BUSINESS PLAN · INDIA

Game-Development Studio

Publishing who the revenue actually comes from

GAMING AND ESPORTS

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Game-Development Studio** in India — an independent developer building and operating its own mobile and PC titles, supported by co-development and work-for-hire for international publishers, and running its live games as long-term services rather than as launches.

> This plan opens the gaming vertical and sets the conventions the other eight inherit. **Three run through everything that follows: an average conceals the person the business actually depends on; a schedule overrun is a costing decision rather than an accident; and a product used by children is a product with obligations that do not depend on whether the law has caught up.**

> **A FREE-TO-PLAY GAME'S REVENUE IS CONCENTRATED IN A VERY SMALL NUMBER OF PLAYERS, AND THE SYSTEMS THAT PRODUCE IT ARE OPTIMISED, BY MEASUREMENT, AGAINST THE PEOPLE LEAST ABLE TO STOP. In a typical mobile title around 2% of players pay at all, and within that group the top fraction of one per cent can supply a fifth or more of everything the game earns — so the business does not depend on its players, it depends on a few thousand people whose spending pattern would be recognised in any other industry as a warning sign. Loot boxes, timed offers, streak mechanics, near-miss reward curves and pay-to-continue prompts are then A/B-tested against spend, which means every iteration selects for whatever the heaviest spenders respond to. The designer is not a villain and usually has no idea he is doing this: HE IS OPTIMISING THE NUMBER HIS DASHBOARD SHOWS HIM, AND HIS DASHBOARD SHOWS AVERAGE REVENUE PER DAILY ACTIVE USER — an average whose movement is driven almost entirely by a group too small to appear in it. So this studio PUBLISHES THE REVENUE CONCENTRATION CURVE, ENFORCES A HARD SPEND CAP OF ₹25,000 PER ACCOUNT PER MONTH THAT CANNOT BE LIFTED ON REQUEST, DISCLOSES THE ODDS ON EVERY RANDOMISED ITEM AND OFFERS A DIRECT-PURCHASE PATH TO IT, AND REPORTS WHAT THE CAP COSTS — ₹2.14 crore in Year 3. WHERE A REVENUE MODEL CONCENTRATES ON A VULNERABLE MINORITY, PUBLISH THE CONCENTRATION AND CAP IT.**

> **AND CRUNCH IS A COSTING DECISION DISGUISED AS A SCHEDULING ACCIDENT. A studio that commits to a date its measured velocity does not support has not made an estimating error — it has decided, in advance and usually without saying so, that the shortfall will be paid for in unpaid evenings and weekends by people who cannot refuse. That is a transfer from staff to margin, and it is invisible because nobody counts the hours. So overtime hours per head are MEASURED AND PUBLISHED, ship dates are set from measured velocity rather than from a marketing calendar, and there is NO UNPAID OVERTIME.**

> **AND CHILDREN ARE A MEASURABLE FRACTION OF THE PLAYER BASE WHETHER OR NOT THE STORE PAGE SAYS SO. Age assurance at account creation, parental spending controls, no behavioural advertising to accounts flagged as minors, and NO RANDOMISED PURCHASE AVAILABLE TO THEM AT ALL — because a mechanic whose appeal rests on uncertain reward should not be sold to someone who cannot evaluate it.**

This plan models a studio requiring **₹6.80 crore** (₹3.40 crore investor + ₹1.80 crore promoter + ₹1.00 crore publisher advance + ₹60 lakh term loan), moving from **₹6.20 crore revenue and a ₹1.80 crore loss** to **₹34.00 crore revenue and ₹4.42 crore profit** by Year 3 — *a 13.0% net margin and 41.2% return on capital. (Game development — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A studio that publishes who its revenue comes from.

Vision: To build games people return to for years, funded by many players rather than by a few.

Mission: Publish the concentration curve; cap what one account can spend and refuse to lift it; disclose every odd and sell every randomised item directly; keep randomised purchase away from minors; count the overtime and pay it; and report contribution by title including the ones that failed.

Legal structure

- **Private Limited** — recommended. Platform developer agreements, publisher contracts, IP assignment, ESOPs and outside capital all assume it.
- **LLP or proprietorship** — workable for pure work-for-hire, but unsuited to owning and operating live titles with player money held as virtual currency.
- **A player-protection function outside the monetisation line**, reporting to the promoter — **because a spend cap owned by the team whose bonus depends on revenue per user is not a cap, it is a setting.**

> **Regulatory anchor:** a business whose product reaches minors, holds prepaid value and monetises randomness, operating in a framework that is changing quickly. **The Digital Personal Data Protection Act treats a child's data as a distinct category requiring verifiable parental consent and PROHIBITING BEHAVIOURAL ADVERTISING DIRECTED AT CHILDREN AND TRACKING THEIR BEHAVIOUR — which is not a policy preference but a statutory position, and it lands directly on the analytics and advertising stack most mobile games are built around. The IT Rules as amended for online games contemplate registration and due-diligence obligations for certain categories, and the distinction between a game of skill and a game of chance carries state-level gambling exposure that this studio avoids entirely by not offering real-money wagering. Loot boxes occupy contested ground: advertising standards require material disclosure of odds and of the chance-based nature of a purchase, consumer-protection provisions on unfair trade practice reach a randomised sale whose probabilities are concealed, and several jurisdictions in which a game published from India will be sold impose their own odds-disclosure duties — so disclosure is both the compliant position and the only defensible one. Virtual currency held against future delivery is a prepayment obligation and is treated as one.** Then: platform policies as a de facto regulator; GST on in-app purchases and on export of development services; copyright and asset licensing including generative-AI training rights; and EPF/ESI, POSH and working-hour records.

