BUSINESS PLAN · INDIA

IT Contract-Staffing Firm

IT contract staffing that publishes the whole rate chain - bench paid in full, nil bonds, nil buyouts

STAFFING & WORKFORCE SOLUTIONS

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1. Executive Summary

This plan sets out an **IT Contract-Staffing Firm** in India — technology contractor supply across engineering, data, cloud, security and enterprise platforms, covering direct client engagements, sub-vendor and prime-vendor supply, managed capacity pods, permanent IT placement, onsite deputation and global mobility, and payroll, employer-of-record and compliance administration, with roughly 620 contractors deployed by Year 3.

> This plan inherits the ten staffing anchor rules set by **staffing-agency** and hardens rule (a). **The anchor said publish the margin to the worker. In IT contracting that rule can be obeyed perfectly by every party in the chain and still leave the engineer with no idea what he is worth.**

> **THE MARGIN IS NOT TAKEN ONCE — IT IS TAKEN IN LAYERS, AND EACH LAYER DISCLOSES ONLY ITSELF. An engineer billed to the end client at ₹2,40,000 a month reaches that client through a managed-service provider taking 4%, a prime vendor taking 12%, a sub-vendor taking 15% and an employer-of-record taking 8%. He receives ₹1,46,400 and believes his employer's margin is the only margin there is. EVERY TIER IN THAT CHAIN CAN TRUTHFULLY STATE ITS OWN MARK-UP, AND FOUR TRUE STATEMENTS COMPOSE INTO A COMPLETELY FALSE IMPRESSION. Nobody lies. He simply cannot see the shape of the thing he is inside — he frequently does not even know how many tiers exist, only his employer's name and the client's. So this business PUBLISHES THE WHOLE CHAIN: every tier between the engineer and the end client, the margin each one takes, and the end-client rate itself, disclosed at offer stage before he accepts — and REFUSES 38 MANDATES IN YEAR 3 FROM CHAINS THAT WOULD NOT DISCLOSE THEIR LAYERS. WHERE THE MARGIN IS TAKEN IN LAYERS, DISCLOSING YOUR OWN LAYER IS NOT DISCLOSURE.**

> **AND THE ONE WORKER IN THIS VERTICAL WHO COULD ACTUALLY LEAVE IS THE ONE THE TRADE SPENDS MOST EFFORT RESTRAINING. Employment bonds, ninety-day notice periods with buyout demands, and — the real lever — relieving letters and experience certificates withheld until he pays. So NIL bonds, NIL buyout demands and NIL document retention, with relieving letters issued at a one-day median and 88 former contractors re-hired.**

> **AND THE CONTRACTOR ON THE BENCH CARRIES THE DEMAND RISK OF A BUSINESS WHOSE ENTIRE PRODUCT IS ABSORBING DEMAND RISK. Between projects he is exclusively committed, unable to take other work, and in the ordinary case unpaid or part-paid. So BENCH IS PAID IN FULL at 100%, bench days are PUBLISHED, and the median has fallen from 34 days to 19 — ₹2.68 crore a year, the single largest commitment in this plan.**

This plan models an operator requiring **₹12.00 crore** (₹4.60 crore investor + ₹3.40 crore working capital + ₹2.40 crore term loan + ₹1.60 crore promoter), moving from **₹18.00 crore revenue and a ₹88 lakh loss** to **₹72.00 crore revenue and ₹4.68 crore profit** by Year 3 — *a 6.5% net margin and 53.7% return on capital. (IT contract staffing — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: An IT staffing firm that shows the engineer the whole chain he is standing in.

Vision: To make the end-client rate a fact the contractor knows rather than a number he guesses at.

Mission: Publish every tier and every margin between him and the client; pay the bench in full because the demand risk is ours; bond nobody, demand no buyout and withhold no document; carry the visa cost ourselves; and refuse the mandate whose chain will not show itself.

Legal structure

- **Private Limited** — recommended. Client contracting, sub-vendor agreements, EOR entities, global mobility and outside capital all assume it.
- **Chain-disclosure clause in every upstream contract — the structural precondition for the whole rule, since we cannot publish a chain whose tiers have not agreed to be named.**
- **Contractor-care and compliance functions reporting to the board, independent of sales — because the vendor refusing to disclose its layer is usually the vendor with the largest requirement book.**

> **Regulatory anchor:** the Indian Contract Act 1872, **section 27 of which makes agreements in restraint of trade void, so post-employment non-competes are largely unenforceable and a training bond is enforceable only to the extent of actual, reasonable, provable training expense — a permission the trade has converted into a penalty untethered from any cost it ever incurred**; the Specific Relief Act 1963, under which personal service cannot be specifically enforced; the Code on Wages 2019 and Payment of Wages Act on deductions, **under which a notice-period buyout recovered from final settlement is a deduction requiring a lawful basis**; the Code on Social Security 2020, EPF & MP Act 1952 and ESI Act 1948 for enrolled contractors; the Shops and Establishments Acts of the states of engagement; the Industrial Disputes Act 1947 where continuous service arises; immigration, visa and social-security totalisation obligations for onsite deputation; the Digital Personal Data Protection Act 2023 for candidate and contractor records; and GST on the full billing value. **The decisive structural fact is that NOTHING REQUIRES ANY TIER IN A VENDOR CHAIN TO TELL THE ENGINEER WHAT THE TIER ABOVE IT IS CHARGING, AND EACH TIER'S SILENCE IS INDIVIDUALLY UNREMARKABLE.**

3. Promoter & Ownership

Led by a promoter with IT services, technology recruitment or delivery-management background, with a labour-law specialist as compliance director. Three competences decide outcomes. *Technical assessment*, because placing an engineer badly costs the client a quarter and the engineer a reputation. *Chain literacy*, since knowing which tier holds the paper and which merely passes it through is what makes disclosure possible at all. And *the willingness to lose a requirement book on disclosure*, which is where this plan's proposition sits and which is refused most often by the largest intermediaries. Ownership, equity & investor terms are editable inputs; **the contractor-care and compliance functions report to the board independently of sales, and no employee's pay is linked to margin percentage or to bench days avoided.**

4. Market Analysis — India

A large, sophisticated and highly intermediated market, competed on rate and on speed of supply.

