

SASTA BHOJAN SEWA: THE PRICING DILEMMA

Harsimar Kaur

LM Thapar School of Management, Punjab, India

Gopalakrishnan Narayanamurthy*

University of Liverpool Management School, Liverpool, UK

**Corresponding author: g.narayanamurthy@liverpool.ac.uk*

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Case Study

On 28 December 2019, Jaswinder Singh, the founder of Parupkar Sewa Society, was thinking about Sasta Bhojan Sewa (SBS), one of the projects started by the society and the related pricing decision which he had to implement on 1 January 2020. The project was started in the year 2017 when Mr. Singh identified the need of serving the have-nots. The project SBS begun with an aim to eradicate poverty, hunger and unemployment in Ambala, a small town in Haryana, India, and nearby areas by providing people with hygienic home-like meal at merely Rs. 10 (0.13 USD). The not-for-profit society used to sell it at no profit no loss and the expenses were met out of *dasvandh* (donations).

Since the past few months, the price of the raw materials suddenly went up due to food inflation leading to increased cost per meal. The meal that was costing Rs. 10 was costing Rs. 12 now. However, the meal was still sold at Rs. 10, at a loss of Rs. 2 per meal. Mr. Singh was thinking of increasing the price to Rs. 12 to facilitate sustainability of the operations but he was doubtful in doing so. He was thinking that increasing the price might defeat the purpose of starting the SBS canteens. He quoted, *“if we increase the price, then those poor people for whom one rupee is as valuable as a hundred rupees would suffer. It will be an additional burden for them in the ongoing inflation.”* He also thought that increasing the price might affect the goodwill of the society.

ABOUT THE FOUNDER

Jaswinder Singh, a young resident of Ambala, got inspired by the teachings of and the social works done by the Sikh Gurus. Along with his small job, he started initiating various social works at Ambala. His motive was to serve the needy. He strongly believed that selfless service of humanity was the true service of God. He started beginning the social work all alone in the year 2006 but as the journey continued, he started various projects and more and more people were employed. In November, 2018, his society got registered as “Parupkar Sewa Society.” Mr. Singh believed that the most important value which was required to engage in social service was empathy. He used to feel satisfaction and pleasure in helping and serving others. He dedicated the success of his social venture to the honesty and hard-work of the employees.

FOUNDER’S JOURNEY

In the year 2006, Mr. Singh started installing handpumps and water coolers in Ambala. There was a cultural trend in northern India that whenever there was any religious procession, people used to offer *chhabeel* (sweetened water) to the congregation on which thousands of rupees were

spent. He encouraged people, that instead of spending so much money on sweetened water for only one day, they should utilize that in installing handpumps and water coolers at those areas where there was scarcity of drinking water. He also motivated the parents of new-born children to install one hand-pump/water-cooler for the needy people as some people used to donate things when a child was born in the family. Till December 2019, he was able to install 70 handpumps and 25 water coolers in and around Ambala. He along with his team had been monitoring the handpumps and the water-coolers regularly to ensure their workability.

In the same year, he also installed ceiling fans in the Government hospital when he found that those accompanying patients were sleeping in corridors where there were no fans. Also, when an old woman whose husband was admitted on the first floor of the hospital, asked Mr. Singh to get drinking water for her from the water cooler at ground floor, he thought of installing the water cooler in the Government hospital too along with other areas including government schools and central jail.

Mr. Singh used to look for opportunities to help others everywhere. Whenever he used to experience some problem faced by the people, he used to think what could be done to overcome that. He initiated a variety of social activities/ projects, which led to the formation of a registered society. He contributed funds and visited disaster-struck sites, both before and after the formation of Parupkar Sewa Society.

ABOUT PARUPKAR SEWA SOCIETY

The society founded by Mr. Singh got registered in November, 2018. Mr. Singh made “Baba Harbans Singh” as the head of the society as the latter hailed from Rawalo (a nearby village of Ambala) and he had always influenced many villagers to come forward to help others in the times of distress and disasters.

There were seven major projects which were being run by the Parupkar Sewa Society. These were *Langar Sewa*, *Jal Sewa*, *Sasta Bhojan Sewa*, *Lorhwand Ration Sewa*, *Neki ki Diwar*, *Education Sewa*, and *Prakritik Aapada Sewa*. Most of those projects were started even before the society got registered (see Exhibit 1).

