



BUSINESS PLAN • INDIA

Game-Art and Development Outsourcing Studio

Publishing the hours we worked next to the hours we billed

GAMING AND ESPORTS

AISEVAK.IN • BY ABL DIGITAL TECHNOLOGIES

August 2026

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 a **Game-Art & Development Outsourcing Studio** in India — 120 artists, animators and engineers by Year 3 delivering 3D character and environment art, animation, VFX, concept and UI work, and full co-development, to international publishers and studios, together with an art-direction and outsourcing-management consulting line.

The vertical's anchor established that **crunch is a costing decision disguised as a scheduling accident — a transfer from staff to margin that appears in no account because nobody counts the hours. In a product studio that transfer at least buys an asset the company keeps. Here it buys nothing at all, which makes this the plan where the anchor's rule bites hardest.**

□ **AN OUTSOURCING STUDIO'S ENTIRE MARGIN LIVES IN THE GAP BETWEEN THE HOURS IT BILLS AND THE HOURS ITS ARTISTS ACTUALLY WORK. A fixed-bid contract quoted at 400 hours and delivered in 470 is not an estimating error that somebody absorbs — the seventy hours are worked by salaried artists in evenings and weekends, the client pays for 400, and the difference lands on the P&L as margin. Unlike a product studio there is no upside to share afterwards: no title, no catalogue, no royalty, nothing the artist owns a piece of. The overrun is therefore a PURE TRANSFER FROM ARTIST TO MARGIN, and it comes with a perfect alibi, because the deadline belongs to a client in another time zone and cannot be argued with. Nobody in the studio decides to do this; a producer quotes optimistically to win a bid, the scope moves, and the arithmetic resolves itself in the only place it can. So this studio BIDS FROM MEASURED TEAM VELOCITY, PUBLISHES BILLED HOURS AGAINST WORKED HOURS ON EVERY PROJECT — a gap of 4% in Year 3, down from 18% — PAYS ALL OVERTIME AT PREMIUM WITH NIL UNPAID HOURS, and RE-QUOTES OR DECLINES SCOPE CREEP RATHER THAN ABSORBING IT, which cost six projects worth ₹1.42 crore. WHERE THE SELLER'S MARGIN IS THE GAP BETWEEN BILLED AND WORKED HOURS, PUBLISH BOTH NUMBERS.**

□ **AND A CLIENT BUYING "ORIGINAL ART" IS ENTITLED TO KNOW WHAT A MODEL TOUCHED. Generative tools are now embedded in concept, texturing and iteration workflows across this industry, and almost nobody tells the client — which matters because the client is acquiring rights he intends to defend, and a model whose training-data position is unknown puts a cloud over an asset that may ship in a title for a decade. So the GENERATIVE-AI POSITION IS DISCLOSED PER ASSET AND PER PROJECT before delivery, and NO MODEL IS USED WHOSE TRAINING-DATA LICENSING POSITION IS UNKNOWN. Two briefs were lost over the disclosure, worth ₹48 lakh.**

□ **AND THE ARTIST GETS HIS NAME AND HIS PORTFOLIO. Outsourcing artists are routinely NDA'd out of the only evidence their careers run on, so named credit is negotiated as standard — obtained on 71% of projects — portfolio rights on 88%, the nine clients who refused credit are reported, and every test task is PAID.**

This plan models a studio requiring **₹4.80 crore** (₹2.20 crore investor + ₹1.40 crore promoter + ₹80 lakh term loan + ₹40 lakh working capital), moving from **₹6.40 crore revenue and a ₹42 lakh loss** to **₹27.00 crore revenue and ₹3.24 crore profit** by Year 3 — a 12.0% net margin and 38.6% return on capital. (Art and development outsourcing — figures illustrative.)

2. Business Description, Vision & Legal Structure

Concept: A studio that publishes the hours it worked next to the hours it billed.

Vision: To be the outsourcing partner an art director recommends and an artist wants to work at.

Mission: Bid from measured velocity; publish billed against worked; pay every overtime hour; re-quote scope rather than absorb it; tell the client what a model touched; get the artist his name and his portfolio; and pay for the test.

Legal structure

- **Private Limited** — recommended. Master services agreements, IP assignment, export invoicing, client security audits and outside capital all assume it.
- **LLP** — workable at small scale, but most international MSAs and security questionnaires assume a company.
- **Delivery estimation held separately from business development** — **because a bid computed by the person whose target it fills is not an estimate, it is a wish with a number on it.**

Regulatory anchor: a services exporter holding other people's intellectual property and other people's employees' time. **The dominant instrument is the master services agreement, which is contract rather than statute — nothing requires a studio to publish worked hours, and nothing prevents a client from relying on the figure if it is written down, which is the same asymmetry the publishing plan found from the other side. IP assignment clauses typically vest everything in the client on creation, so named credit and portfolio rights are things a studio must NEGOTIATE FOR ITS ARTISTS rather than things they retain by default — and an artist has no standing to negotiate them himself. Working-hour records under the Shops and Establishments and Factories frameworks and overtime provisions are what make the overtime commitment auditable rather than asserted; misclassifying artists as independent contractors to avoid them is the industry's standard evasion and is not used here. Export of services attracts GST zero-rating with LUT, FEMA realisation timelines and transfer-pricing considerations where a client is related; and client security requirements — SOC 2, ISO 27001, publisher NDAs — are contractual obligations with real audit consequences.** Then: copyright and asset provenance including generative-model training-rights position; DPDP where any personal data is processed for a client; and EPF/ESI and POSH.

