BUSINESS PLAN · INDIA

Esports & Gaming Arena

A venue-and-events business, because the hardware advantage has an expiry date

SPORTS, FITNESS & RECREATION BUSINESSES

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1. Executive Summary

This plan sets out an **Esports & Gaming Arena** in India — a competitive gaming venue with PC and console stations, membership plans, tournaments and leagues, a broadcast and content production capability, coaching and bootcamps, food and beverage, and venue hire for corporate and community events.

> **This is the only plan in the sports vertical where the governing convention — the customer is a body under load — does not apply.** There is no physical injury risk, no weather, no monsoon, no safety-critical equipment whose failure produces a fall. **It is a deliberate inversion of everything this vertical has established so far, and it substitutes a different and considerably less understood set of harms in place of the physical ones.**

> **The central strategic problem is that the venue is being disintermediated by the thing it sells: gaming is fundamentally a home activity.** Hardware at home improves every year, there is no travel and no hourly rate, and **the cybercafé proposition — "better machines than you own" — has a visible expiry date.** An arena must therefore answer a harder question: **why does anyone leave the house?** The answer is not hardware. It is **competition you cannot have alone, community you cannot download, and events that only exist in a room** — which means this is **a venue-and-events business rather than a cybercafé**, and the plan models it accordingly: **pay-per-hour station revenue falls from 31.3% to 19.7% of the total while sponsorship, memberships, events and content grow.**

> **Tournaments, which are the reason the venue exists, lose money at the venue level and are modelled as doing so — 100% of them.** Prize pools, production, casting and staffing exceed entry fees, and pretending otherwise is how gaming venues fail. **The tournament is an acquisition and sponsorship vehicle, not a revenue line** — the same conclusion the webinar plan reached about paid events — and this plan tracks **sponsorship revenue as a proportion of tournament cost, rising from 42% to 88%.** A tournament programme that is not covered by sponsorship is a marketing budget, and should be sized like one.

> **Two obligations replace the physical-safety ones, and the first is a genuine conflict of interest that this vertical has not yet seen in this direction.** The boutique studio's model aligned revenue with attendance and therefore with the customer's benefit; **here revenue is time-on-seat, so the business earns more the longer a sixteen-year-old stays — the incentive points directly against the customer's wellbeing.** With gaming disorder recognised in ICD-11 and a customer base skewing young, this plan imposes **session caps, mandatory breaks, no overnight sessions for under-18s (reported as NIL), and a stated refusal to sell an eleventh consecutive hour** — recording **sessions ended on duty-of-care grounds rising from 180 to 420.** The second is regulatory: India's online-gaming law is fragmented and volatile, so the plan draws the line explicitly — **real-money gaming or betting facilitated on premises: NIL.**

This plan models an arena requiring **₹92 lakh** (₹48 lakh promoter + ₹32 lakh term loan + ₹12 lakh working-capital finance), moving from **₹1.98 crore revenue and ₹7 lakh profit** in Year 1 to **₹4.36 crore revenue and ₹80 lakh profit** by Year 3. *(Venue-and-events business; utilisation- and sponsorship-driven — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A competitive gaming venue built around events — tournament-grade stations, a stage and broadcast setup, structured leagues and ladders, coaching and bootcamps, a membership community, F&B for long dwell times, and daytime venue hire.

Vision: To be worth the journey when the machines at home are already good enough.

Mission: Run events that lose money on purpose and earn their keep in sponsorship; refuse the eleventh hour; keep minors off the overnight schedule; license every title we run; and never take a rupee of wagered money.

Legal structure options

- **Private Limited** — recommended: sponsorship contracting, brand activations, equipment finance and any multi-venue plan.
- **LLP** — workable for a single partner-run venue.
- **Proprietorship** — feasible but weak for sponsorship and brand contracting.

> **Regulatory anchor:** this is the most legally unsettled environment in the vertical, and the boundary must be drawn deliberately rather than assumed. **India's treatment of online and real-money gaming is fragmented and changing** — several states prohibit real-money games outright, the central framework for online gaming has been amended and litigated, and **the sector carries a 28% GST regime that materially changes the economics of anything involving stakes.** The distinction this plan relies on is that **competitive esports — skill-based tournament play with an entry fee and a prize pool — is categorically different from wagering, and the venue keeps that line visible by facilitating no betting, no real-money games and no third-party wagering platforms on premises.** Beyond that: **commercial licensing of game titles, which is widely ignored in Indian gaming cafés and is a genuine copyright exposure** — a licence to play at home is not a licence to charge others to play; shops and establishments and municipal permissions, with **late-night operating permissions where the venue trades past midnight**; fire safety and occupancy limits; FSSAI for F&B; DPDP obligations over member data, including minors' data; and **employment rules covering night-shift staffing.**

3. Promoter & Ownership

Led by a promoter with gaming-community, events or venue background. Three competences decide outcomes: *community building*, which is the only durable reason to leave home; *event production*, since the tournament calendar is the marketing engine; and *sponsorship sales*, because that is what converts a loss-making event programme into a business. Community credibility, event quality, sponsorship depth & duty-of-care discipline are the differentiators. Ownership, equity & any partner are editable inputs.