Project *Jal Sewa* involved installing handpumps and water coolers and monitoring them from time to time. Project *Langar Sewa* and *Sasta Bhojan Sewa* were about providing meals to people free of cost and for Rs. 10 respectively. The project *Lorhwand Ration Sewa* had been providing the ration of Rs 1000 per month to those families whose sole bread earner was critically ill or deceased. Project *Education Sewa* was about paying the education fee of those students whose fathers were deceased or were not able to pay the fee as they could not work due to their critical illness. The project had a concept of 1 student 1 donor where 1 fixed donor used to pay the fee of a particular student. The project *Prakritik Aapada Sewa* was about helping people affected by disasters and distress. *Neki ki Diwar* involved selling second hand clothes to people for Rs. 20

per cloth. It had employed three people who sort the clothes properly as per different genders and sizes. The reason for selling the clothes for Rs. 20 and not giving for free was that people who were wearing those clothes should not feel that they were wearing donated clothes but they should feel they were buying those clothes for themselves.

By the end of the year 2019, the society had employed about 33 people in various projects. The permanent employees including Mr. Singh drew a salary of Rs. 9000 to Rs. 15000 per month and the cooks employed in the project SBS were paid Rs. 0.50 per chapatti they make. Project SBS was the biggest contributor in generating employment opportunities (see Exhibit 2).

SASTA BHOJAN SEWA (SBS)

The need to initiate this project was felt due to three incidents which Mr. Singh encountered. First, he saw long queues at a food stall which was selling *chhole bhature* (North Indian food comprising of spicy white chickpeas and fried bread made of white flour) for Rs. 10. Though that food was unhygienic, yet there were long queues. It made him realize that there were so many poor people around him who could not even afford good quality hygienic meals. Second, he saw someone suicide when his only small shop caught fire. It made him realize the lack of means of survival or employment opportunities around for the less educated. Third, when an old couple, one of his acquaintances, who had nobody else in the family, lost their eyesight. It made him think that there were people who could not even cook for themselves.

Mr. Singh was shattered by all these incidents deeply. He started thinking of what could be done to solve such problems. Therefore, first he began with delivering home-cooked food to that old couple. It made him think that there may be many people around like that couple. Also, the former two incidents were in his mind. Therefore, he came up with the idea of *Sasta Bhojan Sewa* (SBS). He tried to integrate solutions in this project to all three problems he experienced by providing complete meal at merely Rs. 10. People would then get home-like hygienic food at low price and that would also create employment opportunities.

In the year 2017, one SBS canteen was started in Ambala city and by the end of 2019, there were 11 canteens in Ambala city and cantonment. Scaling was not a challenge for SBS. The canteens scaled from 1 to 11 as and when Mr. Singh recognized the need to open one due to two reasons, either if someone needed employment or if the locality had many poor people. If someone was in dire need of employment, Mr. Singh asked him to arrange an SBS canteen counter and he used to supply the food to the counter that the person in need used to sell for Rs.10 and earn fixed monthly income. For example, Mr. Singh quoted, *“One woman has 2 daughters, one in 3rd grade and the other in 8th grade, both of them have cancer and the woman was in need of employment. I asked her if we open one new canteen, will she be able to manage it. She said yes and therefore we opened another canteen.”*

The canteens remained open from 10 a.m. to 4 p.m. and provided complete meals to people at just Rs. 10 containing rice and sabzi or four chapattis and sabzi. The food was being prepared in the main canteen only and was supplied from there to other 10 canteen counters as well. The menu was fixed for the week (see Exhibit 3). There were approximately 1500 people per day who were being served across the 11 canteens out of which 70-80 persons used to eat daily without paying anything as they could not even pay Rs. 10. The average meals sold everyday ranged from 50 to 250 per canteen (see Exhibit 4). The leftover food in all 11 canteens was about 1-2 buckets daily which was being sent to the gurudwara for distribution in Langar. Only fresh food was served daily. The food was really good and tasty that not only poor but other people also used to eat sometimes. Some people also used to order food in bulk at SBS canteens for parties or meetings. One of such customers quoted that *"I would still be happy to buy food from SBS even if a meal costs, maybe, Rs. 20, owing to its quality and taste."*

When the project started, the cost of preparing a meal was Rs.10 and it was sold at 'no profit no loss.' Since few months, the increased cost of raw materials due to food inflation had led to increased cost in preparing the meal. The cost went up to Rs. 12 but the meals were still being sold at Rs. 10.