3. Promoter & Ownership

Led by a promoter with game art, production or studio-operations background. Three competences decide outcomes. *Estimation discipline*, because in a fixed-bid business the bid IS the margin, and a studio that estimates by optimism is choosing in advance who will absorb the difference. *Art-direction depth*, since the client is buying judgement rather than hands, and a studio that can only execute a brief is priced as a vendor forever. And *the willingness to lose a bid*, which is the only enforcement mechanism a velocity-based estimate has. Ownership, equity & investor terms are editable inputs; **estimation and the billed-versus-worked report sit with delivery leadership reporting to the promoter, and business development cannot alter an estimate to win a bid.**

4. Market Analysis — India

India is one of the largest suppliers of game art in the world and one of the least visible, which is the industry's problem in a sentence.

Demand drivers

- **Rising content volume** — live-service titles need art continuously rather than once.
- **Cost and timezone advantage** against Western and increasingly against Chinese studios.
- **Publishers externalising art** to keep internal headcount flexible.
- **Growing engineering capability**, moving Indian studios from art-only to co-development.

- **Console and PC quality expectations** reaching Indian talent for the first time.
- **Client security and compliance requirements** favouring organised studios over freelancer pools.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Global externalised game art and co-development spend	Very large; India a growing share
SAM	Clients who will buy judgement, not just hands	Bounded by ART-DIRECTION DEPTH, not by rate
SOM (Yr 1-3)	Billable capacity across art, animation and co-development	₹6.4cr → ₹27cr; 42 → 120 artists

Revenue mix and share (Year 3)

Stream	Share of revenue	Why it is there
3D character & creature art	30.0%	Core capability; ₹1,900 per artist-hour
Environment, props & level art	23.0%	Volume work; ₹1,620 per artist-hour
Animation, rigging & VFX	17.0%	Scarcer skill; ₹2,050 per artist-hour
Concept art & 2D/UI	13.0%	Where generative tools appear first
Co-development & engineering services	13.0%	₹2,400 per hour; the escape from vendor pricing
Art direction & outsourcing-management consulting	4.0%	Sells judgement rather than hours

The mix is arranged to move up the value curve for a specific reason: a studio priced per hour competes on rate forever, and rate competition is precisely what produces the billed-versus-worked gap this plan exists to close. Co-development at ₹2,400 an hour and consulting at 4% of revenue are sold on judgement — an art director who can tell a client his brief is wrong — and a client buying judgement does not shave the estimate. The blended billed rate rose from ₹1,456 to ₹1,850 an hour over three years entirely through mix, and that movement is what makes paying full overtime affordable rather than aspirational.

Constraints

- **Client concentration**, which is the structural risk of every services business.
- **Utilisation** — an artist between projects is a full salary against no revenue.
- **Talent competition** from studios hiring the same artists remotely at global rates.
- **Currency**, since revenue is in dollars and costs are in rupees.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
Large Indian and Eastern European art studios	Scale, client relationships, proven pipelines	Overruns absorbed in unpaid hours; worked hours never reported
Freelancer marketplaces and artist pools	Lowest cost, instant scaling, no commitment	No art direction, no security posture, no continuity

Client-owned captive studios	Full control, embedded knowledge, no margin	Fixed cost through a slow quarter; slow to scale
AI-assisted asset services	Speed and price on iteration-heavy work	Provenance unclear; client cannot defend the rights he bought
This plan	Billed-vs-worked published, velocity-based bids, all overtime paid, AI position disclosed, credit negotiated	Bids higher than optimistic competitors; declines scope creep

The positioning is aimed at art directors and external-development managers rather than at procurement, and the distinction matters. Procurement buys the lowest bid and gets an overrun absorbed invisibly; an external-development manager has been burned by a studio that quoted 400 hours, delivered late, and produced work whose quality collapsed in the final fortnight — and he knows exactly why. A published billed-versus-worked figure is the one piece of evidence that distinguishes a realistic bid from an optimistic one before the project starts, and it is checkable afterwards. The gap falling from 18% to 4% is a quality claim as much as an ethical one: work produced in the seventieth unpaid hour of a week is not the work the client thought he was buying.

The cost of the honest position is stated in rupees rather than implied. Re-quoting or declining scope creep rather than absorbing it cost six projects worth ₹1.42 crore of Year-3 revenue — the largest item, and the one a competitor simply does not incur because he absorbs it instead. Paying all overtime at premium cost ₹86 lakh. Losing two briefs over generative-AI disclosure cost ₹48 lakh. Insisting on named credit and portfolio rights cost three clients worth ₹64 lakh. Paying for test tasks that the industry takes free cost ₹34 lakh. Against that: artist attrition of 14% against an industry norm nearer 30%, client retention of 88%, and a repeat-business share that means the studio spends far less winning work than a competitor does.

6. The Gap Between Billed and Worked

This is where an outsourcing studio's margin actually comes from, and it is almost never written down.

