Q1 to Q3

Q1 · The headline story (5 marks)

Growth from Exhibit 3: FY24: 19.8/4.6 - 1 = **+330%**. FY25: 61.4/19.8 - 1 = **+210%**. FY26: 118.7/61.4 - 1 = **+93%**. Q1 FY27 run rate: 36.9 x 4 = ₹147.6 Cr annualised, **+24%** over FY26, and Q1 FY27 is the first sequential decline in company history (40.6 to 36.9, Exhibit 3a).

Narrative: TruThali sells AI-designed subscription thalis, cooked in its own kitchens. In FY24 consumers paid 93% of revenue (76% subscription + 17% one-time). By FY26 consumer subscriptions were 51% and the WorkPlate corporate contract alone was 28%; in Q1 FY27 the anchor is 37%. Growth is real and fast, but it is decelerating and its source is changing from many consumers to one corporate buyer.

Q2 · The clock (5 marks)

Q1 FY27 burn: period total ₹22.2 Cr over three months = **₹7.4 Cr per month** (Exhibit 8; equivalently (60.4 - 38.2) / 3). Runway: 38.2 / 7.4 = **about 5.2 months** from 30 June 2026. Cash-out lands in **early December 2026**. The Exhibit 8 walk foots exactly in every row (opening + raised - burn = closing); FY25's near-empty close (17.2) before the Series B is worth a look on its own.

Bargaining power: the company cannot walk away. Any fund that knows the runway can wait a month and buy the same company cheaper, or load terms. The clock also explains management's behaviour: a company five months from zero has every incentive to make the deck read better than the record.

Q3 · Defend the denominator (10 marks)

What changed: on 1 April 2025 "active subscriber" was redefined from "paid in last 30 days" to "opened the app or logged a meal photo in last 30 days" (Exhibit 5 note). The deck's "2.11 lakh active" is the new ruler.

Restated on the old ruler: FY26 paying growth = 121,300 / 84,700 - 1 = **+43%**, not the claimed +75%. Q1 FY27 paying change = 114,200 / 121,300 - 1 = **-5.9%**, while the claimed line rose +1.8%. The paying customer base is already shrinking.

What the gap says: paying share of "active" fell from 95% (Mar 2023) to 54% (Jun 2026). The company is accumulating app-openers, not customers. The divergence between the two lines is the single cheapest early-warning exhibit in the case: when a company changes a definition, the old number had already gone bad.

Common traps: averaging the two definitions into one number; accepting "+75%" because the table shows real growth in both rows; missing that the footnote predates the Series B close (June 2025), so Sablegate priced the new ruler.

Q4 · The 22-month claim (15 marks)

Method (accept any defensible one): area under the cohort curve. Add the monthly surviving fractions, interpolating between measured points, and add a decaying tail. Reference figures from the case model:

Cohort	Implied average paying lifetime	M6 still paying
FY23 joiners	about 7.8 months	43%
FY24 joiners	about 6.3 months	34%
FY25 joiners	about 5.1 months	24%
FY26 joiners	about 4.1 months	17%

Any student estimate in the 4-to-8-month band with a stated method earns the method marks. The deck's 22 months is roughly 3 to 5 times what the company's own table supports.

Contribution-basis LTV: a subscriber orders 13 meals a month (casebook page 3).

Year	Contribution per meal	Per-subscriber monthly contribution	x lifetime = LTV	LTV / blended CAC	LTV / paid CAC
FY24	+₹27	+₹351	+₹2,200	1.9x	0.6x
FY26	-₹13	-₹169	about -₹700	negative	negative

When the engine broke: FY26, when contribution per meal crossed zero (Exhibit 7) while CAC kept climbing (Exhibit 7a). The sharper finding: even in FY24 the engine only "worked" on blended CAC at 1.9x; against paid CAC it was already 0.6x. Series A economics quietly depended on two-thirds of joiners arriving free. As paid share rose to 71%, the real cost of growth surfaced.

Deck comparison: the deck computes LTV on revenue (13 x ₹143 = ₹1,859 per month) times 22 months = ₹40,900, against blended CAC of ₹2,802, and reports 14.6x. Every input in that line is defensible-looking and every one is wrong in a different way: revenue instead of contribution, a retired cohort's lifetime, a blended acquisition cost.

Common traps: computing LTV on revenue; trusting blended CAC; averaging all four cohorts into one lifetime and missing the trend; treating "22 months" as a fact because it appears twice in the deck.