4. Market Analysis — India

Demand is driven by very large gaming participation, a young urban population, mobile gaming's mainstreaming, growing competitive and viewing culture, and brands seeking access to an audience they cannot easily reach elsewhere. The market is large and growing, and the venue segment within it is small, fragmented and mostly mispositioned. It is **community-led, event-driven, late-night weighted and regulation-exposed** .

Demand drivers

- **Competitive play that requires other people** — LAN conditions, team practice, and the atmosphere of a room.
- **Community and belonging**, which for many young players is the actual product.
- **Brand access to a young audience**, funding sponsorship and activations.
- **Content creation** — streaming setups and production quality individuals cannot afford alone.
- **Hardware access** at the entry end of the market, though this is the weakest and fastest-eroding driver.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian gaming & esports participation	Very large; overwhelmingly at home
SAM	Players within travel distance who will attend a venue	Narrow; community-bounded
SOM (Yr 1–3)	**Station-hours × utilisation + event and sponsorship value**	~148,000 → ~296,000 station-hours

> **The market sizing above deliberately narrows from an enormous TAM to a small SAM, and that narrowing is the plan's most important analytical point.** India has hundreds of millions of gamers, and **almost none of them are a market for a physical venue** — they play at home, on a phone, for free. **A promoter who reasons from national gaming statistics to arena demand will build a venue for a population that has no reason to visit it.** The addressable market is far smaller and quite specific: **players who compete rather than merely play, teams that need to practise together, content creators who need production quality, and the social cohort for whom the venue is a place to be rather than a machine to rent.** That population is measured in thousands within a city, not millions — which is why **the business must extract far more value per member than a cybercafé model assumes**, and why membership, events, F&B and sponsorship rather than hourly rates carry the plan. **Visit frequency (3.2 → 5.8 per month) matters more than reach, exactly as it did for the boutique studio.**

Target segments

- **Competitive players and amateur teams** — the core community, highest frequency.
- **Casual social groups**, visiting for the experience rather than the hardware.
- **Content creators and streamers**, needing production capability.
- **Brands and sponsors** buying access to a young audience — **the segment that actually funds the events.**
- **Corporate and community bookings**, filling daytime capacity.

5. Competition & Competitive Advantage

Landscape: the customer's own home setup, which is the dominant competitor, other gaming cafés and arenas, mobile gaming which requires nothing at all, cafés and social venues competing for the same evening, and online tournaments that need no venue whatsoever. **Every one of these is cheaper than attending.**

The business's edge

- **Events and competition** that cannot be replicated alone at home.
- **Community**, which is the retention mechanism and the reason for repeat visits.
- **Broadcast and production capability** individual players cannot access.
- **LAN-grade network conditions** for serious competitive play.
- **Duty-of-care standards**, which matter to the parents who fund a substantial share of this market.

> **The competitive threat that ends gaming venues is not another venue — it is hardware parity, and it arrives on a schedule.** A café built on "our machines are better than yours" is running a business whose entire value proposition **erodes with every consumer hardware cycle and every EMI scheme**, and the Indian market has already watched one generation of internet cafés disappear for precisely this reason. **The only durable propositions are the ones that get better as gaming gets bigger rather than worse:** a tournament needs opponents, a team needs to sit together, a broadcast needs a studio, a community needs a room. This has a direct operational consequence — **hardware should be**

specified to be competitively adequate rather than aspirational, because money spent chasing a specification advantage that will not survive eighteen months is money not spent on the event programme that will. **The venue's refresh cycle must nonetheless be funded (a 30-month reserve, at 100% of requirement) for the same reason the turf plan funded resurfacing: the equipment degrades on a schedule whether or not anyone budgets for it.**

6. Revenue Model — The Event Is Not the Revenue

Line	Model	Basis
Pay-per-hour gaming & station time	Hourly	**31.3% → 19.7% — falling by design**
Memberships & season passes	Recurring	**Frequency and community**
Sponsorship, brand activations & advertising	Per campaign / season	**13.1% → 18.8% — funds the events**
Food & beverage	Per visit	Long dwell times; high attach
Tournaments & events (entry fees)	Per event	**Runs at a LOSS by design**
Coaching, bootcamps & content production	Per programme	Daytime; higher margin
Venue hire (corporate, community)	Per booking	Fills dead daytime hours
Real-money gaming / betting facilitated	**NIL — by policy and law**	**Regulatory firewall**

Food and beverage deserves more attention than gaming venues usually give it, because the dwell time here is unusual. A player occupies a station for three to six hours — **far longer than a restaurant customer and longer than almost any other venue business in this library** — and they are, for that entire period, a captive audience who will get hungry. **F&B attach at 71% of sessions and 15% of revenue is achievable and carries better margin than station time**, and it requires no additional footfall, no additional marketing and no additional capacity. The operational caveat is real, though: **food near equipment, young customers and long sessions produce spillage, damage and hygiene issues**, so the layout must separate consumption from stations rather than pretending it will not happen. **A venue that bans food to protect its keyboards has forgone its best margin line to save a consumable — the correct answer is a designed eating area, washable surfaces and a keyboard replacement budget.**

7. Go-to-Market — Building a Reason to Leave Home

Acquisition

- **Tournament calendar**, which is the primary acquisition channel and the reason the events lose money willingly.
- **College and community partnerships**, reaching organised player groups rather than individuals.
- **Content and streaming**, which advertises the venue to exactly the audience that might attend.
- **Brand activations**, which bring both audience and sponsorship simultaneously.

