



B U S I N E S S P L A N · I N D I A

Animation & VFX Studio

2D/3D animation, VFX & post-production for content, ads & global outsourcing — AVGC-supported

MEDIA

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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 an **Animation & VFX Studio** in India — a creative-technology studio producing 2D/3D animation, motion graphics, visual effects (VFX) and post-production for films, OTT, advertising, gaming, e-learning and corporate clients (domestic & international outsourced work). It earns project fees on animation & VFX work, leveraging India's large, cost-competitive creative-tech talent pool and the global boom in animated & VFX-heavy content.

Demand for animation & VFX is surging worldwide — driven by OTT, film, advertising, gaming and the metaverse — and India is a major global outsourcing hub for animation/VFX & post-production, plus a growing domestic market. A studio with strong creative & technical capability, reliable pipelines and client relationships (domestic & export) earns healthy project margins with strong growth, aided by government AVGC (Animation, VFX, Gaming, Comics) policy support.

The promoter — an animation/VFX professional — seeks total funding of **₹35 lakh** (₹12 lakh promoter + ₹23 lakh term/equipment finance, eligible under Mudra/CGTMSE), targeting **₹65 lakh** revenue in Year 1 and **₹1.9 crore** by Year 3. *(Talent- & workstation-intensive; project margins & utilisation drive economics.)*

2. Business Description, Vision & Legal Structure

Concept: A creative-tech studio delivering high-quality animation & VFX for content, ads & corporates — domestic & outsourced.

Vision: To be a respected animation/VFX studio known for creative & technical excellence.

Mission: Deliver stunning animation & VFX reliably & on budget — building a skilled team, strong pipelines and client trust.

Legal structure options

- **LLP / Private Limited** — Pvt Ltd recommended for export, clients & funding.
- **STPI / export registration** — for outsourced/export work & benefits.

Regulatory anchor: a creative-tech studio is project- & talent-driven — GST (export of services zero-rated with LUT), IP & work-for-hire contracts, software licensing, and STPI/export & AVGC-policy benefits. Creative & technical quality, pipeline efficiency, talent retention, and client relationships (domestic + export) determine profitability; workstations & software are the main capex.

3. Promoter & Ownership

Led by a promoter with animation, VFX or post-production experience. Delivery uses animators, VFX artists, a pipeline/technical director, and producers, plus freelance specialists for peaks. Year-one ownership rests with the promoter; ownership and profit-sharing (and any ESOP for key artists) are editable inputs.

4. Market Analysis — India & Global

Global animation & VFX demand is booming with OTT, film, advertising, gaming & immersive content, and India is a leading outsourcing hub with cost-competitive, skilled talent. The domestic market (ads, OTT, e-learning, gaming) is also growing, supported by the national AVGC policy push. Demand is strong & project-based; the market rewards quality, reliability & capacity.

Demand drivers

- **OTT, film & advertising** content boom.
- **Global outsourcing** to India.
- **Gaming, e-learning & immersive.**
- **AVGC policy** & talent support.
- **Cost-competitive skilled** talent.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Animation/VFX demand (global + India)	Very large & growing
SAM	Reachable clients in the studio's specialisation	Substantial
SOM (Yr 1-3)	Projects / billable capacity	Utilisation-linked

Target segments

- OTT/film & content producers.
- Ad agencies & brands.
- International outsourcing clients.
- Gaming, e-learning & corporates.

5. Competition & Competitive Advantage

Landscape: large VFX/animation studios, mid & boutique studios, freelancers, and global players. The firm competes on creative & technical quality, reliability, cost, specialisation & relationships.

The firm's edge

- **Creative & technical quality.**
- **Efficient pipeline & delivery.**
- **Cost-competitive** (India advantage).
- **Specialisation/niche** (e.g. 3D, VFX, motion).
- **Client relationships** (domestic + export).

6. Services & Pricing

Service	Model	Basis
2D/3D animation	Per project / per minute	Scope-based
VFX & compositing	Per shot / project	Shot-based
Motion graphics & explainers	Per project	Project fee
Post-production & finishing	Per project / hour	Time/scope
Outsourced pipeline work	Per shot / retainer	Volume/retainer

Projects are priced on scope (shots, minutes, complexity, artist-days). Margin sits on artist utilisation & pipeline efficiency after talent, software & overhead. Outsourced/retainer work gives steadier utilisation; premium creative work earns higher margin.

7. Go-to-Market — Marketing & Sales

- **Showreel & portfolio** — the core sales asset.
- **Agency, studio & OTT** relationships.
- **International outsourcing** client development.
- **Specialisation & awards** for credibility.
- **Referrals & repeat** pipelines.

Sales approach

Build a strong showreel & specialisation → win domestic & outsourced projects → deliver reliably & efficiently → grow retainer/pipeline relationships. Utilisation, quality & export relationships drive scalable, healthy-margin growth.

8. Operations Plan

- **Base:** a studio with high-spec workstations, render capacity (local/cloud), & software.
- **Process:** brief & bid → pre-production/asset creation → animation/VFX production → review & iteration → rendering → delivery.
- **Pipeline:** asset management, version control, review tools, render management; quality & deadlines.
- **Talent:** skilled artists + freelancers for peaks; training & retention.
- **Capacity:** billable artist-capacity; scale by adding artists, workstations & render.