Stage	What happens	Who absorbs it
Bid	Quoted at 400 hours to win against three studios	Nobody yet — it is a number in a document
Kick-off	Brief is vaguer than the bid assumed	Nobody. It will show up later
Mid-project	Client changes direction; no change order raised	The schedule
Final fortnight	470 hours of work remain in 400 hours of budget	The artists, in evenings and weekends
Invoice	400 hours billed as quoted	—
P&L	The 70 hours appear as margin	Nowhere. Nobody counted them

Read the last row: the seventy hours do not appear as a cost, a write-off or a variance — they appear as profit, because the only record of them would have been a timesheet nobody was asked to keep. And in a product studio the equivalent transfer at least builds an asset the company owns and might one day share; here it builds nothing. The client gets his assets at the quoted price, the studio books the margin, and the artists have funded the difference out of their own evenings — a transaction with three parties in which only one of them is unaware it occurred. Per the anchor's rule, nobody decided this: a producer quoted optimistically to win, the scope moved, the deadline was somebody else's, and the arithmetic resolved itself in the only

direction it could.

So both numbers are counted and both are published. EVERY PROJECT REPORTS BILLED HOURS AGAINST WORKED HOURS to the client and internally, with the gap stated as a percentage: 4% in Year 3, down from 18% in Year 1, and only three projects exceeding a 5% gap. BIDS ARE COMPUTED FROM MEASURED TEAM VELOCITY on comparable past work rather than from what will win, and the estimate is produced by delivery leadership rather than by business development — because a bid computed by the person whose target it fills is a wish with a number on it. SCOPE CREEP IS RE-QUOTED OR DECLINED rather than absorbed, which cost six projects and ₹1.42 crore. AND ALL OVERTIME IS PAID AT PREMIUM, with nil unpaid hours, mean overtime down from 14 hours per artist per month to 6. WHERE THE SELLER'S MARGIN IS THE GAP BETWEEN BILLED AND WORKED HOURS, PUBLISH BOTH NUMBERS — because a gap that is measured cannot be quietly widened, and a gap that is published cannot be quietly repriced.

7. The Model, the Credit and the Test

Three further commitments, each addressing something the client or the artist cannot see.

☐ **THE GENERATIVE-AI POSITION IS DISCLOSED PER ASSET AND PER PROJECT.** Generative tools are now embedded in concept ideation, texture generation, upscaling and iteration across this industry, and the near-universal practice is to say nothing — the client asked for art, he received art, and the workflow is the studio's business. That reasoning fails on one point: the client is not buying pixels, he is buying RIGHTS HE INTENDS TO DEFEND for a decade, and an asset touched by a model whose training-data position is unknown carries a cloud he cannot see and did not price. So every delivery states what was hand-authored and what was model-assisted, at asset level; NO MODEL IS USED WHOSE TRAINING-DATA LICENSING POSITION IS UNKNOWN; and the position is recorded in the provenance register per the anchor's rule. Two briefs were lost when the disclosure was made, worth ₹48 lakh — both to studios that were almost certainly doing the same thing without saying so.

☐ **THE ARTIST GETS HIS NAME AND HIS PORTFOLIO, AND THE STUDIO NEGOTIATES FOR HIM.** Standard IP assignment vests everything in the client on creation, and NDAs commonly prevent an artist from ever showing the work — so a game artist can spend four years producing shipped console-quality assets and have nothing to demonstrate it, which in a portfolio-driven career is a straightforward destruction of his market value. He cannot fix this himself: he is not a party to the MSA and has no standing to negotiate. So the STUDIO NEGOTIATES NAMED CREDIT AND PORTFOLIO RIGHTS AS A STANDARD TERM in every engagement — credit obtained on 71% of projects and portfolio rights on 88% — and the NINE CLIENTS WHO REFUSED CREDIT ARE REPORTED INTERNALLY, because a refusal that is recorded is a fact an artist can weigh when choosing his next project.

☐ **AND THE TEST TASK IS PAID.** Unpaid art tests are standard in this industry — a studio produces four to twenty hours of finished work to win a bid, and where it loses, that work was free labour delivered to a company that keeps the file. Multiplied across a market, unpaid tests are one of the largest uncoded subsidies flowing from artists to publishers anywhere in games. Every test task here is paid at standard rates, at ₹34 lakh a year, and no artist is asked to produce speculative work on his own time.

☐ **AND THE ESTIMATE DOES NOT BELONG TO THE PERSON WHO NEEDS THE BID.** Delivery leadership computes the estimate from velocity, business development may argue but cannot alter it, and a bid lost on price is

recorded with its estimate intact so the pattern is visible. This is the control-independence rule this library has arrived at from six different directions, and it is the only mechanism that makes a velocity-based estimate survive a slow quarter.

8. Operations Plan (estimate, staff, deliver, review, report)

Estimating and bidding

- **Estimates computed from measured velocity** on comparable completed work, held by delivery leadership.
- **Business development may argue an estimate but cannot alter it**; bids lost on price recorded with the estimate.
- **Test tasks paid at standard rates**, with no speculative work on an artist's own time.
- **Assumptions and exclusions stated in the bid**, so a change is identifiable rather than arguable.

Delivery

- **Worked hours recorded for every artist on every project**, including leads and founders.
- **Scope creep raised as a change order within 48 hours**, re-quoted or declined rather than absorbed.
- **Overtime paid at premium and reported**; days off honoured during delivery weeks.
- **Generative-AI use recorded at asset level as it happens**, not reconstructed at delivery.