Retention

- **Leagues and ladders**, which create a reason to return next week rather than eventually.
- **Team affiliation**, since teams retain far better than individuals.
- **Membership** converting occasional visits into a routine.
- **Community management**, which is a staffed function here rather than an aspiration.

Sales approach

Run events that build community → convert attendees into members → raise visit frequency → sell the resulting audience to sponsors → fill daytime with hire and coaching. **The failure pattern to avoid is running the venue as an hourly rental and treating events as an occasional promotion.** That business has no defence: **its price is comparable, its hardware advantage is temporary, and its customers have no reason to prefer it to the venue two kilometres away or to their own bedroom.** The event calendar is not marketing spend that supports the business — **in this model it IS the business, and the station rental is the by-product.** Pay-per-hour revenue falling from 31.3% to 19.7% while total revenue more than doubles is that strategy working.

8. Operations Plan (schedule, run, produce, supervise, refresh)

- **Station operations:** booking, session management, hygiene, peripheral replacement, and **enforced session caps.**
- **Event production:** tournament scheduling, brackets, casting, streaming, stage management.
- **Community management:** leagues, ladders, teams, Discord and on-floor engagement — **a staffed role, not an afterthought.**
- **Duty of care: session limits, mandatory breaks, no overnight play for minors, parental consent for under-18 memberships.**
- **Late-night operations:** security, supervision, safe egress, and staffing for a peak that runs past midnight.
- **Technology:** network performance, latency management, **commercially licensed titles only**, power backup.
- **Hardware lifecycle: refresh reserve funded monthly against a 30-month cycle**, with staged replacement rather than a single cliff.
- **F&B:** designed consumption area separated from stations, with the resulting equipment wear budgeted rather than resisted.

Venue economics chain

Stage	Activity	Control point
Programme	**Tournament and league calendar**	**Events run at a loss: 100% (by design)**
Acquire	Events, colleges, content, activations	Members 480 → 1,850
Retain	**Leagues, teams, community**	**Visit frequency 3.2 → 5.8 per month**
Monetise	**Sponsorship against the audience**	**Sponsorship covers 42% → 88% of event cost**
Supervise	Session caps, breaks, minors policy	Sessions ended on duty-of-care 180 → 420
Refresh	30-month hardware cycle, staged	Reserve funded 100%

> **The duty-of-care problem here is structurally the opposite of the boutique studio's, and the contrast is worth drawing precisely.** That business earned only when a member attended, **which aligned its incentive with the member's benefit for the first time in its industry.** This one earns by the hour: **the longer a customer sits, the more the venue makes — so the commercial incentive runs directly against the customer's wellbeing, and the customer is frequently sixteen.** Gaming disorder is recognised in ICD-11, and the harm is not hypothetical to parents. **An arena that quietly sells a fourteen-hour session to a school student has taken money it should have refused**, and the fact that the student wanted it is not a defence — **the same argument the grooming plan rejected when an owner wanted a matted coat kept.** The controls are simple and cost revenue: **session caps with mandatory breaks, no overnight play for under-18s, parental consent on minor memberships, and staff empowered to end a**

> **session.** Reporting **sessions ended on duty-of-care grounds (180 → 420) as a positive** makes the policy verifiable rather than decorative — and it matters commercially too, because **the parents who permit a sixteen-year-old to become a regular are the ones who checked what the venue does at midnight.**

9. Gaming Regulation, Licensing & Minors (India)

- **Real-money gaming or betting facilitated on premises: NIL. India's online-gaming regulation is fragmented and volatile** — several states prohibit real-money games, the central framework has been amended and litigated, and **a 28% GST regime applies to the staked segment.**
- **The line this plan relies on: skill-based tournament play with an entry fee and prize pool is categorically distinct from wagering** — and the venue keeps that visible by hosting no betting, no real-money titles and no third-party wagering platforms.
- **Commercial game licensing: a licence to play at home is not a licence to charge others to play** — widely ignored in Indian gaming cafés and a genuine copyright exposure; **commercially licensed titles: 100%.**
- **Minors:** parental consent for under-18 membership, **no overnight sessions for minors (NIL)**, session caps, and age verification at registration.
- **DPDP obligations** over member data, with **heightened requirements where minors' data is processed**, as the LMS plan set out.
- **Late-night trading permissions**, security and safe egress; **night-shift employment rules for staff.**
- Fire safety and occupancy limits for a densely seated enclosed venue; FSSAI registration for F&B.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / venue manager	1	1	2
Floor staff & station support	8	13	20
F&B staff	4	7	11
Event & tournament crew	**3**	**6**	**10**
Security & overnight supervision	**3**	**5**	**8**
Broadcast & content production	**2**	**4**	**7**
Coaching & community management	**2**	**4**	**7**
Technology & hardware maintenance	2	3	5
Admin & accounts	1	2	4
Total	**26**	**45**	**74**