Demand drivers

- **Digital and cloud programmes** requiring skills faster than permanent hiring supplies them.
- **Global capability centres** scaling engineering headcount in India.
- **Project-shaped demand** that permanent headcount cannot absorb or release.
- **Managed-service procurement** consolidating supply through MSP and VMS platforms.
- **Skill scarcity** in security, data engineering, platform and AI roles.

- **Onsite deputation** to client geographies for delivery-critical roles.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian IT contract-staffing and contingent technology supply	Large; the most intermediated segment in staffing
SAM	**Mandates whose chain will disclose its tiers**	**Bounded by CHAIN TRANSPARENCY, not by demand**
SOM (Yr 1–3)	Contractors placed on published-chain, paid-bench terms	₹18cr → ₹72cr; 620 deployed; 38 mandates refused

Revenue mix and share (Year 3)

Stream	Share	Gross margin — and how many tiers sit above us
IT contract staffing — direct client engagements	**38.0%**	**22.0% — no tier above; the chain is one link long**
Sub-vendor / prime-vendor supply (tiered chain)	**22.0%**	**12.0% — we are a lower tier; disclosure is hardest here**
Managed capacity & project pods	16.0%	28.0% — outcome-priced; bench risk sits with us
Permanent IT placement (fee-based)	10.0%	72.0% — no pass-through; carries the P&L
Onsite deputation & global mobility	9.0%	26.0% — visa cost ours; differential disclosed
Payroll, EOR & compliance administration	5.0%	44.0% — selling the discipline that governs us

> **The second row is where this plan is hardest: as a sub-vendor we sit beneath tiers whose margins are not ours to publish, so the disclosure rule becomes a contracting demand made upward rather than a policy applied downward — and 38 requirement books were refused in Year 3 by intermediaries who would not be named. The first row is the answer to that problem rather than a separate business: every direct engagement is a chain one link long, which is why growing it from 38% is both the commercial and the ethical priority. The fourth row is the honest counterweight — permanent placement is a tenth of revenue at a 72% margin and quietly carries the profit that lets the bench be paid.**

Constraints

- **Chain transparency**, which is the hard ceiling on how much intermediated work we can take.
- **Bench utilisation**, since every idle day is now a real cost rather than the contractor's problem.
- **Contractor mobility**, because a good engineer can leave and we have removed every restraint.
- **Rate compression** from MSP-driven procurement squeezing all tiers at once.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
Large IT staffing firms	Scale, MSP panels, bench depth, brand, global reach	**Own-layer disclosure only; bench unpaid or part-paid**

Boutique and regional vendors	Speed, niche skills, relationships, low overhead	Bonds and buyout demands; certificates withheld
Employer-of-record platforms	Compliance-clean, fast onboarding, multi-country	**A tier that adds paperwork and a margin, rarely named**
Client direct contracting	No intermediary margin at all, direct relationship	No bench, no substitution, full compliance burden
This plan	**Whole chain published, bench paid, nil bonds or buyouts**	Refuses opaque chains; higher rate card

> **The positioning makes one claim no firm in this market makes: the engineer is told the end-client rate and every margin taken between it and his salary, before he accepts. Competitors do not conceal this so much as decline to assemble it — each tier discloses its own layer, all of them truthfully, and the composite picture is something nobody is responsible for producing. The commercial difficulty is that assembling it requires every tier above us to agree to be named, which the largest intermediaries will not do, so the rule costs us access to a meaningful part of the market rather than merely costing us margin.**

> **The cost of the honest position is stated in rupees rather than implied. Paying the bench in full between projects cost ₹2.68 crore of Year-3 margin — the largest item, and the one that moves the demand risk from the engineer to us where it was always supposed to sit. Publishing the whole chain, tier by tier, cost ₹1.34 crore in lost pricing power. Refusing mandates from chains that would not disclose their layers cost ₹1.18 crore. Bonding nobody, demanding no buyout and withholding no document cost ₹96 lakh in attrition we cannot prevent. Carrying visa and relocation cost and disclosing the onshore differential cost ₹72 lakh. Total ₹6.88 crore against ₹4.68 crore of profit — so an operator with the same client book running trade-standard practice would earn ₹11.56 crore.**

6. Four True Statements That Compose Into a Lie

This is the finding, and no party to it says anything false.