SBS EMPLOYEES

30 employees were working in the SBS canteens. Ten counter persons were handling the operations at ten different canteens, and rest of the employees (cooks) were working in the main canteen only. The cooks were paid Rs. 0.50 per chapatti and the salary of other employees ranged between Rs. 9000-Rs. 15000 per month. The raw materials were provided by the SBS canteens. The employees were very honest and hard-working and many of them strongly believed that SBS gave them a means and a reason to survive. The employees used to take care of complete hygiene while preparing the food. Their heads were covered and home-like food was prepared by them. The society provided the employees with free meals for breakfast and lunch every day. The head worker, Inder Kumar quoted that *"I used to sell samosas on bicycle before, but getting work at SBS changed my life. Both I and my wife work here now. We get free breakfast and lunch, and a good earning. Now, both my children study in English medium school."*

Employees were also concerned about the loss of Rs. 2 per meal which SBS was bearing, but they had different viewpoints. For example, Mr. Jasvinderpal Singh, who was the supervisor and accountant at SBS was of the opinion that price should be increased as he quoted *"We sell about 1500 meals per day out of which about 100 are sold free which costs us Rs 36000 already. If we keep on selling the rest 1400 meals per day at a loss of Rs 2 per meal, then the additional monthly loss would be Rs 84,000 which can be saved by increasing the price of the meal."* While another employee, Mr. Amandeep Singh, who was a counter person said that *"I don't think increasing the price will be a good decision as the customers would be deeply impacted. Instead, we should try to tap additional donations to recover the losses."*

SBS CUSTOMERS

SBS gave many people a means for their survival. It had been a happy place for the poor people. The poor customers who never had tasty and hygienic home-like food could afford it then. Also, those underprivileged people who could not even afford paying as less as Rs. 10 were able to eat food for free daily. The customers who were located far, used to make efforts to get food from SBS canteens. For instance, one old man who was a regular customer of SBS quoted that *“I travel 7 kilometers by bicycle daily to SBS canteen. I eat one meal here and get 6 meals packed along for my family.”* SBS brought a positive social change for its customers. It led to change in food habits of people. Those who were eating unhygienic food just because they could not afford good quality food would now afford it. A customer of SBS said, *“Cooking at home costs us higher than buying from SBS. Earlier when my wife used to cook, she and I used to have only two meals a day to make sure our children eat well. But now, as we buy from SBS, we are able to afford three meals a day for ourselves too.”* On similar lines, another customer said that *“we have shifted from unhygienic food to good quality SBS food.”*

Most of the permanent customers of SBS belonged to below poverty line sector, for instance, auto drivers, rickshaw pullers, domestic helps etc. SBS provided them a means to buy themselves hygienic meals. The customers felt that not only eating food but buying it gives them dignity. One of the customers quoted, *“I never thought I could buy good quality food for my family until SBS was initiated. Buying food rather than getting it in charity makes me happy.”*

The price was set keeping in mind the occupations and earnings of the target customers. As customers were from in and around Ambala, it was easy to establish trust with them. Mr. Singh personally knew many of them. The low price indirectly helped customers to meet their other expenses too. For instance, a regular customer quoted, *“The food is affordable, and therefore it helps me save some money that I can spend on education and healthcare of my children. If the price was even slightly higher, I would not have been able to buy it regularly from here.”*

FUNDING OF SBS CANTEENS

In Indian culture, there had been prevailing a concept of *dasvandh*. People believed that if they donate one tenth of their income for social good to help others, then their income would multifold. Many religions in India, especially Sikhism, propagated the concept of donating *dasvandh*, which is one-tenth of the income.

Mr. Singh encouraged households to contribute their *dasvandh* or a proportion of their *dasvandh* in order to run the operations of the canteen and provide salaries to the employees. Some of the people volunteered to be fixed donors. They were contributing a fixed amount per month, like Rs. 200 or 500 or 1000 per month. It helped in tapping regular funding to ensure timely payment of salaries to the employees. There were other donors too who used to donate occasionally. The donations were regular because people contributed their *dasvandh* every month. As the food was

hygienic, tasty and home-like, people having good economic status also used to buy occasionally and some of them started donating too. For instance, a donor quoted, *“My wife was not at home and I went to SBS canteen. When I ate such good food for only Rs. 10, I was impressed. Since then, I also started contributing my dasvandh to SBS every month.”*

The donors had trust that their donations were being rightly utilized. One of the donors said that *“I have full faith on the society and I really appreciate what SBS is doing. I will continue to contribute my dasvandh as long as I earn and poor people continue to eat from here.”*

For project SBS, when the cost price was Rs. 10, the donations were used to provide salaries to the employees and meet other operating expenses like electricity, LPG, transportation cost etc. But as the cost went up and each meal was sold at a loss of Rs. 2, donations were also needed to recover that loss. Like SBS, donations were widely used for other projects run by Parupkar Sewa Society too. People in and around Ambala were the donors. Mr. Singh was not very educated, and hence there was no website and no means of getting donations online from across the nation. Therefore, the project completely relied on the donations from the local households.