Event crew, production and community management together outnumber technology staff by more than three to one — the plan's thesis in payroll. **A gaming venue staffed like a cybercafé will operate like one**, and community management in particular is carried as a real role because the retention it produces is the business.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Venue fit-out, hardware, network, broadcast setup, licensing, community seeding
Launch	Month 4–12	480 members, ~148,000 station-hours; ₹1.98cr revenue, ₹7L profit
Build	Year 2	Frequency 4.6/month, sponsorship covers 68% of events; ₹2.98cr, ₹32L profit
Scale	Year 3	1,850 members; ₹4.36cr, ₹80L profit; **sponsorship covers 88%, pay-per-hour down to 19.7%**

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. ***Visit frequency, sponsorship coverage of event cost, off-peak utilisation and hardware reserve funding are the levers — and pay-per-hour revenue is modelled FALLING as a share, because the hourly-rental proposition has a visible expiry date.***

12.1 Project cost & means of finance

Capital requirement	₹
Gaming hardware (PCs, consoles, peripherals, displays)	**32,00,000**
Venue fit-out (stations, acoustics, lighting, seating, stage)	22,00,000
Deposits & advance rent	12,00,000
Broadcast & production equipment (streaming, cameras, casting)	**8,00,000**
Working capital	7,00,000
Network infrastructure & power backup	5,00,000
Marketing & launch	4,00,000
Licences (incl. commercial game licensing), insurance & technology	2,00,000
Total project cost	**92,00,000**
Promoter contribution	48,00,000
Term loan	32,00,000
Working-capital finance	12,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Memberships & season passes	**34,00,000**	**56,00,000**	**88,00,000**
Pay-per-hour gaming & station time	62,00,000	74,00,000	86,00,000
Sponsorship, brand activations & advertising	**26,00,000**	**48,00,000**	**82,00,000**
Food & beverage	32,00,000	46,00,000	64,00,000

Coaching, bootcamps & content production	12,00,000	24,00,000	42,00,000
Venue hire (corporate, community)	14,00,000	22,00,000	34,00,000
Tournaments & events (entry fees)	**18,00,000**	**28,00,000**	**40,00,000**
Real-money gaming / betting	**NIL**	**NIL**	**NIL**
Total revenue	**1,98,00,000**	**2,98,00,000**	**4,36,00,000**
Salaries (floor, events, production, coaching, security, admin)	52,00,000	78,00,000	1,12,00,000
Rent, utilities & facility	34,00,000	38,00,000	42,00,000
Tournament prize pools & production costs	**24,00,000**	**36,00,000**	**52,00,000**
Marketing & community building	18,00,000	28,00,000	38,00,000
Hardware refresh reserve & maintenance	**16,00,000**	**24,00,000**	**32,00,000**
F&B cost of goods	14,00,000	20,00,000	28,00,000
Internet, commercial game licensing & technology	**8,00,000**	**12,00,000**	**17,00,000**
Insurance, licences & compliance	3,00,000	5,00,000	7,00,000
Depreciation, interest & other	22,00,000	25,00,000	28,00,000
Total expenses	**1,91,00,000**	**2,66,00,000**	**3,56,00,000**
Net profit before tax	**7,00,000**	**32,00,000**	**80,00,000**
Net margin	3.5%	10.7%	18.3%
Tournaments run at a direct loss (by design)	**100%**	**100%**	**100%**
SPONSORSHIP REVENUE AS % OF TOURNAMENT COST	**42%**	**68%**	**88%**
Pay-per-hour revenue as % of total — *falling by design*	**31.3%**	**24.8%**	**19.7%**
Member visit frequency (per month)	**3.2**	**4.6**	**5.8**
Station utilisation — peak (evening & late night)	74%	84%	89%
Station utilisation — off-peak (daytime)	**18%**	**31%**	**44%**
Real-money gaming or betting facilitated on premises	**NIL**	**NIL**	**NIL**
Under-18 overnight sessions sold	**NIL**	**NIL**	**NIL**
Sessions ended on duty-of-care grounds — *a positive*	**180**	**310**	**420**
Commercially licensed game titles in use / Hardware refresh reserve funded	**100% / 100%**	**100% / 100%**	**100% / 100%**
Active members / F&B attach rate / Station-hours sold	480 / 48% / ~148,000	1,050 / 62% / ~215,000	1,850 / 71% / ~296,000

12.3 Unit economics & break-even

- **Sponsorship coverage of tournament cost is the number that decides whether the event strategy works.** At 42% the venue is funding its own marketing; at 88% **the audience it built is paying for the programme that built it** — which is the entire model.

