



BUSINESS PLAN · INDIA

Gaming Cafe and Esports Arena

A venue that publishes how long people stay

GAMING AND ESPORTS

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Gaming Cafe & Esports Arena** business in India — three venues totalling 220 seats offering pay-per-hour PC and console gaming, memberships, console and VR bays, a food-and-beverage counter, and a bookable arena for tournaments, community events and streaming.

The vertical's anchor establishes the rules this plan inherits: **where a revenue model concentrates on a vulnerable minority, publish the concentration and cap it; no individual acts badly, the measurement does the work; a cap that can be lifted for a good customer is not a cap; and children are in the customer base whether the signage says so or not. A gaming cafe is that problem in physical form, and it is in some ways the harder version, because here the studio's dashboard is replaced by a clock on the wall.**

□ **A PAY-PER-HOUR VENUE EARNS MORE THE LONGER SOMEBODY STAYS, AND ITS BEST CUSTOMERS ARE OFTEN FIFTEEN-YEAR-OLDS PLAYING UNTIL THREE IN THE MORNING.** There is no algorithm here and no A/B test — the incentive is the till, and it points in one direction all night. A cafe's most profitable seat is the one nobody vacates, its most profitable customer is the one with nowhere to be, and in practice a substantial share of seat-hours in Indian gaming cafes comes from sessions long enough that any parent would object and from people young enough that the objection would be reasonable. The operator is not a villain; he is running a business whose unit of sale is time, and time is what the customer has too much of. So this business **PUBLISHES ITS SESSION-LENGTH DISTRIBUTION** — the share of seat-hours coming from sessions over six and over ten hours — **CAPS VERIFIED MINORS AT THREE CONTINUOUS HOURS, ENFORCES A 22:00 CURFEW FOR UNDER-18s, REFUSES ENTRY DURING SCHOOL HOURS, and REPORTS WHAT THE CAPS COST: ₹62 lakh in Year 3.** **WHERE THE UNIT OF SALE IS SOMEBODY'S TIME, PUBLISH THE DISTRIBUTION AND CAP THE TAIL.**

□ **AND A VENUE RUNNING CONSUMER-LICENCE GAMES COMMERCIALY IS INFRINGING, WHICH IS THE INDUSTRY'S OPEN SECRET.** Almost every PC game and operating system sold to a household is licensed for personal, non-commercial use, and a cafe charging by the hour to play it is doing exactly what the licence excludes — so the standard Indian gaming cafe is built on a stack of licences none of which permit its business model. This chain runs only titles and software held under a **COMMERCIAL OR VENUE LICENCE, PUBLISHES THE LICENCE POSITION PER TITLE** at the counter, and drops popular games it cannot license commercially — at an incremental cost of ₹38 lakh a year and a smaller catalogue than any competitor.

□ **AND SEAT-TIME HYGIENE IS AN OPERATING STANDARD, NOT A POSTER.** A mandatory ten-minute break every two hours, monitor height and seat ergonomics to a stated standard, and peripheral sanitisation on a logged cycle — the break alone costs ₹24 lakh of billable seat-time and is enforced by the booking system rather than requested.

This plan models an operator requiring **₹4.40 crore** (₹1.60 crore investor + ₹1.40 crore term loan + ₹1.00 crore promoter + ₹40 lakh working capital), moving from **₹2.80 crore revenue and a ₹73 lakh loss** to **₹11.60 crore revenue and ₹1.28 crore profit** by Year 3 — *an 11.0% net margin and 34.8% return on capital across 220 seats. (Gaming venue — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A gaming venue that publishes how long people stay.

Vision: To be the place a parent is content their child spends an afternoon.

Mission: Publish the session-length distribution; cap minors at three continuous hours and close the doors to them at ten; refuse school-hours entry; verify age at the door; license every title commercially and say so; enforce the break; and count what all of it costs.