THE DECISION

As founder of Parupkar Sewa Society and initiator of project *Sasta Bhojan Sewa* (SBS), Mr. Singh was concerned about the rising prices of the raw materials and the loss of Rs. 2 per meal which was being incurred. On 28 December 2019, he was thinking to increase the selling price to Rs. 12 which had to be implemented on 1 January 2020 but he was not sure about it. He thought that increasing the price might defeat the purpose of starting this canteen as he was thinking about the happiness of those poor people for whom each rupee mattered. He was also thinking that SBS was known for and had been appreciated for selling food at an extremely low price; therefore, increasing the price might also affect the goodwill of the society. But not increasing the price would lead to more dependency on *dasvandh*. He was considering the perspectives of different stakeholders in order to arrive at the right decision.

EXHIBITS

EXHIBIT 1: PROJECTS BY PARUPKAR SEWA SOCIETY

S.No.	Project Title	Starting Year	Project Description
1	Langar Sewa	2017	Serving food to people free of cost
2	Jal Sewa	2006	Installing hand-pumps and water-coolers
3	Sasta Bhojan Sewa	2017	Serving food to people at very low price
4	Lorhwand Ration Sewa	2012	Providing monthly ration to the families of deceased or critically ill bread earners
5	Neki ki Diwar Sewa	2018	Providing second hand clothes to people
6	Education Sewa	2017	Funding the education fee of children whose fathers were deceased or critically ill
7	Prakritik Aapada Sewa	2013	Helping people at disaster-struck sites

Source: Created by the case authors based on interview.

EXHIBIT 2: EMPLOYEES

Employee (E) Number/Name	Designation	Responsibility	Project
E1 - Jaswinder Singh	Founder & Coordinator	Overall coordination	All 7 projects
E2 - Jasvinderpal Singh	Supervisor & Accountant	Keeping accounts, supervising	SBS
E3 - Inder Kumar	Head worker	Cooking rice & sabzi	SBS
E4 - Amandeep Singh	Counter person	Serving food	SBS
E5	Counter person	Serving food	SBS
E6	Counter person	Serving food	SBS
E7	Counter person	Serving food	SBS
E8	Counter person	Serving food	SBS
E9	Counter person	Serving food	SBS
E10	Counter person	Serving food	SBS
E11	Counter person	Serving food	SBS
E12	Counter person	Serving food	SBS
E13	Counter person	Serving food	SBS
E14	Counter person	Serving food	SBS
E15	Supply person	Transporting food	SBS
E16	Supply person	Transporting food	SBS
E17	Cook	Cooking chapattis	SBS
E18	Cook	Cooking chapattis	SBS
E19	Cook	Cooking chapattis	SBS
E20	Cook	Cooking chapattis	SBS
E21	Cook	Cooking chapattis	SBS
E22	Cook	Cooking chapattis	SBS
E23	Cook	Cooking chapattis	SBS
E24	Cook	Cooking chapattis	SBS
E25	Cook	Cooking chapattis	SBS
E26	Cook	Cooking chapattis	SBS
E27	Cook	Cooking chapattis	SBS
E28	Cook	Cooking chapattis	SBS
E29	Cook	Cooking chapattis	SBS
E30	Cook	Cooking chapattis	SBS
E31	Coordinator	Coordinating operations	NekikiDiwar
E32	worker	Sorting clothes	NekikiDiwar
E33	worker	Sorting clothes	NekikiDiwar

Source: Created by the case authors based on interview.

EXHIBIT 3: WEEKLY MENU

Day	Menu
Monday	Rajma and 4 chapattis/ Rice and curry
Tuesday	Aloo chhole and 4 chapattis/ Rice and curry
Wednesday	Daal and 4 chapattis/ Rice and curry
Thursday	Aloo vadiyan and 4 chapattis/ Rice and curry
Friday	Aloo chhole and 4 chapattis/ Rice and curry
Saturday	Daal and 4 chapattis/ Rice and curry
Sunday	Aloo vadiyan and 4 chapattis/ Rice and curry

Source: Created by the case authors based on interview.

EXHIBIT 4: AVERAGE MEALS SOLD PER CANTEEN

S.No.	SBS Canteen/Counter	Average Meals Sold Per Day
1	Motor market, Ambala City	250
2	Anaaj mandi, Ambala City	250
3	Dashmesh market, Ambala City	200
4	Patel Road (Main canteen), Ambala City	200
5	Near T.B. Hospital, Ambala City	100
6	Near Charitable dispensary, Ambala City	100
7	Kabaadi Bazaar, Ambala Cantt	100
8	Railway Road, Ambala Cantt	100
9	Near Congress Bhawan, Ambala City	100
10	Gudd mandi, Ambala City	50
11	Near Khalsa School, Ambala City	50

Source: Created by the case authors based on interview.