- **Visit frequency matters more than member count**, exactly as in the boutique studio. 3.2 → 5.8 visits a month more than doubles revenue per member without acquiring anyone.
- **Pay-per-hour falling to 19.7% is the strategy succeeding, not station revenue weakening** — hourly rental is the line with the shortest defensible life.
- **Late night is genuinely peak here, which is unique in this vertical** — the arena's busiest hours are the turf's and the studio's dead ones, though it carries a security and supervision cost the others do not.
- **Break-even:** Year 1, thinly. **The operating leverage is strong because rent, hardware and core staffing are fixed** — and the hardware reserve must be funded through that leverage rather than out of it.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	19,00,000	15,00,000	15,00,000	20,00,000
Collections	44,00,000	48,00,000	52,00,000	50,00,000
Salaries, rent, events, marketing, hardware reserve & overheads	48,00,000	48,00,000	47,00,000	48,00,000
Closing balance	**15,00,000**	**15,00,000**	**20,00,000**	**22,00,000**

> **Cash collects immediately, so the pressure sits in two places, and the first is a liability that accrues silently. Gaming hardware becomes competitively inadequate on roughly a thirty-month cycle** — not broken, simply behind — and a venue running three-year-old machines **loses precisely the competitive players who are its community.** This is the turf plan's resurfacing reserve on a faster clock, and the same discipline applies: **accrue monthly, segregate, and stage the replacement rather than facing a single cliff.** A venue that spends the reserve looks profitable for two years and then cannot afford to remain competitive, which in this market is the same as closing. **The second pressure is sponsorship receivables:** brand money is contracted, invoiced and paid on corporate terms, **while prize pools and production are paid in cash before and during the event** — so a growing event programme **consumes working capital ahead of the sponsorship that funds it**, and a venue that scales its tournament calendar faster than its collections will be short in exactly the month it looks most successful. Contract sponsorship with advance components, and **do not commit a prize pool that has not been funded.**

12.5 Key Performance Indicators to Monitor

- **Event economics: sponsorship as % of tournament cost**; event attendance and conversion to membership; cost per acquired member via events.
- **Community: member visit frequency**; league and team participation; membership retention; community-managed engagement.
- **Capacity:** peak and **off-peak station utilisation**; F&B attach rate; venue-hire hours; revenue per station-hour.
- **Duty of care & compliance: sessions ended on duty-of-care grounds**; under-18 policy adherence; **real-money gaming facilitated (must be nil)**; commercial licensing coverage; hardware reserve funded.

13. Funding Requirement & Bankability

Total ask: **₹32 lakh term loan plus ₹12 lakh working-capital finance** against ₹48 lakh promoter contribution. Four points. **First, the security is poor and depreciates fast:** gaming hardware loses value on a consumer-electronics curve, and **fit-out in leased premises is worth nothing — a lender is financing an asset that is obsolete before the loan matures. Second, the metric to underwrite is member visit frequency and sponsorship coverage, not revenue**: **a venue with high hourly revenue and low frequency is a cybercafé with an expiry date, and its**

numbers will look adequate right up to the point they do not. Third, ask whether the hardware refresh reserve exists and is segregated, because an operator without one is reporting profit that contains a deferred capital liability — the same question the turf plan raised about resurfacing, on a shorter cycle. **Fourth, and specific to this sector, ask directly about the real-money boundary.** India's gaming regulation is unsettled and state-variable; **a venue that facilitates wagering — even informally, even by tolerating it — has taken on a regulatory exposure that can close it, and has done so for revenue it does not need.**

13.1 Funding utilisation

Use of funds	₹	% of total
Gaming hardware (PCs, consoles, peripherals, displays)	32,00,000	34.8%
Venue fit-out (stations, acoustics, lighting, seating, stage)	22,00,000	23.9%
Deposits & advance rent	12,00,000	13.0%
Broadcast & production equipment	8,00,000	8.7%
Working capital	7,00,000	7.6%
Network infrastructure & power backup	5,00,000	5.4%
Marketing & launch	4,00,000	4.4%
Licences (incl. commercial game licensing), insurance & technology	2,00,000	2.2%
Total	**92,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Hardware parity ending the proposition	**A café built on "our machines are better than yours" has a value proposition that erodes with every consumer hardware cycle and every EMI scheme — the Indian market has already watched one generation of internet cafés disappear for exactly this reason.** Build on **competition, community, events and production — the propositions that get BETTER as gaming gets bigger**; specify hardware to be competitively adequate rather than aspirational
Reasoning from national gaming statistics	India has hundreds of millions of gamers and **almost none of them are a market for a physical venue — they play at home, on a phone, for free. A promoter who reasons from national statistics to arena demand will build a venue for a population that has no reason to visit it.** The real market is competitive players, teams, creators and the social cohort — **thousands within a city, not millions**
Running events as promotion rather than as the model	An hourly-rental venue with occasional events **has no defence: comparable price, temporary hardware advantage, and no reason to prefer it to the venue two kilometres away or the customer's own bedroom. The event calendar IS the business and station rental is the by-product** — pay-per-hour falling 31.3% → 19.7% while revenue doubles is that working
Unfunded tournament losses	**100% of tournaments run at a direct loss — prize pools, production, casting and staffing exceed entry fees, and pretending otherwise is how gaming venues fail.** The event is an acquisition and sponsorship vehicle (as webinar-masterclass concluded); **sponsorship must cover it (42% → 88%), and a prize pool that has not been funded is not committed**