Quality and craft

- **Internal art review before client review**, so the client sees judgement rather than a first pass.
- **Mentorship and training funded**, since an outsourcing studio's only asset walks out at seven.
- **Named credit and portfolio rights negotiated at MSA stage**, not requested at the end.
- **Security posture maintained to client audit standard** — NDAs, access control, asset handling.

Reporting

- **Billed against worked hours published per project** to the client and internally.
- **Generative-AI position delivered with the assets**, before sign-off.
- **Utilisation and realised rate per artist-hour reported by discipline**, never blended alone.
- **Contribution reported per client including the projects that overran**.

The operational hinge is a Thursday in the final fortnight, with the client's review at nine the next morning and eleven hours of work remaining. The team will stay — they are proud of the work and nobody has to ask them — and the hours will not appear anywhere unless somebody records them. So worked hours are logged by everyone including leads and founders, the overtime is PAID rather than merely acknowledged, and the project's billed-versus-worked gap is reported to the client whose change request caused it. The system counts rather than warns: an appeal to producers not to let crunch happen is not a control, whereas a number that appears on a client invoice discussion is one — and the sixth consecutive project with a widening gap becomes a commercial conversation instead of a private cost.

9. Contracts, Export & Operating Compliance (India)

- **Company & tax** — Private Limited, PAN/TAN, GST with zero-rating on export of services under LUT, FEMA realisation timelines, transfer pricing where a client is related.

- **Master services agreements** — contract rather than statute: nothing requires a studio to publish worked hours, and nothing prevents a client relying on the figure once it is written down — the same asymmetry the publishing plan found from the other side.
- **IP & credit** — assignment clauses typically vest everything in the client on creation, so named credit and portfolio rights must be **NEGOTIATED BY THE STUDIO FOR ITS ARTISTS**; an artist is not a party to the MSA and has no standing to negotiate them himself.
- **Working hours** — **Shops and Establishments and Factories working-hour records and overtime provisions are what make an overtime commitment auditable rather than asserted; misclassifying artists as independent contractors to avoid them is the industry's standard evasion and is not used here.**
- **Asset provenance** — copyright and licensing scope per asset, and the generative-model training-rights position recorded per the anchor's rule.
- **Client security** — SOC 2, ISO 27001, publisher NDAs and asset-handling requirements as contractual obligations with audit consequences.
- **Other** — DPDP where personal data is processed for a client; EPF/ESI and POSH.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / studio head	1	1	Owens the estimate and the published gap
Artists, animators & engineers (billable)	34	96	Worked hours logged; all overtime paid
Art directors & discipline leads	5	14	Internal review before client review
Technical artists & pipeline	3	10	Records AI position at asset level
Production & delivery estimation	4	12	Owens the bid; BD cannot alter it
Business development & client management	3	8	May argue an estimate, not change it
IT, security & client-audit compliance	2	6	SOC 2 / ISO posture maintained
Finance, legal, HR & admin	3	9	Negotiates credit and portfolio rights
Total	55	156	120 artists including leads and technical artists

The reporting line that matters is a single arrow: estimation sits under delivery and not under business development. Every services business in the world knows that an optimistic bid wins work, and every one that lets sales own the estimate discovers within two years that its estimates have become sales documents — not through dishonesty but through a hundred small accommodations, each defensible. Business development here may argue an estimate and lose the argument, and a bid lost on price is recorded **WITH** the estimate so that the pattern is visible rather than anecdotal. It is the same control-independence rule this library has now reached from six unrelated directions.

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation & first clients	Month 0–6	Incorporation, studio, 42 artists, first MSAs with credit terms

Velocity & hours framework	Month 2–9	Worked-hour logging, velocity baselines, billed-vs-worked reporting live
Security & client audit	Month 6–14	ISO 27001 posture; publisher security questionnaires cleared
Capability depth	Month 10–22	Animation and VFX teams; art direction sold as a line
Co-development	Month 18–30	Engineering services at ₹2,400 per hour; blended rate rising
Scale & publication	Month 28–36	120 artists; gap at 4%; 88% client retention; 14% attrition

Training and competence

- **Estimation from velocity** for producers, including how to defend a number against a sales argument.
- **Change-order discipline** — raising scope creep within 48 hours rather than absorbing it politely.
- **Provenance recording**, so the AI position is captured as work happens rather than reconstructed.
- **Craft development and mentorship**, since the only asset in this business goes home every evening.

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions, not forecasts or guarantees. They exist to show the drivers of an outsourcing P&L and how the hours, estimation and provenance disciplines move them. Every input is editable. **The defining economics are utilisation and rate: an artist between projects is a full salary against no revenue, and the blended billed rate is a mix outcome rather than a price — which is why both are reported with their underlying and why the plan's growth strategy is to move up the value curve rather than to sell more hours.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Salaries through the ramp — first 12 months	186	Utilisation builds slower than headcount
Studio fit-out, workstations & render capacity	142	Console-quality pipelines are hardware-hungry
Software licences — DCC, engine & pipeline tools	64	Per-seat and annual; a real fixed cost
Security, access control & client-audit readiness	38	The gate to publisher work
Time-tracking, estimation & provenance systems	16	Where billed-vs-worked is actually produced
Business development, paid test tasks & travel	44	Tests are paid from day one
Training, mentorship & craft development	26	The only asset walks out at seven
Working capital & contingency	64	Export receivables run 45-75 days
Total project cost	580	Funded ₹220L investor + ₹140L promoter + ₹80L term loan + ₹40L WC + ₹100L internal accrual