Legal structure

- **Private Limited** — recommended. Multi-venue leases, publisher venue licences, tournament rights, F&B registration and outside capital all assume it.
- **Proprietorship** — the trade's usual form, and part of why licensing and age policy are rarely documented anywhere.
- **Floor authority over the session and age rules held outside the revenue line — because a cap enforced by the person whose daily takings it reduces will be enforced on quiet days.**

Regulatory anchor: a physical venue serving minors, running licensed software commercially and holding personal data at the door. **Cyber cafe and gaming venue rules are STATE AND MUNICIPAL rather than national — several states require registration or police permission for public gaming and internet cafes, prescribe visitor-identity logging, restrict cabin partitioning and set closing hours, and a few place explicit conditions on the admission of minors; a three-venue chain across two states will hold different obligations in each and cannot operate one policy by default. Identity logged at the door is personal data under the DPDP Act, and where the customer is a child the Act requires verifiable parental consent and PROHIBITS BEHAVIOURAL ADVERTISING AND TRACKING — which reaches the loyalty and marketing stack a venue chain would otherwise build without thinking. Software and game licences are the exposure the trade ignores: consumer EULAs almost universally exclude commercial or public performance use, so a venue running them for paid play is infringing regardless of how many copies it bought, and the remedy sits with the rights-holder rather than with any regulator — which is why nothing happens for years and then does.** Then: FSSAI registration and food-safety compliance for the F&B counter; shops and establishments, fire and occupancy; music and broadcast licences for public screening of matches; GST; and EPF/ESI and POSH.

3. Promoter & Ownership

Led by a promoter with hospitality, esports or entertainment-venue background. Three competences decide outcomes. *Utilisation management*, because a gaming cafe is a real-estate business in disguise — the rent runs for 24 hours and the seats earn for perhaps eleven, so the daypart curve determines everything. *Community building*, since the difference between a commodity PC-hour shop and a venue people belong to is tournaments, teams, coaching and regulars, and that difference is roughly the whole margin. And *the discipline to send a customer home*, which is not a natural instinct in a business paid by the hour. Ownership, equity & investor terms are editable inputs; **the session cap, curfew and age rules are set at company level and cannot be varied by a venue manager, whose incentive includes them alongside revenue.**

4. Market Analysis — India

India has an enormous young gaming population and very little of the physical infrastructure that turns it into a community rather than a bedroom activity.

Demand drivers

- **High-specification PCs remain out of reach** for most players, while the games do not.
- **Esports as an aspiration**, with organised competition now visible and locally covered.
- **Social play** — squads and five-a-side titles are better in a room than in five bedrooms.

- **Streaming and content creation** needing production-grade setups few own.
- **College and corporate tournaments** requiring a neutral venue with equal hardware.
- **VR and simulator experiences** that are impractical at home.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Players within travel distance of the venues	Very large; overwhelmingly under-served
SAM	Players who will pay per hour and can reach a venue	Bounded by CATCHMENT and DAYPART, not by demand
SOM (Yr 1-3)	Seat-hours sold across three venues	₹2.8cr → ₹11.6cr; 90 → 220 seats; 48% utilisation

Revenue mix and share (Year 3)

Stream	Share of revenue	Why it is there
Pay-per-hour PC & console gaming	39.0%	Core; and where the time incentive bites
Memberships & prepaid hour packs	20.0%	Predictable revenue; caps apply equally
Food & beverage	19.0%	Earns per visit rather than per hour
Arena hire, tournaments & events	11.0%	Turns a PC shop into a venue
Console, VR bays, simulators & premium seats	7.0%	Short high-value sessions by nature
Sponsorship, coaching & streaming-booth hire	4.0%	Non-seat revenue; community-dependent

The mix is constructed so that the caps are affordable, which is the only way a cap survives a bad quarter. Food and beverage earns per VISIT rather than per hour, arena hire and events earn per BOOKING, and sponsorship and coaching earn from the community rather than from the clock — together 34% of revenue that does not increase when a customer stays longer. A venue earning 90% from the meter has an interest in every long session it hosts and will discover reasons why its cap is impractical; this one has been built so that the honest policy and the profitable one are not in permanent opposition.

Constraints

- **Rent**, which runs 24 hours against seats that earn for perhaps eleven.
- **Daypart** — mornings are near-empty and evenings turn away customers.
- **Hardware obsolescence**, on a roughly three-year replacement cycle.
- **Catchment**, which physically bounds each venue.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
Independent gaming cafes	Low price, long hours, no questions asked	Unlicensed software; no age policy; overnight sessions are the model

Branded gaming cafe chains	Consistency, hardware, brand, membership	Session length unmeasured; licensing position rarely published
Esports arenas and event venues	Scale for tournaments, production capability	Poor weekday economics; not a daily habit
Home setups and console ownership	Convenience, no hourly cost	Cost of hardware; no community, no competition, no coaching
This plan	Session distribution published, minors capped and curfewed, every title commercially licensed	Smaller catalogue; turns away paying customers nightly

The positioning is aimed at the person who actually pays for a fifteen-year-old's gaming, which is his parent. A venue that verifies age at the door, notifies a registered parent, caps continuous play at three hours, closes to under-18s at ten and can show a distribution proving all of it is selling something no competitor offers and few would want to. The commercial consequence runs the other way from what an operator expects: parental permission is the binding constraint on this customer segment, and a venue that earns it gets the regular weekday afternoons that the all-night cafes never see. College, corporate and tournament business follows for a related reason — an institution booking a venue needs one whose licensing and age policy will survive being asked about.