The duty-of-care inversion	**The boutique studio earned only when a member attended, aligning incentive with benefit. This business earns BY THE HOUR — the longer a customer sits the more it makes — so the incentive runs DIRECTLY AGAINST the customer's wellbeing, and the customer is frequently sixteen.** Gaming disorder is recognised in ICD-11. **An arena that quietly sells a fourteen-hour session to a school student has taken money it should have refused, and the fact that the student wanted it is not a defence** — session caps, mandatory breaks, **under-18 overnight sessions: NIL**, staff empowered to end a session (180 → 420 ended, reported as a positive)
Real-money gaming exposure	India's online-gaming regulation is **fragmented, state-variable and volatile, with a 28% GST regime on the staked segment. Real-money gaming or betting facilitated: NIL** — the line held visibly, because **a venue that tolerates wagering has taken a regulatory exposure that can close it, for revenue it does not need**
Unlicensed game titles	**A licence to play at home is not a licence to charge others to play** — widely ignored in Indian gaming cafés and a genuine copyright exposure. Commercially licensed titles: 100%
Hardware reserve spent	Machines become competitively inadequate on a ~30-month cycle — **not broken, simply behind — and a venue running three-year-old hardware loses precisely the competitive players who are its community.** The turf's resurfacing problem on a faster clock: accrue monthly, segregate, stage the replacement. **A venue that spends the reserve looks profitable for two years and then cannot afford to stay competitive, which in this market is the same as closing**
Sponsorship receivables vs event cash	**Brand money is invoiced on corporate terms while prize pools and production are paid in cash before and during the event** — so a growing event programme **consumes working capital AHEAD of the sponsorship that funds it, and a venue scaling its calendar faster than its collections will be short in exactly the month it looks most successful.** Contract advance components
Late-night operations	Peak here runs past midnight — unique in this vertical — bringing **security, supervision, safe egress, night-shift employment rules and municipal permissions** the other sports businesses do not carry

15. SWOT Analysis

Strengths **Late night is genuinely peak — the arena's busiest hours are the turf's and studio's dead ones**; immediate cash collection; F&B attach at 71% on unusually long dwell times; sponsorship monetises an audience brands struggle to reach; no weather, monsoon or physical-injury exposure; strong operating leverage once frequency builds.	**Weaknesses** **The dominant competitor is the customer's own home, and it improves every year**; hardware obsoletes on a 30-month clock with poor resale; **the hourly-rental line has a visible expiry date**; events lose money by design and depend on sponsorship; **the revenue model conflicts with customer wellbeing**; regulation is unsettled.
Opportunities Competitive and collegiate esports growth; brand activations seeking young audiences; content and streaming production as a service; coaching and bootcamps filling daytime; corporate and community venue hire; league formats that create weekly return reasons.	**Threats** **Consumer hardware and connectivity improving at home**; mobile gaming requiring nothing at all; online tournaments needing no venue; **regulatory change in online gaming**; sponsorship budgets being cyclical and easily cut; another venue capturing the same small community.

16. Recommended AiSevak Tools for This Business

This esports and gaming arena would use AiSevak's Sports and Entertainment vertical tools in operations:

- **Event economics: tournament P&L with sponsorship-coverage tracking**, event-to-membership conversion, cost per acquired member.
- **Community: member visit-frequency dashboards**, league and ladder management, team registration, retention cohorts.
- **Capacity:** station booking and utilisation by time band, F&B attach tracking, venue-hire scheduling, revenue per station-hour.
- **Duty of care: session-cap enforcement with break prompts**, **under-18 policy and parental-consent register**, sessions-ended log.
- **Compliance & assets:** commercial game-licence register, **real-money gaming exclusion audit**, hardware refresh reserve and staged replacement schedule.