3. Promoter & Ownership

Led by a promoter with game development, product or interactive-entertainment background. Three competences decide outcomes. *Live-operations judgement*, because a modern game earns over years through content cadence, balance and community rather than at launch, and running one badly for six months can end a title that took two years to build. *Portfolio nerve*, since most games fail and the discipline is to cancel early rather than to fund hope through a soft launch that has already answered the question. And *the willingness to leave money on the table*, which in this industry is not a figure of speech: the spend cap in this plan is a design decision that visibly reduces revenue every month. Ownership, equity & investor terms are editable inputs; **the player-protection function reports to the promoter, and no monetisation or growth role may raise a cap, weaken an age check or remove a disclosure.**

4. Market Analysis — India

India is one of the world's largest gaming populations and one of its smallest per-player spenders, which shapes everything about how a studio here must be built.

Demand drivers

- **Very large mobile player base** with cheap data and low-cost Android devices.
- **Rising discretionary spend** and normalised digital payments.
- **Global distribution** — an Indian studio ships to the world on day one.
- **Cost advantage in development**, sustaining a substantial work-for-hire market.
- **Growing esports and streaming culture** extending the life of competitive titles.
- **Platform and state incentives** for AVGC and interactive media.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Global mobile and PC audiences reachable from an Indian studio	Very large; platform-mediated
SAM	**Players a small studio can acquire and retain economically**	**Bounded by USER-ACQUISITION COST, not by audience**
SOM (Yr 1–3)	Own titles plus co-development	₹6.2cr → ₹34cr; 5 titles shipped, 2 sunset or cancelled

Revenue mix and share (Year 3)

Stream	Share of revenue	Why it is there
Title A — in-app purchases (capped)	**35.0%**	**The hit; and the concentration risk**
Work-for-hire & co-development	19.0%	Pays salaries while own IP matures
Title B & back-catalogue in-app purchases	17.0%	Long tail; low marginal cost
Rewarded & non-intrusive advertising	**13.0%**	**Monetises the 98% who never pay**
Premium downloads & platform bundles	9.0%	One price, no mechanics, no cap needed
Licensing, ports & platform funding	7.0%	Non-dilutive and de-risking

> **The mix is a deliberate answer to the concentration problem rather than an accident of opportunity. Advertising at 13% and premium at 9% earn from breadth — a rewarded video is worth a rupee or two from a player who will never spend anything, and a premium purchase is a single transaction with no mechanic behind it — while work-for-hire at 19% pays salaries independently of any title's performance. Together, 41% of revenue is structurally immune to the spend cap, which is what makes the cap survivable; a studio earning 90% from in-app purchase in one title could not impose one and stay solvent, and would tell itself so.**

Constraints

- **User-acquisition cost**, which is the real ceiling on a free-to-play title's scale.

- **Platform dependence** — two storefronts set the terms, the fee and the rules.
- **Hit-driven economics**, where most titles do not return their development cost.
- **Talent competition** from international studios hiring the same people remotely.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
Large free-to-play publishers	Capital, user acquisition, live-ops scale, data	**Monetisation tuned to the heaviest spenders; no cap, odds often buried**
Indian mobile studios	Cost base, local audience insight, fast iteration	Undifferentiated hyper-casual; thin retention; ad-arbitrage dependent
Work-for-hire and outsourcing studios	Predictable revenue, low risk, strong craft	No IP, no compounding value, margin capped by client
Global indie developers	Creative distinctiveness, premium audiences	Limited live-ops capability and marketing reach
This plan	**Concentration published, hard spend cap, odds disclosed with a direct-purchase path, overtime counted**	Lower revenue per paying user by design; slower growth

> **The positioning is aimed at an audience that is growing faster than the industry admits: players who have become suspicious of the mechanics. A store page that states the spend cap, publishes where the revenue comes from and sells every randomised item directly is making claims a competitor cannot casually copy, because copying them costs the competitor exactly the revenue this plan forgoes. It also matters commercially in a way that is easy to miss: platforms, advertisers and Western publishers increasingly require odds disclosure and child-safety compliance as a condition of doing business, so the position is a market-access asset as much as an ethical one.**

> **The cost of the honest position is stated in rupees rather than implied. The ₹25,000 monthly spend cap cost ₹2.14 crore of Year-3 revenue — 6.3% of the total and roughly a third of what the studio earns before tax. Offering a direct-purchase path for every randomised item cost an estimated ₹68 lakh, since a player who can buy the thing he wants stops buying chances at it. Excluding accounts flagged as minors from randomised purchase and behavioural advertising cost ₹46 lakh. Setting ship dates from measured velocity rather than from a marketing window delayed one title by eleven weeks, at an estimated ₹92 lakh. Against that: 34% D30 retention against a category norm nearer 12%, a paying-player base that is wider and steadier, and platform and publisher relationships that treat this studio as low-risk.**

6. The Average That Conceals the Business

This is the vertical's founding observation and every other plan in it inherits some version of the problem.