Tier	Takes	What it truthfully tells the engineer
End client pays	**₹2,40,000**	Nothing. It has never met him.
Managed-service provider	4%	Nothing. He does not know it exists.
Prime vendor	12%	Nothing. He may know the name.
Sub-vendor	15%	"*Our margin is fifteen per cent.*" True.
Employer of record	8%	"*We charge an eight per cent fee.*" True.
Engineer receives	**₹1,46,400**	**Believes he has been told the margin**

Each tier's percentage above is taken on the end-client rate, so the takes are additive rather than compounding: 39% of ₹2,40,000 leaves ₹1,46,400. Where a chain instead marks up tier on tier, the same four percentages leave more with the engineer — which means **he cannot even infer his own position from the percentages alone without knowing how each one is computed, and nobody in the chain has ever been asked to say.**

> **He has been told the margin. He has been told two of them, accurately, by the only two parties he can see. THE ANCHOR RULE — PUBLISH THE MARGIN TO THE WORKER — IS BEING OBEYED, AND IT IS NOT WORKING,**

BECAUSE A RULE WRITTEN FOR A ONE-LINK RELATIONSHIP DOES NOT SURVIVE BEING APPLIED TO A FOUR-LINK ONE. Each tier's silence about the tiers above it is individually unremarkable — the sub-vendor genuinely may not know the MSP's rate, and none of them has any obligation, commercial interest or mechanism to find out. The opacity is not a conspiracy; IT IS AN EMERGENT PROPERTY OF A STRUCTURE IN WHICH EVERY PARTICIPANT IS INDIVIDUALLY HONEST AND NOBODY IS RESPONSIBLE FOR THE WHOLE. And the barrier to adding a tier is almost nothing: this business needs little capital, which is precisely why so many intermediaries can stack in one chain — a ROCE of 53.7% on ₹12 crore of capital is an open invitation to become the fifth link. The engineer, meanwhile, is the most informed and mobile worker in this entire vertical, capable of negotiating hard on any number he can see — WHICH IS EXACTLY WHY THE ONE NUMBER THAT WOULD LET HIM NEGOTIATE IS THE ONE NUMBER THE STRUCTURE DOES NOT PRODUCE.

So the chain is assembled and published, which requires contracting for it rather than merely deciding it. EVERY TIER BETWEEN THE ENGINEER AND THE END CLIENT IS NAMED, AND THE MARGIN EACH ONE TAKES IS PUBLISHED TO HIM, at 100% — with the END-CLIENT RATE ITSELF DISCLOSED AT OFFER STAGE BEFORE HE ACCEPTS, not in a portal afterwards. NIL contractors know only our own layer. This is enforced upward as a CHAIN-DISCLOSURE CLAUSE IN EVERY CONTRACT WE SIGN, because we cannot publish a chain whose tiers have not agreed to be named — and where a chain refuses, THE MANDATE IS DECLINED: 38 requirement books in Year 3, up from 14, published with the tier that refused. Cost ₹2.52 crore across the two commitments. WHERE THE MARGIN IS TAKEN IN LAYERS, DISCLOSING YOUR OWN LAYER IS NOT DISCLOSURE.

7. The Bench, the Bond and the Letter

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

□□ THE CONTRACTOR ON THE BENCH CARRIES THE DEMAND RISK OF A BUSINESS WHOSE ENTIRE PRODUCT IS ABSORBING DEMAND RISK. The client buys the ability to release people between projects; the engineer is the one who is released; and in the ordinary arrangement he is unpaid or part-paid for that period while remaining exclusively committed and contractually barred from taking other work. HE IS THEREFORE BEARING PRECISELY THE RISK THE CLIENT IS PAYING US A MARGIN TO CARRY. So BENCH IS PAID IN FULL at 100%, with NIL bench days unpaid or part-paid, BENCH DAYS PUBLISHED, and the median falling from 34 to 19 a year — ₹2.68 crore, the largest commitment in this plan, and the one that converts utilisation from the contractor's problem into a number our own account managers are measured on.

□□ AND THE ONE WORKER IN THIS VERTICAL WHO COULD ACTUALLY LEAVE IS THE ONE THE TRADE SPENDS MOST EFFORT RESTRAINING. Section 27 of the Contract Act makes restraint of trade void, and a training bond is enforceable only to the extent of actual, reasonable, provable training expense — a narrow permission the trade has converted into a penalty untethered from any cost it ever incurred, the same pattern this vertical has now seen four times. And the money is not the real lever: THE RELIEVING LETTER IS. Withhold it and his next employer's background check fails, so he cannot move even if he pays — the document, not the debt, is the restraint. So NIL bonds, NIL notice-period buyout demands, NIL retention of relieving letters or experience certificates, issued at a ONE-DAY MEDIAN — and 88 former contractors came back, which is the return on it.

□□ AND AN ENGINEER SENT ONSITE SHOULD NOT PAY TO GO. Visa, immigration, relocation and totalisation costs are borne by us at 100% with NIL recovered from him, and the DIFFERENTIAL BETWEEN THE ONSHORE BILLING RATE AND HIS DEPUTED SALARY IS DISCLOSED BEFORE HE ACCEPTS — because a deputation is the one moment when the gap between what he is worth abroad and what he is paid becomes very large and very visible to everyone except him.

AND THE TEN ANCHOR RULES APPLY, WITH RULE (a) HARDENED TO THE WHOLE CHAIN. The PF base is the full wage at 99% of gross (d); wages are paid on a fixed date whether or not the client has paid (c); grievances reach a named human at neither the client nor the vendor above us at 99.6% (e); NIL candidate fees (b); compliance is quoted separately and never discounted (g); refusals are published with the tier that refused (h); and the offer system cannot issue an offer without a completed chain disclosure (j).

What a contractor can check in sixty seconds, before he accepts

Every commitment here is verifiable from the offer document itself.

- **Does the offer name the end client's rate, or only your salary?** If only your salary, the other number exists and has not been withheld by anyone in particular — which is why nobody will produce it.
- **How many companies sit between you and the client?** Ask for the count first. If the answer is vague, the count is more than two.
- **What happens to your pay between projects?** If bench is unpaid, you are carrying the demand risk the client is paying someone a margin to carry.
- **Is there a bond, and what training does it recover?** A bond untethered from a real, provable cost is a penalty, and penalties in restraint of trade are void.
- **How fast will you get your relieving letter?** This matters more than the bond — without it your next employer's background check fails and you cannot move at all.
- **If you go onsite, who pays for the visa, and what is the client billed?** The gap between onshore billing and deputed salary is the largest number in your working life that you have never been shown.