17. Key Assumptions & Notes

- Esports & gaming arena: PC and console stations, memberships, tournaments and leagues, broadcast and content production, coaching and bootcamps, F&B, and venue hire.
- **⚠ THE ONLY PLAN IN THE SPORTS VERTICAL WHERE THE GOVERNING CONVENTION — THE CUSTOMER IS A BODY UNDER LOAD — DOES NOT APPLY.** No physical injury risk, no weather, no monsoon, no safety-critical equipment whose failure produces a fall: **A DELIBERATE INVERSION OF EVERYTHING THIS VERTICAL HAS ESTABLISHED, SUBSTITUTING A DIFFERENT AND CONSIDERABLY LESS UNDERSTOOD SET OF HARMS IN PLACE OF THE PHYSICAL ONES.**
- **THE CENTRAL STRATEGIC PROBLEM IS THAT THE VENUE IS BEING DISINTERMEDIATED BY THE THING IT SELLS: GAMING IS FUNDAMENTALLY A HOME ACTIVITY** — hardware at home improves every year, there is no travel and no hourly rate, and **THE CYBERCAFÉ PROPOSITION ("BETTER MACHINES THAN YOU OWN") HAS A VISIBLE EXPIRY DATE** → an arena must answer **WHY DOES ANYONE LEAVE THE HOUSE?**, and the answer is **NOT HARDWARE but COMPETITION YOU CANNOT HAVE ALONE, COMMUNITY YOU CANNOT DOWNLOAD, AND EVENTS THAT ONLY EXIST IN A ROOM → THIS IS A VENUE-AND-EVENTS BUSINESS RATHER THAN A CYBERCAFÉ**, modelled as **pay-per-hour station revenue FALLING 31.3%→24.8%→19.7% while sponsorship, memberships, events and content grow**. The threat that ends gaming venues is **NOT another venue but HARDWARE PARITY, AND IT ARRIVES ON A SCHEDULE — the Indian market has already watched one generation of internet cafés disappear for precisely this reason → the only durable propositions are those that GET BETTER AS GAMING GETS BIGGER rather than worse (a tournament needs opponents, a team needs to sit together, a broadcast needs a studio, a community needs a room)**, with the operational consequence that **HARDWARE SHOULD BE SPECIFIED TO BE COMPETITIVELY ADEQUATE RATHER THAN ASPIRATIONAL, because money spent chasing a specification advantage that will not survive eighteen months is money not spent on the event programme that will.**
- **THE MARKET SIZING DELIBERATELY NARROWS FROM AN ENORMOUS TAM TO A SMALL SAM, AND THAT NARROWING IS THE PLAN'S MOST IMPORTANT ANALYTICAL POINT: INDIA HAS HUNDREDS OF MILLIONS OF GAMERS AND ALMOST NONE OF THEM ARE A MARKET FOR A PHYSICAL VENUE — THEY PLAY AT HOME, ON A PHONE, FOR FREE. A PROMOTER WHO REASONS FROM NATIONAL GAMING STATISTICS TO ARENA DEMAND WILL BUILD A VENUE FOR A POPULATION THAT HAS NO REASON TO VISIT IT.** The addressable market is **competitive players, teams needing to practise together, content creators needing production quality, and the social cohort for whom the venue is A PLACE TO BE RATHER THAN A MACHINE TO RENT — measured in THOUSANDS within a city, not millions** → the business must **extract far more value per member than a cybercafé model assumes**, which is why membership, events, F&B and sponsorship carry the plan, and why **VISIT FREQUENCY (3.2→4.6→5.8 per month) MATTERS MORE THAN REACH, exactly as it did for fitness-**

studio-boutique.

- **TOURNAMENTS — THE REASON THE VENUE EXISTS — LOSE MONEY AT THE VENUE LEVEL AND ARE MODELLED AS DOING SO (100% OF THEM)**: prize pools, production, casting and staffing exceed entry fees, and **PRETENDING OTHERWISE IS HOW GAMING VENUES FAIL** → **THE TOURNAMENT IS AN ACQUISITION AND SPONSORSHIP VEHICLE, NOT A REVENUE LINE** (the same conclusion webinar-masterclass reached about paid events), tracked as **SPONSORSHIP REVENUE AS A PROPORTION OF TOURNAMENT COST, 42%→68%→88% — at 42% the venue is funding its own marketing; at 88% THE AUDIENCE IT BUILT IS PAYING FOR THE PROGRAMME THAT BUILT IT, WHICH IS THE ENTIRE MODEL**; **a tournament programme not covered by sponsorship is a marketing budget and should be sized like one**, and **a prize pool that has not been funded is not committed**. Failure pattern to avoid: **running the venue as an hourly rental and treating events as an occasional promotion — that business has NO DEFENCE, since its price is comparable, its hardware advantage temporary, and its customers have no reason to prefer it to the venue two kilometres away OR TO THEIR OWN BEDROOM. THE EVENT CALENDAR IS NOT MARKETING SPEND THAT SUPPORTS THE BUSINESS — IN THIS MODEL IT IS THE BUSINESS, AND THE STATION RENTAL IS THE BY-PRODUCT.**
- **THE DUTY-OF-CARE PROBLEM IS STRUCTURALLY THE OPPOSITE OF THE BOUTIQUE STUDIO'S, AND THE CONTRAST IS WORTH DRAWING PRECISELY: that business earned ONLY WHEN A MEMBER ATTENDED, WHICH ALIGNED ITS INCENTIVE WITH THE MEMBER'S BENEFIT FOR THE FIRST TIME IN ITS INDUSTRY. THIS ONE EARNS BY THE HOUR — THE LONGER A CUSTOMER SITS, THE MORE THE VENUE MAKES — SO THE COMMERCIAL INCENTIVE RUNS DIRECTLY AGAINST THE CUSTOMER'S WELLBEING, AND THE CUSTOMER IS FREQUENTLY SIXTEEN.** Gaming disorder is recognised in ICD-11 and the harm is not hypothetical to parents → **AN ARENA THAT QUIETLY SELLS A FOURTEEN-HOUR SESSION TO A SCHOOL STUDENT HAS TAKEN MONEY IT SHOULD HAVE REFUSED, AND THE FACT THAT THE STUDENT WANTED IT IS NOT A DEFENCE — the same argument pet-grooming rejected when an owner wanted a matted coat kept**; controls are simple and cost revenue: **session caps with mandatory breaks, NO OVERNIGHT PLAY FOR UNDER-18s (NIL), parental consent on minor memberships, and staff EMPOWERED TO END A SESSION**, with **SESSIONS ENDED ON DUTY-OF-CARE GROUNDS (180→310→420) REPORTED AS A POSITIVE to make the policy verifiable rather than decorative** — and it matters commercially, because **THE PARENTS WHO PERMIT A SIXTEEN-YEAR-OLD TO BECOME A REGULAR ARE THE ONES WHO CHECKED WHAT THE VENUE DOES AT MIDNIGHT.**
- Regulatory: **the most legally unsettled environment in the vertical — INDIA'S TREATMENT OF ONLINE AND REAL-MONEY GAMING IS FRAGMENTED, STATE-VARIABLE AND CHANGING, with several states prohibiting real-money games, a central framework amended and litigated, and A 28% GST REGIME THAT MATERIALLY CHANGES THE ECONOMICS OF ANYTHING INVOLVING STAKES** → the line this plan relies on is that **COMPETITIVE ESPORTS (SKILL-BASED TOURNAMENT PLAY WITH AN ENTRY FEE AND PRIZE POOL) IS CATEGORICALLY DISTINCT FROM WAGERING**, kept visible by **REAL-MONEY GAMING OR BETTING FACILITATED ON PREMISES: NIL**, because **a venue that tolerates wagering — even informally — HAS TAKEN A REGULATORY EXPOSURE THAT CAN CLOSE IT, FOR REVENUE IT DOES NOT NEED**; also **COMMERCIAL GAME LICENSING, WIDELY IGNORED IN INDIAN GAMING CAFÉS AND A GENUINE COPYRIGHT EXPOSURE — A LICENCE TO PLAY AT HOME IS NOT A LICENCE TO CHARGE OTHERS TO PLAY** (100% licensed); DPDP with heightened requirements for minors' data; late-night trading permissions and night-shift employment rules. F&B deserves more attention than gaming venues give it: **a player occupies a station THREE TO SIX HOURS, far longer than a restaurant customer and longer than almost any other venue business in this library, and is a captive audience who will get hungry** (attach 71%, 15% of revenue, better margin than station time, needing no extra footfall or capacity) — with the caveat that **food near equipment plus young customers plus long sessions produces spillage and damage, so the layout must SEPARATE consumption from stations rather than pretending it will not happen: A VENUE THAT BANS FOOD TO PROTECT ITS KEYBOARDS HAS FORGONE ITS BEST MARGIN LINE TO SAVE A CONSUMABLE — the correct answer is a designed eating area, washable surfaces and a keyboard**