Group	Share of players	Share of in-app revenue
Never pay anything	~98%	Nil — monetised by advertising, or not at all
Pay occasionally	~1.6%	37%

Top 1% of paying players	~0.02%	**41%**
Top 0.1% of paying players	**~0.002%**	**22%**
What the dashboard reports	—	**One number: revenue per daily active user**

> **The last row is where the harm originates. Every experiment a live-operations team runs is judged on an average that moves almost entirely because of a group too small to see — so a change that mildly annoys a hundred thousand ordinary players while extracting more from four hundred heavy spenders reads on the dashboard as an unambiguous success, and gets shipped. Repeat that weekly for two years and the game has been shaped, without anybody ever deciding to, around the spending behaviour of the people least able to moderate it. No individual acted badly; the measurement did the work. This is the same structure the agri-inputs vertical found repeatedly — a number that is easy to collect standing in for the one that matters — and it produces the same outcome here, at a much faster tempo.**

> **So the concentration is published and the tail is cut off. The share of in-app revenue coming from the top 0.1%, top 1% and top 5% of paying players is REPORTED EVERY QUARTER, alongside the median paying player's monthly spend, so nobody in the studio can mistake the average for the business. A HARD CAP OF ₹25,000 PER ACCOUNT PER MONTH is enforced at the payment layer, cannot be raised on request or by support, and cannot be circumvented by an additional account on the same payment instrument. It cost ₹2.14 crore in Year 3, and the concentration figure moved as intended: the top 1% fell from 52% of in-app revenue to 41%. WHERE A REVENUE MODEL CONCENTRATES ON A VULNERABLE MINORITY, PUBLISH THE CONCENTRATION AND CAP IT — an average conceals the person the business actually depends on.**

7. Odds, Minors and the Hours Nobody Counts

Three further commitments, each closing a gap the industry has been comfortable leaving open.

> **EVERY RANDOMISED ITEM HAS PUBLISHED ODDS AND A DIRECT-PURCHASE PATH. A loot box is a purchase whose value is unknown at the moment of paying, and the entire design skill in the category consists of making the unknown feel nearly-won. So the drop probability of every item is DISCLOSED IN-CLIENT at the point of purchase rather than in a policy page, pity timers and rate-ups are stated numerically, and every item obtainable from a box can also be BOUGHT DIRECTLY FOR A STATED PRICE. The direct path is the substantive commitment and it costs ₹68 lakh a year, because a player who can simply buy what he wants stops buying attempts at it — which is precisely the revenue the mechanic was constructed to generate.**

> **MINORS ARE IDENTIFIED AND TREATED DIFFERENTLY. Children play games rated for adults, and a studio that relies on its store rating to conclude it has no minors has chosen not to look. So age is assured at account creation, accounts flagged as minors get PARENTAL SPENDING CONTROLS ON BY DEFAULT, NO BEHAVIOURAL ADVERTISING AND NO BEHAVIOURAL TRACKING — which is the DPDP Act's requirement rather than a courtesy — and NO ACCESS TO RANDOMISED PURCHASE OF ANY KIND. That last is stricter than any current Indian rule, and the reasoning is simple: a mechanic whose appeal depends on a player mis-estimating probability should not be sold to somebody who demonstrably cannot estimate it. The exclusion costs ₹46 lakh a year.**

> **THE OVERTIME IS COUNTED AND PAID. Crunch is discussed in this industry as though it were weather — an unfortunate condition that descends near a ship date — when it is in fact a decision taken months earlier by whoever committed to a date the team's measured velocity did not support. The shortfall is then paid for in**

> **evenings and weekends by salaried people who cannot refuse, which is a transfer from staff to margin that never appears in any account. So HOURS ARE RECORDED FOR EVERYONE, MEAN OVERTIME PER HEAD IS PUBLISHED (4 hours a month in Year 3, down from 11), crunch weeks above 55 hours are counted, THERE IS NO UNPAID OVERTIME, and SHIP DATES ARE SET FROM MEASURED VELOCITY — a discipline that delayed one title by eleven weeks at an estimated ₹92 lakh.**

> **AND EVERY ASSET'S PROVENANCE IS RECORDED, INCLUDING WHAT TRAINED IT. Art, audio, code libraries and fonts are licensed with the licence term and scope recorded per asset, and where generative tools are used the model's training-data licensing position is recorded and the output is treated as unclearable unless it is. A game shipped on assets whose rights cannot be traced is a title that can be pulled from a storefront years later, and in a business whose entire value is a catalogue, that is an existential rather than a legal problem.**

8. Operations Plan (prototype, soft launch, ship, operate, sunset)

Development

- **Prototype gates with pre-declared kill criteria**, so a decision to continue is a decision rather than a default.
- **Velocity measured per team and used to set dates**, not to justify dates already announced.
- **Asset provenance recorded at import** — licence, scope, and generative-model position where applicable.
- **Hours recorded for everyone**, including leads and founders, because unmeasured crunch starts at the top.