The asymmetry here is different from the rest of this vertical, and it is worth naming precisely. Elsewhere the harmed worker is poor, replaceable and unable to leave. THE IT CONTRACTOR IS NONE OF THOSE THINGS — he is well paid by Indian standards, scarce, mobile, and entirely capable of negotiating hard on any figure he can actually see. WHICH IS EXACTLY WHY THE RESTRAINTS EXIST: the bond, the buyout, the withheld letter and the unpublished chain are not there because he is weak, THEY ARE THERE BECAUSE HE IS STRONG, and each one removes a specific power he would otherwise use. The opacity is not incidental to his bargaining position; it is the whole of the answer to it. That also means the commitments in this plan behave differently: publishing the chain does not merely inform him, IT ARMS HIM, and he will use it against us at his next renewal — which is the correct outcome and is priced in at ₹1.34 crore rather than hoped away. A firm that publishes the chain only where the contractor is too weak to act on it has published nothing; this one publishes it to the party most able to make it cost money.

8. Operations Plan (source, disclose, deploy, release)

Chain disclosure

- **Every tier named and every margin published** to the contractor at offer stage.
- **End-client rate disclosed before acceptance**, not in a portal afterwards.
- **Chain-disclosure clause in every upstream contract** we sign.
- **Mandates refused where the chain will not disclose** — 38 in Year 3, published.

The bench

- **Bench paid in full** — nil unpaid or part-paid days, at any tenure.
- **Bench days published** — median 19 a year and falling.

- **Utilisation measured on us**, not on the contractor's income.
- **Nil exclusivity enforced against an unpaid contractor** — the case does not arise.

Exit

- **Nil employment bonds** and nil notice-period buyout demands.
- **Relieving letters and experience certificates issued** at a one-day median.
- **Nil document retention** as leverage, in any circumstance.
- **Former contractors re-hired** — 88 in Year 3, which is the return on all of it.

Onsite deputation

- **Visa, immigration and relocation borne by us** — nil recovered from him.
- **Onshore billing vs deputed salary differential disclosed** before acceptance.
- **Totalisation and social-security continuity** maintained across the deputation.
- **Anchor rules a–j carried**, with every blended figure at its 90th percentile.

> **The operational hinge is a 90-contractor renewal from a prime vendor that is 21% of revenue, whose contract has always forbidden us from disclosing its margin to our own employees — a clause that is entirely standard, appears in every agreement of its kind, and which their commercial team is genuinely puzzled we are objecting to, since no vendor has ever objected before. Refusing costs a fifth of the book at a fortnight's notice, and the ninety engineers will simply be re-badged to a vendor that signs. So THE OFFER SYSTEM CANNOT ISSUE AN OFFER WITHOUT A COMPLETED CHAIN DISCLOSURE: it is a hard constraint with no account, regional or executive override, and we negotiate the clause or decline the renewal. The refusal is published with the tier that refused, because a firm that walks away quietly leaves the clause standing in every other agreement it appears in — and the clause is the problem.**

9. Contract, Restraint & Statutory Compliance (India)

- **Indian Contract Act 1872, section 27** — **agreements in restraint of trade are void, so post-employment non-competes are largely unenforceable and a bond recovers only actual, reasonable, provable training expense.**
- **Specific Relief Act 1963** — personal service cannot be specifically enforced; an engineer cannot be compelled to keep working.
- **Code on Wages 2019 and Payment of Wages Act** — **a notice-period buyout recovered from final settlement is a deduction requiring a lawful basis.**
- **Code on Social Security 2020, EPF & MP Act 1952 and ESI Act 1948** for enrolled contractors, including during bench periods.
- **Shops and Establishments Acts** of the states of engagement; **Industrial Disputes Act 1947** where continuous service arises.
- **Immigration, visa and totalisation obligations** for onsite deputation, with social-security continuity maintained.
- **Digital Personal Data Protection Act 2023** for candidate and contractor records, including assessment data.
- **GST on the full billing value**; transfer pricing and permanent-establishment questions on offshore contracting.
  Nothing requires any tier in a vendor chain to tell the engineer what the tier above it is charging, and each tier's silence is individually unremarkable.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / managing director	1	1	Owns the disclosure rule
Recruitment, sourcing & talent operations	22	62	**Nil candidate fees (anchor rule b)**
Account management, delivery & client operations	12	34	18 contractors per account manager
Compliance, payroll, EOR & chain-disclosure administration	6	18	**Assembles the chain we publish**
Admin, finance, legal & business development	5	14	**Nil pay linked to bench days avoided**
Technology, ATS, rate-chain ledger & contractor app	5	12	No offer issues without a completed chain
Contractor care, bench management & grievance	4	11	**Board-reporting; independent of sales**
Total internal staff	**55**	**152**	**Against 620 contractors deployed**

> **The account headcount is derived rather than assumed, and it reconciles three ways. By volume: 620 contractors at 18 per account manager is 34 delivery staff, inside the trade's 15–25 band, and deliberately at the attentive end because an engineer on a bench nobody is working to end is an engineer we are paying to be idle. By cost per contractor: the ₹2.68 crore bench-pay line across 620 contractors is ₹43,226 per contractor per year — which is not a welfare number but a utilisation incentive, since every day we shorten the bench is money we keep, and that is precisely the alignment an unpaid bench destroys. By cost per head: the ₹2.73 crore recruitment salary line across 62 people is ₹4.4 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 contractors it places. Contractor care at eleven people reports to the board rather than to sales, because the vendor refusing to disclose its layer is usually the vendor with the largest requirement book.**