Production workflow

Stage	Activity	Metric
Bid	Scope & budget	Win rate
Create	Assets	Quality
Produce	Animate/VFX	Utilisation
Render	Finish	Deadline
Deliver	Review & hand-off	Margin

9. Regulatory, Licences & Compliance (India)

- **Business & tax:** LLP/Pvt Ltd; PAN/TAN; GST (domestic); export of services zero-rated (LUT/refund); Udyam (MSME).
- **Export & benefits:** STPI registration, AVGC-policy incentives, forex/FEMA compliance for export receipts.
- **IP & contracts:** work-for-hire, IP-assignment & NDA contracts; software licensing (legal licenses).
- **Employment & data:** artist & freelancer agreements; DPDP-aligned & client-confidentiality/data-security norms.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Creative Director	1	1	1
Animators & VFX artists	6	14	24
Pipeline / technical director	1	2	3
Producers & coordinators	1	3	4
Sales & admin	1	2	3
Total	10	22	35

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-2	Studio, workstations, software, showreel, first clients
Launch	Month 2-4	First projects delivered
Traction	Month 4-9	Domestic & outsourced pipeline; break-even nears
Scale	Year 2	Bigger projects; export retainers; team growth
Growth	Year 3	Strong pipeline & reputation

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Talent- & workstation-intensive; margins on artist utilisation.

12.1 Project cost & means of finance

Capital requirement	₹
Workstations & hardware	14,00,000
Software licences & render	6,00,000
Studio setup & office	6,00,000
Branding, showreel & marketing	3,00,000
Working-capital buffer	6,00,000
Total project cost	35,00,000
Promoter contribution	12,00,000
Term loan (Mudra / CGTMSE)	23,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Domestic animation/VFX projects	40,00,000	75,00,000	1,05,00,000
Outsourced / export work	20,00,000	48,00,000	72,00,000
Motion graphics & post	5,00,000	10,00,000	13,00,000
Total revenue	65,00,000	1,33,00,000	1,90,00,000
Salaries & freelance artists	40,00,000	80,00,000	1,14,00,000
Software, render & IT	7,00,000	13,00,000	18,00,000
Studio rent & overheads	6,00,000	10,00,000	14,00,000
Marketing & admin	3,50,000	6,50,000	9,00,000
Interest on term loan	2,40,000	1,90,000	1,20,000
Total expenses	58,90,000	1,11,40,000	1,56,20,000
Net profit (before tax)	6,10,000	21,60,000	33,80,000
Net margin	9.4%	16.2%	17.8%

12.3 Unit economics & break-even

- **Per project/shot:** fee – (artist-days + software/render + overhead); utilisation & efficiency drive margin.
- **Artist utilisation** (billable %) is the key lever; retainers/outsourcing smooth it; export earns forex.
- **Break-even:** reached around month 7-9 as pipeline & utilisation build.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	6,00,000	4,30,000	4,10,000	4,60,000
Collections	11,00,000	15,00,000	18,00,000	21,00,000
Operating outflows	12,10,000	14,60,000	16,90,000	19,40,000
Loan EMI	60,000	60,000	60,000	60,000
Closing balance	4,30,000	4,10,000	4,60,000	5,60,000

Project milestones & export receipts drive cash; artist salaries are the steady outflow. Retainer/outsourced work smooths utilisation & cash; the buffer covers the pipeline-building ramp.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** billable-artist %; project pipeline; win rate.
- **Delivery:** on-time/budget; quality; revisions.
- **Economics:** margin per project; revenue per artist; export share.
- **Talent:** retention; skill growth; freelancer ratio.

13. Funding Requirement & Bankability

Total ask: **₹23 lakh term loan** against ₹12 lakh promoter contribution — eligible under **PMMY (Mudra)/CGTMSE**; equipment finance suits the workstation/software capex, and AVGC-policy/STPI benefits help. Year-1 net profit ~₹6.1 lakh against annual debt service of ~₹6 lakh gives a DSCR near 1.5, strengthening with utilisation & export — bankable, aided by export forex & policy support.

13.1 Funding utilisation

Use of funds	₹	% of total
Workstations & hardware	14,00,000	40%
Software licences & render	6,00,000	17%
Studio setup & office	6,00,000	17%
Working-capital buffer	6,00,000	17%
Branding, showreel & marketing	3,00,000	9%
Total	35,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Low artist utilisation	Retainer/outsourced pipeline; freelancer flex; sales pipeline
Talent attrition	Culture, growth, ESOP & competitive pay; training
Project overruns	Scoping; pipeline efficiency; milestone billing
Client/export concentration	Diversified domestic + export clients
Tech/software cost	Efficient licensing; cloud render; utilisation

15. SWOT Analysis

Strengths Booming global demand; India cost advantage; export forex; AVGC policy; scalable talent.	Weaknesses Talent & utilisation dependent; capex-heavy; project-lumpy; attrition-prone.
Opportunities OTT/film/gaming boom; outsourcing; specialisation; retainers; immersive/AR-VR.	Threats Global competition; talent poaching; forex/rate pressure; AI-tool disruption.

16. Recommended AiSevak Tools for This Business

This animation/VFX studio would use AiSevak's Media vertical tools in delivery:

- **Studio ops:** project-bidding, pipeline/utilisation-tracking, client-CRM and milestone-billing tools.

- **Export & compliance:** STPI/export, IP/work-for-hire, forex & GST(LUT) tools (with Legal & Finance verticals).
- **Practice:** Business Plan, per-project & utilisation economics and Break-even tools to model the studio.

17. Key Assumptions & Notes

- Domestic + outsourced/export projects; margin on artist utilisation & pipeline efficiency.
- Team scales with pipeline; export work earns forex & is GST zero-rated (LUT).
- Term-loan interest ~11% p.a., 5-year tenure; STPI/AVGC benefits assumed where eligible.
- Creative/technical quality, utilisation, talent retention & client mix are decisive; figures exclude GST.

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