Monetisation design

- **Spend cap enforced at the payment layer**, not in the client, and not overridable by support.
- **Odds published in-client** for every randomised item, with pity timers stated numerically.
- **Direct-purchase path priced for every randomised item**, at a price a reasonable player would use.
- **Experiments reviewed against the concentration curve**, not only against revenue per daily active user.

Player protection

- **Age assurance at account creation**, with parental controls default-on for flagged accounts.
- **No behavioural advertising or tracking for minors**, per the DPDP Act's requirement.
- **No randomised purchase available to minors at all.**
- **Self-exclusion and cooling-off available to any player on request**, and honoured across accounts on the same payment instrument.

Live operations and sunset

- **Content cadence and balance managed as a service**, with community response tracked alongside revenue.
- **Virtual currency treated as a prepayment obligation** and reported as deferred revenue.
- **Sunset policy published at launch** — notice period, refund of unspent currency, and offline mode where feasible.
- **Contribution reported per title including cancelled and sunset ones.**

> **The operational hinge is the live-ops experiment that raises revenue per daily active user by 8% and is driven entirely by four hundred accounts. It passes every threshold, the dashboard is green, the team that ran it is rewarded, and nothing in a conventional studio's process would ever surface what actually happened. So every monetisation experiment is reviewed against the CONCENTRATION CURVE as well as the average, an**

> **experiment that raises revenue while increasing top-1% share is treated as a FAILED experiment regardless of its headline, and the player-protection function — which does not report to monetisation — can veto a ship. The system refuses rather than warns, because a warning attached to a green metric is not read.**

9. Data, Content & Operating Compliance (India)

- **Company & tax** — Private Limited, PAN/TAN, GST on in-app purchases and on export of development services, platform developer agreements.
- **Children's data** — the DPDP Act treats a child's data as a distinct category requiring verifiable parental consent and **PROHIBITING BEHAVIOURAL ADVERTISING DIRECTED AT CHILDREN AND TRACKING OF THEIR BEHAVIOUR — a statutory position, not a preference, and it lands directly on the analytics and advertising stack most mobile games are built on.**
- **Online gaming rules** — IT Rules as amended contemplate registration and due-diligence obligations for certain categories; **the skill-versus-chance distinction carries state gambling exposure, which this studio avoids entirely by offering no real-money wagering.**
- **Randomised purchases** — **advertising standards require material disclosure of odds and of the chance-based nature of a purchase; consumer-protection provisions on unfair trade practice reach a randomised sale whose probabilities are concealed; and several markets a game is sold into impose their own odds duties — so disclosure is both the compliant and the only defensible position.**
- **Virtual currency** — held against future delivery and treated as a prepayment obligation with a published sunset and refund policy.
- **IP & assets** — copyright, licensing scope per asset, and generative-model training-rights position recorded.
- **Workforce** — EPF/ESI, POSH, and working-hour records, which are what make the overtime commitment auditable rather than asserted.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / studio head	1	1	Owns the cap and the protection function
Engineering	14	38	Hours recorded; velocity sets dates
Art, animation & audio	11	30	Asset provenance recorded at import
Design & production	6	16	Kill criteria declared before prototype gates
Live operations & community	4	14	Experiments judged on the concentration curve
Player protection & age assurance	1	4	**Reports to promoter; can veto a ship**
QA & compliance	5	13	Odds disclosure and minor-flow testing
User acquisition, publishing & admin	6	16	No role may raise a cap or weaken a check
Total	**48**	**132**	Mean overtime 4 hrs/head/month in Year 3

> **The player-protection function is four people against a hundred and thirty-two, and its size is not the point — its reporting line is. A spend cap, an age gate and an odds disclosure are all trivially easy to weaken by degrees, and each individual weakening will be proposed for a good reason by somebody sincere. Placing the**

authority outside the monetisation and growth lines, with a veto over ship, is the only arrangement in which the commitments survive contact with a quarter that is behind plan — which is the same control-independence rule the previous vertical arrived at from an entirely different direction.

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation & team	Month 0–5	Incorporation, core team, platform accounts, first work-for-hire contract
Title A build & soft launch	Month 3–14	Prototype gates, soft launch in test markets, retention validated before scale
Protection framework	Month 6–12	**Spend cap at payment layer, odds disclosure, age assurance, concentration reporting**
Title A global launch & live ops	Month 14–24	Content cadence, community, first concentration curve published
Title B and portfolio	Month 18–30	Second own title; one cancellation at soft launch; back catalogue live
Scale & diversification	Month 28–36	₹34cr revenue; 41% from streams immune to the cap

Training and competence

- **Reading a concentration curve** — for designers and live-ops staff, so the average stops being the default lens.
- **Odds and probability communication** — stating a rate in a way a player actually understands.
- **Age assurance and minor-flow handling** for support and QA.
- **Estimation and velocity** for leads, since the crunch commitment is only as good as the estimates behind it.

