, which is why concession sites across this industry are reliably the worst-fed. Holding it at 18% of revenue and declining 22 tenders worth ₹2.20 crore where the footfall floor could not be stated contractually is a risk-allocation decision rather than a commercial one — and per the anchor's rule, declining is the only enforcement such a judgement has.

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	160	Growth capital; score-publication and concession covenants
Term loan	160	Site mobilisation and equipment; 5 years
Promoter contribution	90	Cash and equipment
Working capital facility	50	Client receivables at 45–60 days
Total	460	Illustrative structure; balance from internal accrual

A lender should read contract retention and the diner score together, because the second predicts the first about two quarters ahead. Retention at 92% against a category norm nearer 70% is what makes this revenue bankable — each site carries a mobilisation cost recovered over the contract term, so a caterer losing a third of his sites annually is repeatedly writing off fit-outs. The concession share is the exposure to watch: at 18% it is a manageable risk premium, and an operator letting it drift above a third has quietly taken on volume risk across a book he does not control. Contract-labour compliance deserves specific diligence, since default creates principal-employer liability for the CLIENT and is therefore an existential relationship risk rather than merely a fine.

- **Use of funds** — 30% site mobilisation and kitchen fit-out, 15% working capital, 15% central procurement and transport, 13% serving counters and retail, 9% food-safety systems, 6% licences and registration, 5% measurement and waste systems, balance transition and training.

- **Repayment** — term loan from Year 2–3 cash flow, with mobilisation capital amortised over contract term rather than asset life; working capital revolving against receivable ageing.
- **Investor exit** — strategic sale to a national institutional caterer, a facilities-management group, or a food-service consolidator; or promoter buyback.

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
The buyer is not the consumer	An administration or procurement head selects on per-plate price against a subsidy budget, signs for three years, and eats elsewhere — while 1,400 employees eat the result ~250 times a year with NO EXIT, NO ALTERNATIVE ON SITE AND NO COMPLAINT ROUTE THAT REACHES ANYBODY WITH AUTHORITY. So a contract can be renewed for five years on excellent commercial terms while every person eating in it is quietly unhappy. THE CATERER IS NOT INDIFFERENT — HE RECEIVES NO SIGNAL, because the only feedback loop runs through a buyer whose experience of the food is second-hand, and he is optimising the one signal he does get, which is price	RUN AN ANONYMOUS DINER SATISFACTION MEASUREMENT MONTHLY AT EVERY SITE, administered by a function reporting to the PROMOTER and NEVER by the site manager it judges — a score collected by the person it evaluates is a score he has collected; PUBLISH THE RESULT TO THE DINERS THEMSELVES as well as the client, which is what buys participation (response 24% → 58% once people saw last month's score produce a menu change); and TIE 15% OF THE CONTRACT FEE TO IT, ₹78 lakh forfeited in Year 3. WHERE THE BUYER IS NOT THE CONSUMER, MEASURE THE CONSUMER AND PUT MONEY ON THE MEASUREMENT — a measurement with no money attached is a survey, and a survey in this industry is a marketing document
The quarterly review where the score fell to 3.6	The site manager can explain it — a shift change, a building closure, a monsoon week, a vocal minority — and the explanations are usually TRUE, which makes every one of them an argument for treating this quarter as an exception	The fee calculation is AUTOMATIC AND FORMULAIC rather than discretionary; the score is collected by a function that does not report to him; and the explanation is RECORDED ALONGSIDE THE FORFEIT RATHER THAN INSTEAD OF IT. The system deducts rather than debates, because a fee at risk that can be argued away in a review meeting is a fee that is not at risk
The diner judges his meal against the wrong number	A ₹66 plate on which the employer pays ₹44 and the employee ₹22 is experienced as A ₹22 MEAL, compared against what ₹22 buys outside the gate — an entirely reasonable judgement based on the only number he can see, and completely wrong. No caterer corrects it because the opacity is nobody's problem to fix	THE SUBSIDY SPLIT PRINTED ON THE COUNTER BOARD AT EVERY SITE — employer contribution, diner price, production cost. Diner awareness rose 22% → 84%, AND THE SATISFACTION SCORE MOVED MORE ON THAT DISCLOSURE THAN ON ANY MENU CHANGE — which means a substantial part of this industry's quality problem is AN INFORMATION PROBLEM RATHER THAN A FOOD PROBLEM. Costs an estimated ₹34 lakh in surrendered pricing opacity