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
BILLED hours vs WORKED hours PUBLISHED per project / gap (worked minus billed) as % of billed / projects where the gap exceeded 5% / unpaid overtime hours	100% / 18% / 11 / NIL	100% / 9% / 6 / NIL	100% / 4% / 3 / NIL
Bids computed from MEASURED VELOCITY by delivery, not business development / scope creep RE-QUOTED or DECLINED rather than absorbed / projects absorbed silently / revenue forgone on declined scope (₹cr)	100% / 100% / NIL / ₹0.34cr	100% / 100% / NIL / ₹0.78cr	100% / 100% / NIL / ₹1.42cr
Mean overtime hours per artist per month / crunch weeks above 55 hours per artist per year / overtime paid at premium / days off honoured during a delivery week	14 / 5.2 / 100% / 94%	9 / 2.4 / 100% / 98%	6 / 1.1 / 100% / 100%
Generative-AI position DISCLOSED per asset and per project before delivery / models used whose training-data licensing position is unknown / briefs lost on disclosure	100% / NIL / 1	100% / NIL / 2	100% / NIL / 2
Named credit obtained / portfolio rights granted to the artist / clients who refused credit (recorded and reported internally) / test tasks PAID	38% / 62% / 14 / 100%	57% / 78% / 11 / 100%	71% / 88% / 9 / 100%
Artists (billable) / billed utilisation / blended billed rate per artist-hour / realised rate / client retention / artist attrition	42 (34) / 62% / ₹1,456 / ₹1,234 / n/a / 26%	78 (63) / 68% / ₹1,568 / ₹1,439 / 81% / 19%	120 (96) / 73% / ₹1,850 / ₹1,776 / 88% / 14%

Row one is the row this business exists to report and it must **FALL**: the gap between worked and billed hours down from 18% to 4%, with nil unpaid overtime throughout. The 18% in Year 1 is honest rather than embarrassing — it is what an unmeasured studio's gap actually looks like, and publishing it is what made closing it possible. Row six's realised rate of ₹1,776 against a billed rate of ₹1,850 is simply row one restated in rupees: the difference IS the gap, and a studio quoting ₹1,850 while realising ₹1,234 (as this one did in Year 1) is not achieving its rate — it is being subsidised by its artists. The blended billed rate is stated with its underlying per the library's rule: co-development ₹2,400, animation and VFX ₹2,050, 3D character ₹1,900, environment and props ₹1,620, concept and 2D ₹1,480 — the blend moves with mix, not with price.

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Driver
3D character & creature art	192	420	810	₹1,900 per artist-hour
Environment, props & level art	147	322	621	₹1,620 per artist-hour
Animation, rigging & VFX	109	238	459	₹2,050 per artist-hour
Concept art & 2D/UI	83	182	351	₹1,480; AI position disclosed
Co-development & engineering services	83	182	351	₹2,400; the escape from vendor pricing
Art direction & outsourcing consulting	26	56	108	Sells judgement rather than hours
Total revenue	640	1,400	2,700	Illustrative

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	640	1,400	2,700
Cost of delivery — contracted specialists, render & project software	(90)	(196)	(378)
Gross profit	550	1,204	2,322
Artist, animator & engineer salaries	(312)	(560)	(980)
Art direction, leads & production management	(82)	(142)	(248)
Studio, workstations, render & software licences	(72)	(120)	(186)
Overtime paid at premium	(32)	(54)	(82)
Training, mentorship & internal review	(26)	(42)	(68)
Business development & paid test tasks	(44)	(72)	(112)
Admin, legal, security, insurance & other	(62)	(100)	(154)
EBITDA	(80)	114	492
Depreciation & amortisation	(42)	(68)	(96)
Finance cost	(20)	(32)	(44)
Other income — services-export incentives, forex gain on realisation & interest <i>(disclosed)</i>	86	101	80
PBT	(56)	115	432
Tax	14	(29)	(108)
PAT	(42)	86	324
Net margin	(6.6%)	6.1%	12.0%
ROCE	(25.4%)	9.6%	38.6%

The overtime line at ₹82 lakh is the single most informative number in this P&L, because in almost every comparable studio it is zero — not because the hours were not worked but because they were not paid, and therefore not recorded, and therefore not costed. A competitor's accounts on the same revenue would show ₹82 lakh more profit and a workforce that turns over twice as fast. The five commitments together — declined scope ₹1.42 crore, overtime ₹82 lakh, credit refusals ₹64 lakh, AI disclosure ₹48 lakh, paid tests ₹34 lakh — total ₹3.70 crore against ₹3.24 crore of PAT. Export incentives and forex gains are disclosed separately and fall from ₹86 lakh to ₹80 lakh as trading takes over, which is the test that matters.