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions, not forecasts or guarantees. They exist to show the drivers of a studio P&L and how the concentration, disclosure and overtime disciplines move them. Every input is editable. **The defining feature is that this is a portfolio business reported as though it were a product business — one title carries the studio and four others range from marginal to written off, so contribution is reported per title including the failures, and any blended figure is stated with its underlying.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Title A development to global launch	**268**	**Capitalised and amortised over the live period**
Title B and prototype pipeline	142	Includes one cancellation at soft launch
Studio fit-out, workstations & devices	96	Test-device matrix for Android breadth
Engine, tools, middleware & asset licences	54	Provenance recorded per asset

Payment, age-assurance & protection systems	**38**	**Cap enforced at the payment layer**
Servers, analytics & live-ops infrastructure	42	Scales with concurrency
Initial user acquisition for Title A	86	Only after soft-launch retention validated
Working capital & contingency	**54**	**Salaries through a two-year build**
Total project cost	**680**	₹340L investor + ₹180L promoter + ₹100L publisher advance + ₹60L term loan

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
Revenue concentration PUBLISHED quarterly — share of in-app revenue from top 0.1% / top 1% / top 5% of paying players	31% / 52% / 74%	26% / 46% / 69%	**22% / 41% / 63%**
Hard spend cap of ₹25,000 per account per month enforced at the payment layer / accounts reaching the cap / **revenue the cap cost (₹L)** / caps lifted on request	100% / 1,840 / 38 / NIL	100% / 4,300 / 96 / NIL	**100% / 7,600 / 214 / NIL**
Odds disclosed IN-CLIENT for every randomised item / **direct-purchase path available for every randomised item** / pity timers stated numerically	100% / 100% / 100%	100% / 100% / 100%	**100% / 100% / 100%**
Age assurance at account creation / parental controls default-on for flagged minors / **behavioural advertising or randomised purchase available to minors**	100% / 100% / NIL	100% / 100% / NIL	**100% / 100% / NIL**
Mean overtime hours per head per month / **crunch weeks above 55 hours per head per year** / unpaid overtime hours / ship dates set from measured velocity	11 / 3.2 / NIL / 100%	7 / 1.4 / NIL / 100%	**4 / 0.6 / NIL / 100%**
Titles live / D1, D7, D30 retention on Title A / paying share of players / LTV:CAC on Title A	1 / 41%, 19%, 9% / 1.4% / 0.8:1	3 / 48%, 27%, 22% / 2.1% / 1.9:1	**4 / 52%, 34%, 34% / 2.6% / 2.8:1**

> **Row one is the row this vertical is built on, and its purpose is that it must FALL: the top 1% of paying players supplied 52% of in-app revenue in Year 1 and 41% in Year 3, while total revenue grew five and a half times. That is the whole test — a studio whose concentration rises while revenue rises is being carried by a smaller and smaller group and should say so. Row two's third figure is the cost stated as a number rather than claimed as a policy: ₹2.14 crore of Year-3 revenue forgone, with NIL caps lifted on request, because a cap that can be lifted for a good customer is not a cap. Row five makes the crunch commitment auditable — mean overtime of 4 hours a month against 11 in Year 1, with nil unpaid — and it is reported because a studio that does not count these hours is not managing them, it is spending them.**

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Driver
Title A — in-app purchases (capped)	150	520	1,190	**Retention and breadth, not depth**
Work-for-hire & co-development	230	380	646	Pays salaries independent of any title

Title B & back-catalogue in-app purchases	55	230	578	Long tail; low marginal cost
Rewarded & non-intrusive advertising	70	200	442	**Earns from the 97% who never pay**
Premium downloads & platform bundles	60	150	306	One price, no mechanics
Licensing, ports & platform funding	55	120	238	Non-dilutive; de-risks the pipeline
Total revenue	**620**	**1,600**	**3,400**	Illustrative

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	620	1,600	3,400
Cost of revenue — platform fee, payment, servers, third-party	(174)	(448)	(952)
Gross profit	**446**	**1,152**	**2,448**
Development salaries & studio costs	(372)	(520)	(890)
Live operations & community	(52)	(96)	(186)
User acquisition	(86)	(150)	(312)
QA, age assurance & player protection	**(38)**	**(62)**	**(118)**
Asset licensing & provenance	**(28)**	**(44)**	**(84)**
Admin, legal, insurance & other	(72)	(96)	(172)
EBITDA	**(202)**	**184**	**686**
Depreciation & amortisation — incl. capitalised development	(112)	(168)	(216)
Finance cost	(22)	(28)	(34)
Other income — platform developer-fund support, AVGC/state incentive & interest *(disclosed)*	96	103	154
PBT	**(240)**	**91**	**590**
Tax	60	(23)	(148)
PAT	**(180)**	**68**	**442**
Net margin	**(29.0%)**	**4.3%**	**13.0%**
ROCE	**(42.4%)**	**0.2%**	**41.2%**

The comparison worth stating plainly is between this P&L and the one the same studio would report without the commitments. The cap (₹2.14 crore), the direct-purchase path (₹68 lakh), the minor exclusions (₹46 lakh) and the velocity-set ship date (₹92 lakh) total ₹4.20 crore of forgone revenue against a Year-3 PAT of ₹4.42 crore — so a studio that abandoned all four would roughly double its profit and would look, from the outside and to most of its own staff, exactly the same. That is the honest description of the competitive position in free-to-play, and it is why the concentration curve is published: it is the only artefact that makes the difference visible to anybody at all. Platform and AVGC support is disclosed separately and, at ₹1.54 crore against ₹4.42 crore of PAT, does not carry the result.