Waste is the only margin nobody measures	A fixed-headcount site is the ONE food environment where waste is precisely measurable — known covers, known production, a weighable bin — and the industry's near-universal practice is to ESTIMATE it, so the cheapest available margin sits uncounted in the bin while operators take margin from the portion instead	PLATE AND PRODUCTION WASTE WEIGHED PER COVER AND PUBLISHED (plate 68g → 29g, production 41g → 17g) through attendance-based forecasting, batch cooking to demand and counter portioning that LETS A DINER TAKE LESS without reducing entitlement; AND THE ENTIRE SAVING REINVESTED IN THE PLATE RATHER THAN TAKEN AS MARGIN — ₹1.06 crore, stated as a cost precisely because a competitor would book it as profit and nobody would know
The concession contract is where quality dies	Under concession the caterer takes ALL volume risk, invests in the kitchen, collects from diners directly and earns nothing if footfall falls — and footfall is set by the CLIENT'S headcount policy, hybrid working, shift patterns and campus layout, none of which the caterer controls. When it falls short, THE ONLY LEVER LEFT IS THE PLATE, which is why concession sites across this industry are reliably the worst-fed. It also earns 57% more per cover, which is payment for that risk rather than efficiency	Concession HELD AT 18% OF REVENUE deliberately and accepted only where a realistic FOOTFALL FLOOR IS CONTRACTUALLY STATED BY THE CLIENT; 22 TENDERS WORTH ₹2.20 CRORE DECLINED where the assumption could not be stood behind; and \$12.5 reports contribution per cover BY CONTRACT MODEL alongside who carries the risk, since a blended margin across the three conceals the only question that matters. Declining is the only enforcement a risk-allocation judgement has
Contract labour is the client's liability	Staff on a client's premises engage the Contract Labour Act, and PRINCIPAL-EMPLOYER LIABILITY FOR WAGE OR WELFARE DEFAULT SITS WITH THE CLIENT — so a caterer who underpays is manufacturing a liability for the customer he serves, usually without either party noticing until an inspection	Licensing, wages, welfare facilities and records established BEFORE service begins and EVIDENCED MONTHLY TO EACH CLIENT rather than asserted at tender; Factories Act canteen obligations on the OCCUPIER clarified in writing before mobilisation, since a site can be compliant for the caterer and non-compliant for the client; and compliance treated as a CLIENT-PROTECTION obligation rather than as our own paperwork
Food safety across 22 sites	The anchor's problem multiplied: an operator is judged at his worst site, and a single incident at one location reaches every client in the book	Leading indicators published per site and in aggregate — excursions 11.6 → 3.9 per 1,000, breaches 18 → 6, log completion 90% → 99.6%; a zero reading investigated as a measurement failure; retained samples and quarterly recall drills; food safety holding stop authority and reporting to the promoter; and paid sick leave with a 24-person relief pool, since at a site where the caterer is the only food available a short shift is a service failure with no substitute
Retention, mobilisation and receivables	Each site carries a mobilisation cost recovered over the contract term, so losing sites means repeatedly writing off fit-outs; and institutional clients pay at 45–60 days and stretch under their own pressure	Retention at 92% against a norm nearer 70%, driven by a score the client can defend internally; mobilisation capital amortised over CONTRACT TERM rather than asset life so an early exit is visible rather than deferred; receivable ageing tested rather than value alone; and design, transition and audit services at 3% of revenue that generate contract pipeline without mobilisation risk

15. SWOT Analysis

Strengths • Anonymous diner score published to diners; 15% of fee at risk • Subsidy split on the counter board; awareness 22% → 84% • Waste weighed and the saving reinvested in the plate • Concession held at 18%; 22 tenders declined on footfall risk • Contract-labour compliance evidenced monthly to clients	Weaknesses • ₹4.84cr of forgone revenue and cost against ₹3.64cr of profit • Forfeits its own fee on poor scores • ₹32 contribution per cover leaves little room • Mobilisation capital at risk on early exit
Opportunities • Clients accountable internally with no evidence to show • In-house canteens being outsourced with their liability • Retail and café counters beyond the subsidised meal • Waste reduction as an unclaimed margin across the sector • Design and audit services generating contract pipeline	Threats • A food-safety incident reaching every client at once • Competitors bidding concession at un-deliverable footfall • Hybrid working reducing site footfall structurally • Client receivable stretch and price-only retendering

16. Recommended AiSevak Tools for This Business

- **Anonymous diner survey engine** — monthly per site, run outside site operations, published to diners and client.
- **Fee-at-risk calculator** — automatic from the score, with explanations recorded alongside rather than instead.
- **Counter-board publisher** — subsidy split, last month's score and the action taken.
- **Waste weighing & reinvestment tracker** — plate and production grams per cover, and where the saving went.
- **Leading-indicator dashboard** — excursions, breaches and log completion per site and in aggregate.
- **Contract-labour compliance file** — licensing, wages and welfare evidenced monthly per client.
- **Contribution per cover by contract model** — with volume-risk owner stated; never blended alone.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, sites, covers, per-cover economics, scores and indicator rates are editable inputs; actual outcomes depend on contract mix, footfall, food prices and site labour. Figures are in Indian rupees.
- **The central integrity finding is that the person who eats the food does not choose the caterer, and the person who chooses does not eat it.** An administration or procurement head selects on per-plate price against a subsidy budget, signs a multi-year contract and eats elsewhere, while fourteen hundred employees eat the result around two hundred and fifty times a year with no exit, no alternative on site and no complaint route that reaches anybody with authority to act. **The consequence is specific: a canteen contract can be renewed for years on satisfactory commercial terms while the food is quietly disliked by every person who eats it, because dissatisfaction has nowhere to go. And the caterer is not indifferent — he receives no signal at all, since the only feedback loop runs through a buyer whose experience of the food is second-hand, and he is rationally optimising the one signal he does get, which is price. Nobody in the chain behaves badly, which is this library's recurring pattern in a new setting.**