12.5 Break-even & sensitivity

Scenario	Yr 3 revenue	Yr 3 PAT	Comment
Base	₹27.0cr	₹3.24cr	As modelled
Scope absorbed, overtime unpaid, tests free	₹28.4cr	₹5.94cr	The industry's economics, stated
Billed utilisation 73% → 62%	₹22.9cr	₹46L	An idle artist is a full salary

Largest client terminates	₹21.1cr	₹98L	Concentration risk, stated
Rupee appreciates 8% against the dollar	₹24.8cr	₹1.62cr	Revenue in dollars, costs in rupees
Attrition 14% → 30%	₹25.4cr	₹1.88cr	Rehiring, ramp and lost velocity

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	220	Growth capital; hours-publication and estimation covenants
Promoter contribution	140	Cash and founding client relationships
Term loan	80	Workstations, render and studio; 4 years
Working capital facility	40	Export receivables at 45–75 days
Total	480	Illustrative structure; balance from internal accrual

A lender should underwrite utilisation, client retention and attrition, and should read the billed-versus-worked gap as the leading indicator of all three. A widening gap means bids are being won on optimism, which shows up first in artist attrition, then in quality, then in client loss — usually eighteen months after the estimate that caused it. At 14% attrition against an industry norm nearer 30%, this studio is rehiring and re-ramping half as often as a competitor, which is worth more than it appears: velocity is built in people, and a team that turns over annually never accumulates the measured history the estimates depend on. The dominant exposures are client concentration, currency and utilisation, which are the standing risks of every services business and are not solved by anything in this plan.

- **Use of funds** — 32% salaries through the utilisation ramp, 25% studio, workstations and render, 11% software licences, 11% working capital, 8% business development and paid tests, 7% security and audit readiness, balance training and systems.
- **Repayment** — term loan from Year 2–3 cash flow; working capital revolving against export receivables with FEMA realisation timelines observed.
- **Investor exit** — strategic sale to a global outsourcing group, a publisher acquiring capacity, or a services consolidator; or promoter buyback.

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
------	--------	------------

The margin is the gap between billed and worked hours	A fixed bid quoted at 400 hours and delivered in 470 is not an estimating error somebody absorbs — the 70 hours are worked by salaried artists in evenings and weekends, the client pays for 400, and THE DIFFERENCE APPEARS ON THE P&L AS MARGIN, not as a cost or a variance, because the only record would have been a timesheet nobody was asked to keep. Unlike a product studio there is NO UPSIDE TO SHARE — no title, no catalogue, no royalty — so the overrun is A PURE TRANSFER FROM ARTIST TO MARGIN, with a perfect alibi: the deadline belongs to a client in another time zone. Nobody decides it; a producer quotes optimistically to win, the scope moves, and the arithmetic resolves itself in the only direction it can	PUBLISH BILLED HOURS AGAINST WORKED HOURS ON EVERY PROJECT, to the client and internally, with the gap stated as a percentage — 18% → 4%, only 3 projects above a 5% gap; BID FROM MEASURED TEAM VELOCITY on comparable completed work, with the estimate held by DELIVERY LEADERSHIP because a bid computed by the person whose target it fills is a wish with a number on it; RE-QUOTE OR DECLINE SCOPE CREEP rather than absorbing it (6 projects, ₹1.42 crore); and PAY ALL OVERTIME AT PREMIUM with NIL unpaid hours. WHERE THE SELLER'S MARGIN IS THE GAP BETWEEN BILLED AND WORKED HOURS, PUBLISH BOTH NUMBERS — a gap that is measured cannot be quietly widened
Thursday in the final fortnight	The client review is at nine, eleven hours of work remain, and the team will stay because they are proud of the work and nobody has to ask them — and the hours will not appear anywhere unless somebody records them	WORKED HOURS LOGGED BY EVERYONE INCLUDING LEADS AND FOUNDERS; overtime PAID rather than merely acknowledged (₹82 lakh — a line that reads ZERO in almost every comparable studio, not because the hours were not worked but because they were not paid, not recorded and therefore not costed); and the project's gap REPORTED TO THE CLIENT WHOSE CHANGE REQUEST CAUSED IT. The system counts rather than warns: an appeal to producers not to let crunch happen is not a control, whereas a number that enters a client conversation is one
The estimate owned by the person who needs the bid	Optimistic bids win work, and a services business that lets sales own the estimate finds within two years that its estimates have become sales documents — not through dishonesty but through a hundred small accommodations, each defensible	ESTIMATION SITS UNDER DELIVERY, NOT BUSINESS DEVELOPMENT; BD may argue an estimate AND LOSE THE ARGUMENT but cannot alter it; bids lost on price are RECORDED WITH THE ESTIMATE INTACT so the pattern is visible rather than anecdotal; and assumptions and exclusions are stated in the bid so a change is IDENTIFIABLE rather than arguable, with scope creep raised as a change order within 48 hours
Undisclosed generative-AI use	Generative tools are embedded in concept, texturing, upscaling and iteration across this industry and the near-universal practice is to say nothing — but THE CLIENT IS NOT BUYING PIXELS, HE IS BUYING RIGHTS HE INTENDS TO DEFEND FOR A DECADE, and an asset touched by a model whose training-data position is unknown carries a cloud he cannot see and did not price	GENERATIVE-AI POSITION DISCLOSED PER ASSET AND PER PROJECT BEFORE DELIVERY, stating what was hand-authored and what was model-assisted; NO MODEL USED WHOSE TRAINING-DATA LICENSING POSITION IS UNKNOWN; the position RECORDED AS WORK HAPPENS rather than reconstructed at delivery, and held in the provenance register per the anchor's rule. Two briefs lost on disclosure, worth ₹48 lakh — both to studios almost certainly doing the same thing without saying so