replacement budget. Cash: **collections immediate, so pressure sits in two places — (1) HARDWARE BECOMES COMPETITIVELY INADEQUATE ON A ~30-MONTH CYCLE (NOT BROKEN, SIMPLY BEHIND) AND A VENUE RUNNING THREE-YEAR-OLD MACHINES LOSES PRECISELY THE COMPETITIVE PLAYERS WHO ARE ITS COMMUNITY** — the turf's resurfacing reserve on a faster clock, accrued monthly, segregated, staged, because **A VENUE THAT SPENDS THE RESERVE LOOKS PROFITABLE FOR TWO YEARS AND THEN CANNOT AFFORD TO REMAIN COMPETITIVE, WHICH IN THIS MARKET IS THE SAME AS CLOSING**; and **(2) SPONSORSHIP RECEIVABLES — brand money is invoiced on corporate terms WHILE PRIZE POOLS AND PRODUCTION ARE PAID IN CASH BEFORE AND DURING THE EVENT, so a growing event programme CONSUMES WORKING CAPITAL AHEAD OF THE SPONSORSHIP THAT FUNDS IT, AND A VENUE THAT SCALES ITS TOURNAMENT CALENDAR FASTER THAN ITS COLLECTIONS WILL BE SHORT IN EXACTLY THE MONTH IT LOOKS MOST SUCCESSFUL.** Note the vertical-unique advantage: **LATE NIGHT IS GENUINELY PEAK HERE — THE ARENA'S BUSIEST HOURS ARE THE TURF'S AND THE STUDIO'S DEAD ONES** (though it carries security, supervision and night-shift costs they do not). Lender note: **security is poor and depreciates fast — gaming hardware follows a consumer-electronics curve and fit-out in leased premises is worth nothing: A LENDER IS FINANCING AN ASSET THAT IS OBSOLETE BEFORE THE LOAN MATURES**; underwrite **MEMBER VISIT FREQUENCY AND SPONSORSHIP COVERAGE, NOT REVENUE, BECAUSE A VENUE WITH HIGH HOURLY REVENUE AND LOW FREQUENCY IS A CYBERCAFÉ WITH AN EXPIRY DATE, AND ITS NUMBERS WILL LOOK ADEQUATE RIGHT UP TO THE POINT THEY DO NOT**; **ask whether the hardware refresh reserve EXISTS AND IS SEGREGATED (the turf question on a shorter cycle)**; and **ask directly about the real-money boundary.** ₹92L, ~148,000→296,000 station-hours, 480→1,850 members, rev 1.98→4.36cr, Y1 ₹7L → Y3 ₹80L. Figures illustrative, exclude GST.

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