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation, ATS & payroll build	Month 0–5	Incorporation, registrations, ATS and payroll engine, first direct clients
Chain-disclosure clause in upstream contracts	Month 3–10	**Every tier named; no offer issues without a completed chain**
Bench pay from day one	Month 0–6	Paid in full from the first placement; bench days published
Nil bonds, buyouts and document retention	Month 4–12	Relieving letters at 4-day → 2-day median
Onsite deputation & differential disclosure	Month 12–24	Visa cost carried; onshore differential shown pre-acceptance
Scale & publication	Month 22–36	620 contractors; 38 mandates refused; bench median 19 days

Training and competence

- **Assembling a rate chain** — how to establish who sits above you and what they take.

- **Negotiating a disclosure clause**, scripted for account teams facing a standard-form refusal.
- **Explaining the chain to a contractor** who will use it against us at renewal.
- **Bench management** as a delivery discipline rather than a cost to be pushed downward.

12. Financial Plan (Illustrative)

> **All figures are illustrative model assumptions, not forecasts or guarantees.** They exist to show the drivers of an IT contract-staffing P&L under a whole-chain disclosure and paid-bench rule. Every input is editable. **The defining economics are that this business is asset-light — a 53.7% return on ₹12 crore of capital — and that low capital barrier is not incidental to the finding but the cause of it, because it is what allows four intermediaries to stack profitably in a single chain.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Working capital — contractor payroll funded ahead of client receipts	**486**	**Fixed pay date (anchor rule c) is funded, not promised**
Technology, ATS, rate-chain ledger & contractor app	236	No offer issues without a completed chain disclosure
Recruitment infrastructure, sourcing licences & assessment	168	Technical assessment is the core competence
Bench-pay reserve	**122**	**Demand risk sits with us, funded rather than promised**
Offices, delivery centres & onsite presence	96	Asset-light by design
Statutory registrations, EOR entities & deposits	64	Multi-state and multi-country where deputation runs
Brand, client acquisition & pre-operative	28	Panel empanelment, credentialing, deposits
Total project cost	**1,200**	₹460L investor + ₹340L WC + ₹240L term loan + ₹160L promoter

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
THE WHOLE CHAIN PUBLISHED — every tier between the contractor and the end client, and the margin each takes / **contractors who know only our own layer** / END-CLIENT RATE disclosed at offer stage before acceptance / **mandates REFUSED because the chain would not disclose its tiers**	100% / NIL / 100% / 14	100% / NIL / 100% / 26	**100% / NIL / 100% / 38**
BENCH PAID IN FULL between projects / **bench days unpaid or part-paid** / median bench days per contractor per year **(90th percentile)** / bench days published	100% / NIL / 34 (61) / 100%	100% / NIL / 26 (48) / 100%	**100% / NIL / 19 (36) / 100%**
Employment bonds imposed / **notice-period buyout demanded** / **relieving letters or experience certificates WITHHELD** / median days to issue a relieving letter / former contractors re-hired	NIL / NIL / NIL / 4 / 18	NIL / NIL / NIL / 2 / 46	**NIL / NIL / NIL / 1 / 88**

ONSITE DEPUTATION — visa, immigration and relocation borne by us / **cost recovered from the engineer** / onshore billing vs deputed salary differential DISCLOSED before acceptance / totalisation continuity maintained	100% / NIL / 100% / 100%	100% / NIL / 100% / 100%	**100% / NIL / 100% / 100%**
Anchor rules carried — **margin published (a, hardened to the whole chain)** / PF base as a share of gross (d) / wages on a fixed date regardless of client payment (c) / grievances to a named human off-site (e) / **candidate fees (b)**	100% / 97% / 100% / 97.2% / NIL	100% / 98% / 100% / 98.6% / NIL	**100% / 99% / 100% / 99.6% / NIL**
Contractors deployed / utilisation / median tenure / **conversion to client permanent rolls** / contractor attrition	180 / 86% / 11 mo / 6.4% / 42%	410 / 89% / 16 mo / 12.2% / 31%	**620 / 92% / 23 mo / 19.8% / 22%**

> **Row one is the disclosure no firm in this market assembles, because assembling it requires every tier above us to agree to be named — which is why the refusal count in the same row is the number that proves the first three columns mean anything. Row two moves the demand risk to where the margin already sits: bench paid in full, published, and with its 90th percentile alongside the median, because a median bench conceals precisely the engineer who sat idle for two months. Row three is the quiet one — a one-day relieving letter is worth more to a departing engineer than any bond is worth to us, and 88 of them came back. Row six's conversion to client permanent rolls at 19.8% is an inverted metric every competitor would be alarmed to see rise, since a converted contractor 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
IT contract staffing — direct client engagements	684	1,596	2,736	**22.0%**
Sub-vendor / prime-vendor supply (tiered chain)	396	924	1,584	**12.0%**
Managed capacity & project pods	288	672	1,152	28.0%
Permanent IT placement (fee-based)	180	420	720	72.0%
Onsite deputation & global mobility	162	378	648	26.0%
Payroll, EOR & compliance administration	90	210	360	44.0%
Total revenue	**1,800**	**4,200**	**7,200**	**27.2% blended**

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue (gross billing, including contractor pay passed through)	1,800	4,200	7,200
Cost of services — contractor pay and statutory dues	**(1,310)**	**(3,057)**	**(5,240)**
Gross profit	**490**	**1,143**	**1,960**
Recruitment, sourcing & talent operations	(168)	(262)	(338)
Bench pay — contractors paid in full between projects	**(78)**	**(168)**	**(268)**
Account management, delivery & client operations	(82)	(132)	(178)
Compliance, payroll, EOR & chain-disclosure administration	**(74)**	**(112)**	**(152)**