Artists NDA'd out of their own portfolios	Standard IP assignment vests everything in the client on creation and NDAs commonly prevent an artist ever showing the work — so a game artist can spend four years producing shipped console-quality assets with NOTHING TO DEMONSTRATE IT, which in a portfolio-driven career is a straightforward destruction of his market value. He cannot fix it himself: HE IS NOT A PARTY TO THE MSA AND HAS NO STANDING TO NEGOTIATE	THE STUDIO NEGOTIATES NAMED CREDIT AND PORTFOLIO RIGHTS AS A STANDARD TERM at MSA stage rather than requesting them at the end — credit obtained on 71% of projects, portfolio rights on 88%; and THE NINE CLIENTS WHO REFUSED CREDIT ARE RECORDED AND REPORTED INTERNALLY, because a refusal that is recorded is a fact an artist can weigh when choosing his next project. Costs three clients worth ₹64 lakh
The unpaid test task	Unpaid art tests are standard: a studio produces four to twenty hours of finished work to win a bid, and where it loses, that work was free labour delivered to a company that keeps the file. Multiplied across the market, unpaid tests are one of the largest uncosted subsidies flowing from artists to publishers anywhere in games	EVERY TEST TASK PAID AT STANDARD RATES (₹34 lakh a year), with NO artist asked to produce speculative work on his own time; test scope agreed and bounded in advance; and the cost carried in business development rather than absorbed by the individual, which is where it belongs
Client concentration and currency	Losing the largest client takes Year-3 profit from ₹3.24cr to ₹98 lakh; an 8% rupee appreciation takes it to ₹1.62cr, since revenue is in dollars and costs in rupees	No single client above a stated share of revenue, with the co-development and consulting lines diversifying the base; forward cover on a portion of contracted receivables; FEMA realisation timelines observed so exposure is not extended by administrative delay; and pricing reviewed annually against currency rather than fixed multi-year in dollars
Utilisation and attrition	An artist between projects is a full salary against no revenue — utilisation falling to 62% takes Year-3 profit to ₹46 lakh; attrition rising to 30% takes it to ₹1.88cr through rehiring, ramp and lost velocity	Attrition at 14% against an industry norm nearer 30%, built on paid overtime, honoured days off, credit and portfolio rights and funded mentorship — the studio rehires and re-ramps HALF AS OFTEN as a competitor; VELOCITY IS BUILT IN PEOPLE, and a team that turns over annually never accumulates the measured history the estimates depend on; and a pipeline mixing long co-development engagements with shorter art contracts to smooth the bench

15. SWOT Analysis

Strengths • Billed against worked hours published; gap down to 4% • Bids from measured velocity, owned by delivery not sales • All overtime paid; nil unpaid hours • AI position disclosed per asset; no unknown-provenance models • Named credit on 71% of projects; every test paid	Weaknesses • ₹3.70cr of forgone revenue against ₹3.24cr of profit • Bids higher than optimistic competitors • Client concentration and currency exposure • Utilisation is the whole result
--	--

Opportunities • External-development managers burned by optimistic bids • Co-development at ₹2,400 an hour, away from vendor pricing • Clients needing defensible asset provenance • Artists choosing a studio that returns their portfolio • Security posture as a gate competitors cannot clear	Threats • Rate competition from studios absorbing overruns silently • Rupee appreciation against dollar revenue • AI-assisted services undercutting iteration work • Remote hiring taking senior artists at global rates
---	---

16. Recommended AiSevak Tools for This Business

- **Billed-vs-worked reporter** — hours per project, gap percentage, published to client and internally.
- **Velocity-based estimator** — bids computed from measured history, owned by delivery, with BD arguments logged.
- **Change-order tracker** — scope creep raised within 48 hours, re-quoted or declined, with value recorded.
- **Overtime register** — hours, premium paid, crunch weeks, days off honoured.
- **Asset provenance & AI-position register** — hand-authored versus model-assisted, recorded as work happens.
- **Credit & portfolio-rights register** — negotiated terms per client, refusals recorded.
- **Utilisation & realised-rate dashboard** — by discipline, never blended alone.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, artist counts, utilisation, billed and realised rates, hour gaps and attrition are editable inputs; actual outcomes depend on client mix, currency and estimation quality. Figures are in Indian rupees.
- **The central integrity finding is that an outsourcing studio's entire margin lives in the gap between the hours it bills and the hours its artists actually work.** A fixed bid quoted at 400 hours and delivered in 470 is not an estimating error somebody absorbs — the seventy hours are worked by salaried artists in evenings and weekends, the client pays for 400, and the difference appears on the P&L as margin rather than as a cost, a write-off or a variance, because the only record of it would have been a timesheet nobody was asked to keep. **Unlike a product studio there is no upside to share afterwards: no title, no catalogue, no royalty, nothing the artist owns a piece of — so the overrun is a PURE TRANSFER FROM ARTIST TO MARGIN, and it arrives with a perfect alibi, because the deadline belongs to a client in another time zone and cannot be argued with. Nobody in the studio decides this: a producer quotes optimistically to win a bid, the scope moves, and the arithmetic resolves itself in the only place it can. It is a transaction with three parties in which only one of them is unaware it occurred.**
- **So both numbers are counted and both are published.** Every project reports billed hours against worked hours to the client and internally with the gap stated as a percentage — 4% in Year 3, down from 18% in Year 1, with only three projects exceeding a 5% gap and nil unpaid overtime throughout. Bids are computed from measured team velocity on comparable completed work by delivery leadership, and business development may argue an estimate but cannot alter it, with bids lost on price recorded alongside the estimate. Scope creep is re-quoted or declined rather than absorbed, at a cost of six projects and ₹1.42 crore. **WHERE THE SELLER'S MARGIN IS THE GAP BETWEEN BILLED AND WORKED HOURS, PUBLISH BOTH NUMBERS — a gap that is measured cannot be quietly widened, and one that is published cannot be quietly repriced. The Year-1 figure of 18% is honest rather than embarrassing: it is what an unmeasured studio's gap actually looks like, and publishing it is what made closing it possible.**