- **So the missing signal is created and paid for.** An anonymous diner satisfaction measurement runs monthly at every site, administered by a function reporting to the promoter and never by the site manager it judges — because a score collected by the person it evaluates is a self-assessment, which is what every operator in this category runs and why every operator's scores are good while every client's employees are unhappy. The result is published to the diners themselves as well as to the client, which is what buys participation: response rates rose from 24% to 58% once people could see that last month's score had produced a menu change. And 15% of the contract fee is tied to it, calculated automatically rather than at anybody's discretion, with ₹78 lakh forfeited in Year 3. **WHERE THE BUYER IS NOT THE CONSUMER, MEASURE THE CONSUMER AND PUT MONEY ON THE MEASUREMENT — because a measurement with no money attached is a survey, and a survey in this industry is a marketing document. The fee formula is automatic precisely because the site manager can always explain a bad quarter, and his explanations are usually true.**
- **The diner does not know what his meal costs and judges it against the wrong number.** A ₹66 plate on which the employer pays ₹44 and the employee ₹22 is experienced by that employee as a ₹22 meal and compared against what ₹22 buys outside the gate — a reasonable judgement on the only number he can see, and completely wrong. **So the subsidy split is printed on the counter board at every site: employer contribution, diner price and production cost. Diner awareness rose from 22% to 84%, and the satisfaction score moved more on that disclosure than on any menu change — which is worth stating plainly, because it means a substantial part of this industry's quality problem is an information problem rather than a food problem.**
- **Waste is the only margin that does not come off the plate, and almost nobody measures it.** A fixed-headcount site is the single food environment where waste is precisely measurable — known covers, known production, a weighable bin — and the industry's practice is to estimate it, which leaves the cheapest available margin sitting uncounted while operators take margin from the portion instead. **Plate waste fell from 68g to 29g per cover and production waste from 41g to 17g, through attendance-based forecasting, batch cooking to demand and counter portioning that lets a diner take less without reducing his entitlement. And the entire ₹1.06 crore saving was reinvested in the plate rather than taken as margin — stated as a cost precisely because a competitor would book it as profit and nobody would know.**
- **The concession contract is where quality dies, and the plan holds it deliberately small.** Under a concession the caterer takes the entire volume risk, invests in the kitchen, collects from diners directly and earns nothing if footfall falls — while footfall is determined by the client's headcount policy, hybrid working, shift patterns and campus layout, none of which the caterer controls. When it falls short the only lever left is the plate. **It earns ₹44 per cover against ₹28 on fixed fee, and that ₹16 is payment for carrying an uncontrollable risk rather than evidence of efficiency — which is why §12.5 reports contribution by contract model alongside who owns the risk, since a blended margin across the three conceals the only question that matters. Concession is held at 18% of revenue and 22 tenders worth ₹2.20 crore were declined where a footfall floor could not be stated contractually.** And contract-labour compliance is treated as a client-protection obligation and evidenced monthly, because principal-employer liability for default sits with the client — a caterer who underpays is manufacturing a liability for the customer he serves.
- **The economics state what the discipline costs.** Declined concession tenders (₹2.20 crore), waste saving reinvested rather than banked (₹1.06 crore), fee forfeited on scores (₹78 lakh) plus the measurement itself (₹46 lakh), and subsidy disclosure (₹34 lakh) total ₹4.84 crore against ₹3.64 crore of PAT — an operator without them would report roughly two and a quarter times the profit, and all four would be invisible to a client reviewing on price and compliance. **Contribution per cover is ₹32 blended and is reported with its underlying by contract model, and supplier volume rebates are disclosed per the library's commission rule and passed through in full on cost-plus contracts.** The vertical anchor's full leading-indicator discipline is carried through across all 22 sites, since an operator is judged at his worst site and a single incident reaches every client at once.

- **Compliance and professional advice.** FSSAI licensing per site kitchen with Schedule 4 hygiene, food-safety supervisor training, medical fitness certification, water potability and record-keeping; Factories Act canteen provisions imposing obligations on the occupier where the client's premises are a factory, so a site can be compliant for the caterer and non-compliant for the client; the Contract Labour Act's licensing, wage, welfare-facility and record obligations, with principal-employer liability for default sitting with the client; the differing tax, licensing and consumer-facing position of concession versus fixed-fee and cost-plus models; fire, occupancy and access at client premises; Legal Metrology on packed items; GST, which differs by contract model; product liability insurance naming the client; and EPF/ESI, POSH and working hours. Professional advice should be taken on contract structure and risk allocation, contract-labour compliance across sites and states, Factories Act canteen responsibility, and insurance scope.

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