12.5 Contribution by title — including the ones that did not work

Title (cumulative to Year 3)	Revenue	Development & UA	Contribution
Title A — live	₹11.90cr	₹6.10cr	**+₹5.80cr**
Title B — live	₹3.98cr	₹3.90cr	+₹8L
Back catalogue — three small titles	₹1.18cr	₹0.34cr	+₹84L
Title C — shipped Yr 2, sunset Yr 3	₹0.62cr	₹2.80cr	**(₹2.18cr)**
Title D — cancelled at soft launch	nil	₹1.40cr	**(₹1.40cr)**
Portfolio total	**₹17.68cr**	**₹14.54cr**	**+₹3.14cr**

> **This table is the reason contribution is never reported blended in this vertical. Title A alone produced ₹5.80 crore of contribution and the other four together produced minus ₹2.66 crore — so a studio reporting only its portfolio total, or worse its best title, would be describing a business that does not exist. Title D was cancelled at soft launch against pre-declared kill criteria after ₹1.40 crore, which is the discipline working rather than failing: the alternative was another year and ₹3 crore chasing a retention curve that had already answered the question. Title C is the harder case — it shipped, it was not good enough, and it was sunset with published notice and unspent virtual currency refunded, at a cost of ₹18 lakh that a studio walking away would not have paid.**

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	340	Growth capital; concentration and protection covenants
Promoter contribution	180	Cash and founding IP
Publisher advance	100	Recouped against Title B revenue share
Term loan	60	Workstations and equipment; 4 years
Total	**680**	Illustrative structure

> **An investor should underwrite the portfolio table rather than the P&L, and should expect the pattern in it to persist: one title carrying four is the normal condition of this industry rather than a bad year. The two numbers that predict the next three years are D30 retention on the live titles — 34% on Title A, against a category norm nearer 12% — and the falling concentration figure, because a title whose revenue is broad-based survives a monetisation change, a platform policy shift or a bad update, and one carried by four hundred accounts does not. The dominant risks are single-title dependence, platform policy, and the fact that ₹1.19 crore of Year-3 revenue rests on one live game's continued health. Work-for-hire, advertising and premium at 41% of revenue are the deliberate hedge and should be read as such rather than as a lack of focus.**

- **Use of funds** — 39% Title A development, 21% Title B and pipeline, 14% studio and devices, 13% user acquisition, 8% engine and asset licences, 6% protection and payment systems, balance servers and working capital.

- **Repayment** — term loan from Year 2–3 cash flow; publisher advance recouped from Title B revenue share on stated terms.
- **Investor exit** — strategic sale to a publisher acquiring the studio and catalogue, an acqui-hire by a larger developer, or promoter buyback; a live title with published retention and broad revenue is materially easier to diligence than one with neither.

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
Revenue concentrated on a vulnerable minority	Around 98% of players pay nothing and the top 1% of paying players can supply 40–50% of everything a title earns — so the business depends on a few thousand people whose spending pattern would be recognised anywhere else as a warning sign. Loot boxes, timed offers, streaks, near-miss curves and pay-to-continue prompts are A/B-tested against spend, so every iteration selects for whatever the heaviest spenders respond to. The designer is not a villain and usually does not know: HE IS OPTIMISING THE NUMBER HIS DASHBOARD SHOWS HIM, AND THE DASHBOARD SHOWS AN AVERAGE THAT MOVES ALMOST ENTIRELY BECAUSE OF A GROUP TOO SMALL TO APPEAR IN IT. No individual acts badly; the measurement does the work	**PUBLISH THE CONCENTRATION CURVE QUARTERLY — top 0.1%, 1% and 5% shares alongside the MEDIAN paying player's spend — so nobody can mistake the average for the business; ENFORCE A HARD ₹25,000 PER ACCOUNT PER MONTH CAP AT THE PAYMENT LAYER, not liftable by support or on request and not circumventable by a second account on the same instrument; REVIEW EVERY MONETISATION EXPERIMENT AGAINST THE CURVE, treating a revenue rise that increases top-1% share as a FAILED experiment; and REPORT WHAT THE CAP COSTS — ₹2.14 crore in Year 3, with top-1% share falling 52% → 41%. WHERE A REVENUE MODEL CONCENTRATES ON A VULNERABLE MINORITY, PUBLISH THE CONCENTRATION AND CAP IT**
Randomised purchase with concealed odds	A loot box is a purchase whose value is unknown when the money is paid, and the entire design craft in the category consists of making the unknown feel nearly-won — a structure that works precisely on players who mis-estimate probability	**DROP PROBABILITY DISCLOSED IN-CLIENT AT THE POINT OF PURCHASE rather than in a policy page, with pity timers and rate-ups STATED NUMERICALLY; and a DIRECT-PURCHASE PATH AT A STATED PRICE FOR EVERY ITEM obtainable from a box — the substantive commitment, costing ₹68 lakh a year, because a player who can buy what he wants stops buying attempts at it, which is exactly the revenue the mechanic exists to generate**
Children in the player base	Children play games rated for adults, and a studio relying on its store rating to conclude it has no minors has chosen not to look — while the DPDP Act treats a child's data as a distinct category and prohibits behavioural advertising and behavioural tracking directed at children, which lands on the analytics stack most mobile games are built on	**AGE ASSURANCE AT ACCOUNT CREATION with parental spending controls DEFAULT-ON for flagged accounts; NO behavioural advertising and NO behavioural tracking for minors, as a statutory requirement rather than a courtesy; and NO ACCESS TO RANDOMISED PURCHASE OF ANY KIND for minors — stricter than any current Indian rule, on the reasoning that a mechanic depending on a player mis-estimating probability should not be sold to somebody who demonstrably cannot estimate it. Costs ₹46 lakh a year**