Technology, ATS, rate-chain ledger & contractor app	(68)	(88)	(108)
Contractor care, bench management & grievance	**(34)**	**(52)**	**(72)**
Admin, finance, legal & business development	(44)	(62)	(104)
EBITDA	**(58)**	**267**	**740**
Depreciation & amortisation	(42)	(68)	(96)
Finance cost	(44)	(76)	(104)
Other income — EOR administration fees & assessment services *(disclosed)*	26	52	84
PBT	**(118)**	**175**	**624**
Tax	30	(44)	(156)
PAT	**(88)**	**131**	**468**
Net margin	**(4.9%)**	**3.1%**	**6.5%**
ROCE	**(8.3%)**	**16.6%**	**53.7%**

> **Contractor pay and statutory dues at ₹52.40 crore are 72.8% of revenue, so this is a far richer business than the rest of the vertical — a 6.5% net margin against 2.0% in blue-collar deployment — and the reason is that a scarce engineer commands a rate the client will pay rather than a rate a tender sets. The 53.7% return on capital is the number that explains the finding: a business needing ₹12 crore to earn ₹4.68 crore is a business anyone can enter, which is precisely why four intermediaries can stack profitably in a single chain and why the engineer at the end of it cannot see past the nearest two. Bench pay at ₹2.68 crore is 3.7% of revenue and 57% of profit — the single largest commitment here, and the one that converts utilisation from his problem into ours. Other income of ₹84 lakh is EOR administration and assessment services, disclosed as a line and 1.2% of revenue. Commitments of ₹6.88 crore against ₹4.68 crore of profit mean a trade-standard operator would earn ₹11.56 crore.**

12.5 Break-even & sensitivity

Scenario	Yr 3 revenue	Yr 3 PAT	Comment
Base	₹72.0cr	₹4.68cr	As modelled, whole chain published, bench paid
Trade-standard — unpaid bench, own-layer disclosure only, bonds and buyouts	₹83.5cr	₹12.19cr	**The trade's model, computed rather than dismissed**
Permanent placement halved	₹68.4cr	₹2.74cr	The fee line quietly funds the paid bench
Bench utilisation falls 8 points	₹72.0cr	₹3.68cr	**Now our cost, which is the entire point**
Gross margin compressed 2 points	₹72.0cr	₹3.60cr	MSP procurement squeezes every tier at once
Half the sub-vendor book lost on disclosure demand	₹64.1cr	₹3.97cr	The rule is allowed to cost revenue, not just margin

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	460	Platform and network build; chain-disclosure covenant
Working capital facility	340	Contractor payroll ahead of client receipts
Term loan	240	Technology, ATS and delivery infrastructure; 5 years
Promoter contribution	160	Cash and delivery leadership
Total	**1,200**	Illustrative structure

> **An investor should read utilisation, bench median, the refusal count and the re-hire number, and should understand that this firm has voluntarily removed every restraint the trade uses to hold engineers in place. The starkest figure is that running trade-standard practice — an unpaid bench, disclosure of our own layer only, bonds and buyout demands — would take profit from ₹4.68 crore to ₹12.19 crore with the same clients and the same engineers. Nothing about the work would change; the difference is entirely in who carries the idle days and who can see the rate. That is precisely why it is a covenant. The sharpest operating exposure is the bench itself: eight points of utilisation costs ₹1.00 crore, and that is the correct exposure to hold, because a firm insulated from its own bench has no reason to end it. The 53.7% return on capital should be read as a warning as much as an attraction — it is what makes this market so easy to enter and so heavily layered.**

- **Use of funds** — 41% working capital for contractor payroll, 20% technology and rate-chain ledger, 14% recruitment infrastructure, 10% bench-pay reserve, 8% offices and delivery, 5% registrations and EOR entities, 2% brand and pre-operative.
- **Repayment** — term loan from Year 3 cash flow; working capital revolving against client receivables, never against contractor pay timing.
- **Investor exit** — sale to an IT services group, a global staffing firm or a workforce platform; or promoter buyback. **Chain disclosure, paid bench and nil-bond commitments survive change of control.**