Q5 · The growth mix (20 marks)

Decomposition of FY26's +₹57.3 Cr (Exhibit 4):

Stream	FY25	FY26	Change	Share of growth	Sold at or below variable cost?
Consumer subscriptions	42.3	61.0	+18.7	33%	Yes: -₹13 per meal (E7)
Consumer one-time	9.1	13.6	+4.5	8%	Yes: same kitchen economics
WorkPlate anchor	5.6	33.8	+28.2	49%	Yes: -₹37 per meal (E7 note)
Other B2B	2.6	6.3	+3.7	6%	Mixed
Fees and other	1.8	4.0	+2.2	4%	No (high margin)

Growth excluding the anchor: (118.7 - 33.8) / (61.4 - 5.6) - 1 = 84.9 / 55.8 - 1 = **+52%**, not +93%.

Contribution-quality growth: the anchor increment (+28.2) and the consumer increments (+23.2) were all sold below variable cost in FY26. Roughly **+55.1 of the +57.3 Cr, about 96% of headline growth, was growth that made the company poorer per unit sold**. This is traction laundering: streams that cannot bear their own cost are blended into one growth line so the total reads as pull.

One line to underwrite: the best answer is consumer subscriptions, because it is the only stream that is repeatable, priced by the company, and strategically core; but only with evidence. Strong answers demand three of: (1) cohort retention restored to investor updates at the constant, paying-only definition, with M6 retention at or above 35% for the two most recent cohorts; (2) per-meal contribution by city and month showing two consecutive quarters above zero with discount share capped; (3) the January 2027 WorkPlate renewal signed at or above variable cost, or proof the consumer P&L stands without the contract; (4) a churn bridge reconciling claimed actives to paying subscribers each month. Accept other well-argued lines (e.g. fees) if the evidence demanded matches the risk.

Common traps: treating B2B revenue as "safer" because it is contracted (it is annual, 60-day exit, priced below cost); calling +52% ex-anchor growth "still great" without noting it loses money per meal; underwriting the blended total.

Q6 · The memo (25 marks)

Reference verdict: PASS, or DEFER with conditions. INVEST is defensible only at a repriced round with governance conditions precedent; at ₹720 Cr pre it fails on the record.

Exhibit trail a strong memo uses (any six):

- **E3 / E3a:** contribution flipped +29% to -29% of revenue; first sequential revenue decline in Q1 FY27.
- **E4:** 37% of Q1 FY27 revenue is one annual contract with a 60-day exit, priced below cost.
- **E5:** the subscriber metric was redefined after it turned; paying subscribers fell in Q1 FY27.
- **E6:** every cohort retains worse than the last; the table stopped shipping one quarter after Series B. The blackout is the tell: companies stop publishing the metric that turned.
- **E7 / E7a:** margin inversion; paid CAC ₹6,044 in Q1 FY27 against negative per-meal contribution.
- **E8:** ₹38.2 Cr at ₹7.4 Cr per month; barely five months of cash. The seller has no walk-away.
- **E2 / E2a:** ₹240 Cr of 2x preference plus full-ratchet sits senior; in any sale below ₹240 Cr the rest of the cap table, including new money at 1x, is behind Sablegate; the ratchet makes a repriced rescue round punitive for founders, so insiders are frozen exactly when flexibility is needed.
- **E9:** auditor downgrade, CFO gone 11 months, related-party leases at 1.5-1.7x market rent, vacant independent seat, unfiled FY26 accounts.

Three pieces of evidence that could change the answer: (1) two quarters of city-level positive per-meal contribution with discount share capped below 30%; (2) cohort tables restored at the paying-only definition showing M6 retention at or above 35% in the two most recent cohorts; (3) governance repair: independent director seated, national-firm auditor re-appointed, related-party leases repriced to market, FY26 accounts filed. (A signed multi-year WorkPlate renewal at a re-priced rate is an acceptable substitute for one of these.)

The exhibit to demand in January 2024: the cohort retention matrix (E6). It would have shown M6 retention already falling from 43% to 34% between the FY23 and FY24 cohorts before ₹45 Cr priced growth as durable. The paid-versus-blended CAC split (E7a) is the strong alternative answer: it would have shown the Series A engine at 0.6x on paid CAC, dependent on organic intake that could not scale.

Rubric: verdict stated (3); six exhibits cited with numbers (12); preference stack addressed (4); governance log addressed (3); three evidence conditions that are measurable, not vibes (3). Hindsight question is required for full marks.