Crunch as a costing decision	Committing to a date the team's measured velocity does not support is not an estimating error — it is a decision, taken months earlier and usually unspoken, that the shortfall will be paid in unpaid evenings and weekends by salaried people who cannot refuse. It is a transfer from staff to margin and it appears in no account, because nobody counts the hours	**HOURS RECORDED FOR EVERYONE INCLUDING LEADS AND FOUNDERS, since unmeasured crunch starts at the top; MEAN OVERTIME PER HEAD PUBLISHED (4 hrs/month in Year 3, from 11) and CRUNCH WEEKS ABOVE 55 HOURS COUNTED (0.6 per head per year); NO UNPAID OVERTIME; and SHIP DATES SET FROM MEASURED VELOCITY rather than a marketing calendar — a discipline that delayed one title eleven weeks at an estimated ₹92 lakh. Statutory working-hour records are what make this auditable rather than asserted**
Single-title dependence	₹11.90 crore of cumulative revenue and ₹5.80 crore of contribution rest on one live game, while four other titles together produced minus ₹2.66 crore — one hit carrying four is the industry's normal condition, not a bad year	**CONTRIBUTION REPORTED PER TITLE INCLUDING CANCELLED AND SUNSET ONES, so the portfolio is never described by its best member; 41% of Year-3 revenue from work-for-hire, advertising and premium — streams structurally immune to both the cap and any single title's decline; prototype gates with PRE-DECLARED KILL CRITERIA (Title D cancelled at soft launch after ₹1.40 crore rather than another year and ₹3 crore); and publisher and platform funding de-risking the pipeline**
Asset and IP provenance	A game shipped on assets whose rights cannot be traced can be pulled from a storefront years later, and in a business whose entire value is a catalogue that is existential rather than merely legal	**Every art, audio, code and font asset licensed with LICENCE TERM AND SCOPE RECORDED AT IMPORT; where generative tools are used, the MODEL'S TRAINING-DATA LICENSING POSITION IS RECORDED and output treated as unclearable unless it is; and the provenance register maintained as a diligence artefact rather than reconstructed at sale**
Platform dependence and policy change	Two storefronts set distribution, fee and rules, and a policy change on odds, data or age can require re-engineering at short notice	Odds disclosure, age assurance and minor protections already exceeding current platform requirements, so tightening rules are a non-event rather than a scramble; multi-platform releases including PC storefronts; premium and licensing revenue that is not fee-exposed on the same terms; and platform relationships built on a compliance record that makes this studio low-risk to feature
Sunset of a live title and prepaid currency	Players hold virtual currency against future delivery; closing a game without addressing it converts a business decision into a consumer-protection issue	Virtual currency treated as a PREPAYMENT OBLIGATION and reported as deferred revenue; a SUNSET POLICY PUBLISHED AT LAUNCH covering notice period, refund of unspent currency and offline mode where feasible; and Title C sunset on exactly those terms at a cost of ₹18 lakh a studio walking away would not have paid

15. SWOT Analysis

Strengths • Concentration curve published quarterly and falling • Hard ₹25,000 monthly cap, never lifted on request • Odds disclosed in-client with a direct-purchase path • No randomised purchase or behavioural ads to minors • Overtime counted and paid; dates set from velocity	**Weaknesses** • ₹4.20cr of Year-3 revenue forgone by design • Single live title carries the portfolio • Lower revenue per paying user than competitors • Talent competition from remote international hiring
Opportunities • Players actively suspicious of aggressive monetisation • Platforms and Western publishers requiring what we already do • Global distribution from an Indian cost base • AVGC and platform developer funding • A catalogue with clean, traceable asset rights	**Threats** • A live title declining faster than the next one ships • Platform fee or policy change • Regulatory shift on randomised purchases • User-acquisition cost inflation

16. Recommended AiSevak Tools for This Business

- **Concentration curve reporter** — top 0.1%, 1% and 5% revenue shares with median paying spend, published quarterly.
- **Spend cap at the payment layer** — per account per month, with override attempts logged and refused.
- **Odds & direct-purchase register** — every randomised item with its stated probability and its direct price.
- **Age assurance & minor-flow controls** — parental defaults, advertising exclusions, randomised-purchase block.
- **Hours & velocity tracker** — overtime per head, crunch weeks, and dates derived from measured velocity.
- **Asset provenance register** — licence term, scope and generative-model position per asset.
- **Contribution per title dashboard** — including cancelled and sunset titles; never blended alone.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, retention, concentration shares, cap costs, overtime figures and headcount are editable inputs; actual outcomes depend on title performance, user-acquisition cost, platform policy and portfolio luck. Figures are in Indian rupees.
- **The central integrity finding, and the anchor rule for this vertical, is that a free-to-play game's revenue is concentrated in a very small number of players and the systems producing it are optimised, by measurement, against the people least able to stop.** Around 98% of players pay nothing; the top 1% of those who do can supply 40–50% of everything a title earns. Loot boxes, timed offers, streaks, near-miss reward curves and pay-to-continue prompts are A/B-tested against spend, so every iteration selects for whatever the heaviest spenders respond to. **The designer is not a villain and usually has no idea: he is optimising the number his dashboard shows him, and his dashboard shows average revenue per daily active user — an average that moves almost entirely because of a group too small to appear in it. A change that mildly annoys a hundred thousand ordinary players while extracting more from four hundred heavy spenders reads as an unambiguous success and gets shipped; repeat that weekly for two years and the game has been shaped, without**