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation

Four true statements that compose into a lie	An engineer billed at ₹2,40,000 reaches the client through an MSP taking 4%, a prime vendor 12%, a sub-vendor 15% and an EOR 8%, and receives ₹1,46,400. EVERY TIER CAN TRUTHFULLY STATE ITS OWN MARK-UP, AND FOUR TRUE STATEMENTS COMPOSE INTO A COMPLETELY FALSE IMPRESSION. He frequently does not know HOW MANY TIERS EXIST. The anchor rule — publish the margin — IS BEING OBEYED AND IS NOT WORKING, because a rule written for a ONE-LINK relationship DOES NOT SURVIVE A FOUR-LINK ONE. The opacity is NOT A CONSPIRACY BUT AN EMERGENT PROPERTY OF A STRUCTURE IN WHICH EVERY PARTICIPANT IS INDIVIDUALLY HONEST AND NOBODY IS RESPONSIBLE FOR THE WHOLE	**ASSEMBLE THE CHAIN AND PUBLISH IT, WHICH REQUIRES CONTRACTING FOR IT RATHER THAN DECIDING IT. EVERY TIER NAMED AND EVERY MARGIN PUBLISHED TO THE CONTRACTOR (100%), with THE END-CLIENT RATE DISCLOSED AT OFFER STAGE BEFORE HE ACCEPTS, not in a portal afterwards; NIL contractors know only our own layer. Enforced UPWARD as a CHAIN-DISCLOSURE CLAUSE IN EVERY CONTRACT WE SIGN, BECAUSE WE CANNOT PUBLISH A CHAIN WHOSE TIERS HAVE NOT AGREED TO BE NAMED — and where a chain refuses, THE MANDATE IS DECLINED: 38 requirement books (from 14), PUBLISHED WITH THE TIER THAT REFUSED (₹2.52cr). GENERAL RULE: WHERE THE MARGIN IS TAKEN IN LAYERS, DISCLOSING YOUR OWN LAYER IS NOT DISCLOSURE**
The 90-contractor renewal with a non-disclosure clause	A prime vendor at 21% OF REVENUE has always forbidden disclosure of its margin to our own employees — A CLAUSE THAT IS ENTIRELY STANDARD, APPEARS IN EVERY AGREEMENT OF ITS KIND, AND WHICH THEIR COMMERCIAL TEAM IS GENUINELY PUZZLED WE ARE OBJECTING TO, SINCE NO VENDOR HAS EVER OBJECTED BEFORE. Refusing costs a fifth of the book at a fortnight's notice and the engineers are simply RE-BADGED TO A VENDOR THAT SIGNS	**THE OFFER SYSTEM CANNOT ISSUE AN OFFER WITHOUT A COMPLETED CHAIN DISCLOSURE — a hard constraint with NO ACCOUNT, REGIONAL OR EXECUTIVE OVERRIDE. THE SYSTEM REFUSES RATHER THAN WARNS (rule j). We NEGOTIATE THE CLAUSE OR DECLINE THE RENEWAL, and PUBLISH THE REFUSAL WITH THE TIER THAT REFUSED (rule h) — because a firm that walks away quietly LEAVES THE CLAUSE STANDING IN EVERY OTHER AGREEMENT IT APPEARS IN, AND THE CLAUSE IS THE PROBLEM**
The bench carries the demand risk we are paid to carry	The client buys THE ABILITY TO RELEASE PEOPLE BETWEEN PROJECTS; the engineer is the one released; and in the ordinary arrangement he is UNPAID OR PART-PAID while REMAINING EXCLUSIVELY COMMITTED AND CONTRACTUALLY BARRED FROM TAKING OTHER WORK — bearing PRECISELY THE RISK THE CLIENT IS PAYING US A MARGIN TO CARRY	**BENCH PAID IN FULL (100%), NIL days unpaid or part-paid, BENCH DAYS PUBLISHED with median 34 → 19 AND ITS 90TH PERCENTILE ALONGSIDE, because a median bench CONCEALS PRECISELY THE ENGINEER WHO SAT IDLE FOR TWO MONTHS. ₹2.68cr — 57% of profit — and it CONVERTS UTILISATION FROM HIS PROBLEM INTO A NUMBER OUR OWN ACCOUNT MANAGERS ARE MEASURED ON; no pay is linked to bench days avoided**
The bond, the buyout and the withheld letter	Section 27 makes restraint of trade VOID and a bond recovers only ACTUAL, PROVABLE TRAINING EXPENSE — a narrow permission the trade CONVERTED INTO A PENALTY UNTETHERED FROM ANY COST. And the money is not the real lever: WITHHOLD THE RELIEVING LETTER AND HIS NEXT EMPLOYER'S BACKGROUND CHECK FAILS, SO HE CANNOT MOVE EVEN IF HE PAYS	**NIL bonds, NIL notice-period buyout demands, NIL retention of relieving letters or experience certificates — issued at a ONE-DAY MEDIAN. THE DOCUMENT, NOT THE DEBT, WAS THE RESTRAINT, so removing it is the substantive commitment. 88 FORMER CONTRACTORS RE-HIRED, which is the return on it (₹96L)**

Disclosure arms the one worker able to use it	The IT contractor is WELL PAID, SCARCE AND MOBILE — the restraints exist NOT BECAUSE HE IS WEAK BUT BECAUSE HE IS STRONG. Publishing the chain DOES NOT MERELY INFORM HIM, IT ARMS HIM, and he will use it against us at his next renewal	**That is THE CORRECT OUTCOME and is PRICED IN AT ₹1.34cr RATHER THAN HOPED AWAY. A firm that publishes the chain ONLY WHERE THE WORKER IS TOO WEAK TO ACT ON IT HAS PUBLISHED NOTHING; this one publishes to the party MOST ABLE TO MAKE IT COST MONEY. Retention is pursued through direct engagements, tenure and re-hire rather than through restraint**
Rate compression and thin sub-vendor tiers	MSP-driven procurement squeezes every tier at once; two points of gross margin takes profit to ₹3.60cr, and the sub-vendor book runs at 12%	Direct engagements grown from 38% as the structural answer; managed pods at 28% and permanent placement at 72% as absorbers; and compliance quoted separately and never discounted (rule g) so a rate conversation cannot become a disclosure conversation
Asset-light entry and chain proliferation	A 53.7% return on ₹12cr of capital is an open invitation to become the fifth link, so chains lengthen faster than any rule can shorten them	Disclosure demanded contractually at every renewal rather than at onboarding only; tier count published alongside margins; and direct-client share treated as the primary strategic metric rather than revenue growth

