

Corporate Food Services is India's Invisible Engine but Still Gets an Outsider's Treatment

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We Indians proudly talk about our start-ups and tech unicorns, agri-innovations and townships, while we are doing all of that, one of the largest employers in the country is in a state of policy limbo and is not part of the public and regulatory consciousness. Food Services ecosystem including institutional catering, corporate food services, contract catering and workplace food solutions, is one of the main contributors of jobs after agriculture and real estate. Yet, it is generally considered as an ancillary business, even more an outside player in the mainstream industrial and labour policy. Such a disconnect is a concern for the working population, the employer class and, most importantly, the Indian economy in general.

Food services as a sector has been one of the largest employers during both pre-pandemic and post-pandemic era, and across all skill levels. According to the estimates of the National Restaurant Association of India (NRAI), the organised food services sector alone is able to generate more than 7-8 million jobs directly and 10-12 million jobs indirectly in the supply chain. Incorporating the corporate food service and institutional catering, which spans a spectrum from IT parks to factories, hospitals, schools, and events, the numbers are even larger. These range from cooks and service staff to procurement specialists, nutritionists and supply-chain coordinators and managers, all of which are very important for absorbing labour in the city.

Despite of playing a key role in job creation and influencer of local economy, the sector has three structural handicaps in spite of being a sizable one. First of all, it's the perception. Food services has been perceived as 'informal' or 'low skill' work, and is marginalized from industrial discourses on manufacturing and services sector modernization. The mentality is not way of the technology-based enhancement in large-scale corporate catering, digital platforms, cloud kitchens, food-safety analytics and inventory systems, all of which are necessary to evolve the food industry into a knowledge-based services industry.

Secondly, policies and regulations are still not unified. Rules are inconsistently applied between different states and city jurisdictions, and have a significant impact on operations with respect to food safety, labour compliance, GST classifications and licensing-related issues. This leaves employers with high compliance costs and uncertainty when attempting to start formalising processes and investing in employee training and benefits packages.

Thirdly, workforce development is not prioritised. The vocational education and training programmes and skilling projects have traditionally been around manufacturing and IT. The skill plans for culinary arts, institutional nutrition management, food-safety science, and large-scale kitchen operations were given little attention in few national skilling roadmaps. The consequence - limited career ladders, high staff turnover and lost opportunities for wage growth.

This situation will require a well-coordinated action to address. Regulatory bodies and office of the authorities need to acknowledge the role of food services in the business sector as a key job creation area and embed it into the skilling and formalisation initiatives. These changes would reap huge rewards in relation to the level of effort involved. A national framework for the recognition of institutional careers; standardisation of food-safety and kitchen operation procedures; and supportive GST and licensing policies for multi-location corporate caterers. They help to reduce the cost of starting into organised play and promote the investment in training and technology.

Moreover, it is equally a matter of public-health and productivity need as well. The factor of nutritious, safely prepared workplace meals has a direct impact on the employee's well-being, absenteeism and performance, which in turn affects the overall productivity in the industry. Recognizing the link as a way of rethinking corporate food services as a tool to strengthen the broader economy.

Last but not least is an evolution. Identification and incentivization of large-scale players who have scaled up regionally, ensured reduction in wastage by implementing technology and promote regional sourcing to support the local economy. This will help to refocus the sector on its modernity, viability and aspirations.

The job creation engine for India's growth has to include all major engines. Food services for businesses is the source of millions of livelihoods, links up rural producers to urban demand, and sustains day-to-day operations of enterprises. It's an outsider that must be treated as an outsider or it is a waste of potential. Know and manage it responsibly and invest in its human resources – and India will have a more powerful, equitable and productive economy.