anybody deciding to, around the spending of the people least able to moderate it. No individual acts badly. The measurement does the work.

- **So the concentration is published and the tail is cut off.** The share of in-app revenue from the top 0.1%, 1% and 5% of paying players is reported quarterly alongside the median paying player's spend; a hard cap of ₹25,000 per account per month is enforced at the payment layer, cannot be lifted by support or on request, and cannot be circumvented by a second account on the same payment instrument; and every monetisation experiment is reviewed against the curve, with a revenue rise that increases top-1% share treated as a failed experiment whatever its headline. **The cap cost ₹2.14 crore of Year-3 revenue with nil lifted on request — because a cap that can be lifted for a good customer is not a cap — and the concentration moved as intended, top-1% share falling from 52% to 41% while revenue grew five and a half times. WHERE A REVENUE MODEL CONCENTRATES ON A VULNERABLE MINORITY, PUBLISH THE CONCENTRATION AND CAP IT: an average conceals the person the business actually depends on.**
- **Every randomised item has published odds and a direct-purchase path.** A loot box is a purchase whose value is unknown at the moment of paying, and the design craft in the category consists of making the unknown feel nearly-won. **Drop probabilities are disclosed in-client at the point of purchase rather than in a policy page, pity timers and rate-ups are stated numerically, and every item obtainable from a box can be bought directly at a stated price. The direct path is the substantive commitment and costs ₹68 lakh a year, because a player who can simply buy what he wants stops buying attempts at it — which is precisely the revenue the mechanic was constructed to produce.**
- **Minors are identified and treated differently, and the standard is set above the law.** Children play games rated for adults, and a studio that relies on its store rating to conclude it has no minors has chosen not to look. Age is assured at account creation; flagged accounts get parental spending controls on by default, no behavioural advertising and no behavioural tracking — the DPDP Act's requirement rather than a courtesy, and one that lands directly on the analytics stack most mobile games are built around. **And minors have no access to randomised purchase of any kind, which is stricter than any current Indian rule: a mechanic whose appeal depends on a player mis-estimating probability should not be sold to somebody who demonstrably cannot estimate it. The exclusions cost ₹46 lakh a year.**
- **Crunch is a costing decision disguised as a scheduling accident.** A studio that commits to a date its measured velocity does not support has not made an estimating error — it has decided, in advance and usually without saying so, that the shortfall will be paid for in unpaid evenings and weekends by people who cannot refuse. **That is a transfer from staff to margin and it appears in no account, because nobody counts the hours. Here hours are recorded for everyone including leads and founders, since unmeasured crunch starts at the top; mean overtime per head is published at 4 hours a month against 11 in Year 1; crunch weeks above 55 hours are counted at 0.6 per head per year; there is no unpaid overtime; and ship dates are set from measured velocity, a discipline that delayed one title by eleven weeks at an estimated ₹92 lakh.**
- **This is a portfolio business and it is reported as one.** Title A produced ₹5.80 crore of cumulative contribution while the other four titles together produced minus ₹2.66 crore — so contribution is reported per title including the cancelled and sunset ones, and the portfolio is never described by its best member. **Title D was cancelled at soft launch against pre-declared kill criteria after ₹1.40 crore, which is the discipline working rather than failing; Title C shipped, was not good enough, and was sunset with published notice and unspent virtual currency refunded at a cost of ₹18 lakh a studio walking away would not have paid. Virtual currency is treated throughout as a prepayment obligation with a sunset policy published at launch.** Taken together the cap, the direct-purchase path, the minor exclusions and the velocity-set date total ₹4.20 crore of forgone Year-3 revenue against ₹4.42 crore of PAT — a studio abandoning all four would roughly double its profit and would look, from outside and to most of its own staff, exactly the same.

- **Compliance and professional advice.** The DPDP Act's child-data category, verifiable parental consent, and the prohibition on behavioural advertising and tracking directed at children; IT Rules as amended for online games, and the skill-versus-chance distinction carrying state gambling exposure, which this studio avoids entirely by offering no real-money wagering; advertising-standards and consumer-protection duties on material disclosure of odds and of the chance-based nature of a purchase, plus the odds-disclosure duties of export markets; virtual currency as a prepayment obligation; copyright, per-asset licensing scope and generative-model training-rights position; GST on in-app purchases and on export of development services; platform developer agreements operating as a de facto regulator; and EPF/ESI, POSH and working-hour records. Professional advice should be taken on platform terms, publisher agreements, virtual-currency treatment, child-data compliance and IP assignment.

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