15. SWOT Analysis

Strengths	Weaknesses
• Whole chain published — every tier, every margin • End-client rate disclosed before acceptance • Bench paid in full; median 19 days and falling • Nil bonds, buyouts or withheld documents • 88 former contractors re-hired	• ₹6.88cr forgone against ₹4.68cr of profit • Refuses opaque chains — 38 mandates in Year 3 • Bench cost now ours; 8 points of utilisation is ₹1.00cr • Arms contractors to negotiate against us
Opportunities	**Threats**
• Engineers who have discovered a chain the hard way • Clients wanting to know what reaches the engineer • Direct engagements displacing intermediated supply • EOR and compliance sold at 44% margin • Any procurement transparency mandate favours us	• Standard-form non-disclosure clauses across the market • MSP rate compression squeezing every tier • Asset-light entry lengthening chains faster than rules • Attrition with every restraint voluntarily removed

16. Recommended AiSevak Tools for This Business

- **Rate-chain ledger** — every tier and margin between contractor and end client, assembled and published.
- **Offer gate** — no offer issues without a completed chain disclosure; no override role exists.
- **Upstream clause library** — chain-disclosure wording for every contract we sign.
- **Bench tracker** — paid bench days with median and 90th percentile, published.
- **Exit-document scheduler** — relieving letter and experience certificate issued on a one-day clock.
- **Deputation differential sheet** — onshore billing against deputed salary, shown pre-acceptance.
- **Refusal log** — mandates declined for non-disclosure, published with the tier that refused.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, contractor headcount, margin percentages, bench days, utilisation and attrition are editable inputs; actual outcomes depend on chain transparency, client rate discipline, skill scarcity and working-capital availability. Figures are in Indian rupees. **This plan inherits the ten staffing anchor rules set by `staffing-agency` and hardens rule (a).**
- **The central integrity finding is that the margin is not taken once — it is taken in layers, and each layer discloses only itself.** An engineer billed at ₹2,40,000 reaches the client through an MSP taking 4%, a prime vendor taking 12%, a sub-vendor taking 15% and an employer-of-record taking 8%, and receives ₹1,46,400. **Every tier can truthfully state its own mark-up, and four true statements compose into a completely false impression. Nobody lies; he simply cannot see the shape of the thing he is inside, and frequently does not know how many tiers exist.**
- **The anchor rule is being obeyed and is not working.** "Publish the margin to the worker" was written for a one-link relationship and does not survive a four-link one — each tier's silence about the tiers above it is individually unremarkable, and none of them has any obligation, commercial interest or mechanism to find out. **The opacity is not a conspiracy; it is an emergent property of a structure in which every participant is individually honest and nobody is responsible for the whole.**
- **So the chain is assembled and published, which requires contracting for it rather than merely deciding it.** Every tier is named and every margin published, with the end-client rate disclosed at offer stage before acceptance and nil contractors knowing only our own layer. This is enforced upward as a chain-disclosure clause in every contract we sign, and where a chain refuses the mandate is declined — 38 requirement books in Year 3, published with the tier that refused. **It costs ₹2.52 crore. WHERE THE MARGIN IS TAKEN IN LAYERS, DISCLOSING YOUR OWN LAYER IS NOT DISCLOSURE.**
- **The contractor on the bench carries the demand risk of a business whose entire product is absorbing demand risk.** The client buys the ability to release people between projects, the engineer is the one released, and in the ordinary arrangement he is unpaid or part-paid while remaining exclusively committed and barred from other work. **So bench is paid in full at 100%, bench days are published with median and 90th percentile, and the median has fallen from 34 days to 19 — ₹2.68 crore, 57% of profit, and the commitment that converts utilisation from his problem into a number our own account managers are measured on.**
- **The one worker in this vertical who could actually leave is the one the trade spends most effort restraining.** Section 27 of the Contract Act makes restraint of trade void and a bond recovers only actual, provable training expense — a narrow permission converted into a penalty untethered from any cost, the fourth time this vertical has seen a statutory permission taken without its condition. **And the money is not the real lever: withhold the relieving letter and his next employer's background check fails, so he cannot move even if he pays. The document, not the debt, is the restraint — so nil bonds, nil buyout demands, nil retention, letters at a one-day median, and 88 former contractors re-hired.**
- **The asymmetry here is the inverse of the rest of this vertical, and it changes what disclosure means.** Elsewhere the harmed worker is poor, replaceable and unable to leave; the IT contractor is well paid, scarce, mobile and entirely capable of negotiating hard on any figure he can see. **The restraints exist not because he is weak but because he is strong, and each removes a specific power he would otherwise use. Publishing the chain therefore does not merely inform him, it arms him, and he will use it against us at his next renewal — which is the correct outcome, priced in at ₹1.34 crore rather than hoped away. A firm that publishes the chain only where the worker is too weak to act on it has published nothing.**
- **Compliance and professional advice.** The Indian Contract Act 1872, section 27 of which makes agreements in restraint of trade void so that post-employment non-competes are largely unenforceable and a bond recovers only actual, reasonable, provable training expense; the Specific Relief Act 1963, under which personal service cannot be

specifically enforced; **the Code on Wages 2019 and Payment of Wages Act, under which a notice-period buyout recovered from final settlement is a deduction requiring a lawful basis**; the Code on Social Security 2020, EPF & MP Act 1952 and ESI Act 1948 for enrolled contractors including during bench periods; the Shops and Establishments Acts of the states of engagement; the Industrial Disputes Act 1947 where continuous service arises; immigration, visa and totalisation obligations for onsite deputation; the Digital Personal Data Protection Act 2023 for candidate and contractor records; and GST, transfer pricing and permanent-establishment questions on offshore contracting. **Nothing requires any tier in a vendor chain to tell the engineer what the tier above it is charging — which is why whole-chain disclosure is a business decision rather than a compliance one.** Professional advice should be taken on bond enforceability, buyout deductions, upstream disclosure clauses and deputation structuring.

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