- **The realised rate is the same finding restated in rupees.** A billed rate of ₹1,850 against a realised rate of ₹1,776 is a 4% gap; in Year 1 the same studio quoted ₹1,456 and realised ₹1,234, which is not a studio achieving its rate but a studio being subsidised by its artists. **And the overtime line at ₹82 lakh is the single most informative number in the P&L, because in almost every comparable studio it reads zero — not because the hours were not worked, but because they were not paid, therefore not recorded, therefore not costed. A competitor's accounts on the same revenue would show ₹82 lakh more profit and a workforce turning over twice as fast.** Rates are reported with their underlying per the library's rule — co-development ₹2,400, animation and VFX ₹2,050, 3D character ₹1,900, environment ₹1,620, concept and 2D ₹1,480 — because the blend moves with mix rather than with price, and the rise from ₹1,456 to ₹1,850 came entirely from moving up the value curve.
- **A client buying "original art" is entitled to know what a model touched.** Generative tools are embedded in concept ideation, texture generation, upscaling and iteration across this industry, and the near-universal practice is to say nothing — the client asked for art and received art. **That reasoning fails on one point: he is not buying pixels, he is buying rights he intends to defend for a decade, and an asset touched by a model whose training-data position is unknown carries a cloud he cannot see and did not price. So every delivery states what was hand-authored and what was model-assisted at asset level, no model is used whose training-data licensing position is unknown, and the position is recorded as work happens rather than reconstructed at delivery. Two briefs were lost on the disclosure, worth ₹48 lakh — both, in all likelihood, to studios doing the same thing without saying so.**
- **The artist gets his name and his portfolio, and the studio has to negotiate it for him.** Standard IP assignment vests everything in the client on creation and NDAs commonly prevent an artist from ever showing the work, so a game artist can spend four years producing shipped console-quality assets and have nothing to demonstrate it — which in a portfolio-driven career destroys his market value. **He cannot fix this himself: he is not a party to the master services agreement and has no standing to negotiate. So named credit and portfolio rights are negotiated as a standard term at MSA stage rather than requested at the end — credit on 71% of projects, portfolio rights on 88% — and the nine clients who refused credit are recorded and reported internally, because a refusal that is recorded is a fact an artist can weigh when choosing his next project.** And every test task is paid at standard rates, because unpaid art tests, multiplied across a market, are one of the largest uncoded subsidies flowing from artists to publishers anywhere in games.
- **The economics say what the discipline costs and what it returns.** Declined scope (₹1.42 crore), paid overtime (₹82 lakh), credit refusals (₹64 lakh), AI disclosure (₹48 lakh) and paid tests (₹34 lakh) total ₹3.70 crore against ₹3.24 crore of PAT — a studio absorbing scope, leaving overtime unpaid and taking tests free would report roughly twice the profit on the same revenue. **What it would not have is 14% attrition against an industry norm nearer 30%, which matters more than it appears: velocity is built in people, and a team that turns over annually never accumulates the measured history the estimates depend on — so the studio that pays for its hours is also the only one that can honestly quote them.** Export incentives and forex gains are disclosed separately and fall from ₹86 lakh to ₹80 lakh as trading takes over.
- **Compliance and professional advice.** The master services agreement is contract rather than statute — nothing requires a studio to publish worked hours and nothing prevents a client relying on the figure once it is written down, the same asymmetry the publishing plan found from the other side; IP assignment clauses typically vest everything in the client on creation, so credit and portfolio rights must be negotiated by the studio for artists who have no standing to negotiate themselves; Shops and Establishments and Factories working-hour records and overtime provisions make the overtime commitment auditable rather than asserted, and misclassifying artists as independent contractors to avoid them is the industry's standard evasion and is not used here; GST zero-rating on export of services under LUT, FEMA realisation timelines and transfer pricing where a client is related; copyright and asset provenance including the generative-model training-rights position; client security obligations under SOC 2, ISO 27001 and publisher NDAs, with real audit consequences; DPDP where personal data is processed for a client; and EPF/ESI and POSH. Professional advice

should be taken on MSA terms, IP and credit clauses, worker classification, export taxation and AI-provenance representations.

► **Use these tools now — free on AiSevak**

Every tool referenced in this plan is available on aisevak.in. Open the [Gaming and Esports toolkit](#) to browse and use them all at <https://aisevak.in/verticals/gaming> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>. No signup needed to explore; each tool guides you step by step.

Prepared by AiSevak.in — a product of ABL Digital Technologies. AI-powered business services for India. This is AI-assisted guidance; figures are illustrative and not a guarantee of results. Verify all numbers, licences and regulatory requirements with a qualified professional before relying on this plan for binding decisions. © 2026 ABL Digital Technologies Private Limited.