The cost of the honest position is stated in rupees rather than implied. The three-hour minor cap, the 22:00 curfew and the school-hours refusal cost ₹62 lakh of Year-3 revenue, with 2,380 entries refused on age grounds. Running only commercially licensed titles and software costs ₹38 lakh a year more than the trade's practice and yields a visibly smaller catalogue. The mandatory ten-minute break every two hours removes roughly 7% of billable seat-time in long sessions, worth ₹24 lakh. Refusing entry during school hours costs a further ₹28 lakh, concentrated in exactly the daypart where the venue is otherwise empty and the revenue would be pure contribution. Against that: membership churn of 6% a month against a category norm nearer 14%, weekday afternoon utilisation at 31% where independents sit near zero, and an institutional booking pipeline no unlicensed venue can compete for.

6. When the Unit of Sale Is Somebody's Time

The anchor's finding takes a simpler and more visible form here, which does not make it easier.

Customer	What the venue earns	What the venue would prefer
Adult, two hours after work	₹296	Come more often
Student, four hours on a Saturday	₹592	Stay longer
Student, eleven hours overnight	₹1,628	Nothing. This is the ideal customer
Minor, all afternoon during school term	₹740	Come tomorrow as well
What the till reports	One number: revenue per seat-hour	

There is no algorithm in this business and no experimentation team, which makes the mechanism cruder and the outcome identical. The venue's most profitable customer is the one who does not leave, and every operational instinct — staffing, pricing, night packages, the location of the clock — follows from that without anyone formulating a policy. Overnight packages exist across the Indian gaming-cafe trade precisely because

the hours from midnight to six are otherwise dead rent, and the only customers available to fill them are people with no reason to be home, a category with a large overlap with people who should be. Per the anchor's rule, no individual acts badly; the incentive does the work, and here the incentive is not even hidden inside a metric — it is the meter.

So the distribution is published and the tail is cut. The share of seat-hours coming from sessions over six hours and over ten hours is **REPORTED QUARTERLY** alongside the mean session, so the venue cannot describe itself by an average that hides its longest customers: sessions over six hours fell from 41% of seat-hours to 27%, and sessions over ten hours from 14% to 4%, while revenue grew four times. **VERIFIED MINORS ARE CAPPED AT THREE CONTINUOUS HOURS** with a mandatory gap before a further session, a **22:00 CURFEW** applies to under-18s, and **ENTRY IS REFUSED DURING SCHOOL HOURS** to anyone of school age without a documented reason. The caps are enforced by the booking and till system rather than by a manager's judgement, cannot be overridden at venue level, and cost ₹62 lakh in Year 3. **WHERE THE UNIT OF SALE IS SOMEBODY'S TIME, PUBLISH THE DISTRIBUTION AND CAP THE TAIL.**

7. The Licence, the Door and the Break

Three further commitments, one of which the entire trade would prefer not to discuss.

☐ **EVERY TITLE AND EVERY PIECE OF SOFTWARE RUNS UNDER A COMMERCIAL LICENCE, AND THE POSITION IS PUBLISHED.** Consumer end-user licences for games and operating systems almost universally permit personal, non-commercial use and exclude public performance or commercial exploitation — so a cafe charging by the hour to play a retail copy is infringing however many copies it has bought, and this describes very nearly the whole Indian gaming-cafe industry. Nothing happens for years because enforcement sits with rights-holders rather than a regulator, and then a publisher decides to act. This chain runs only software held under a commercial, venue or cafe licence, **PUBLISHES THE LICENCE POSITION PER TITLE ON THE FLOOR AND AT THE COUNTER**, and **DROPS TITLES IT CANNOT LICENSE COMMERCIALY** however popular they are. It costs ₹38 lakh a year and a smaller catalogue, and it is the reason this business can sign an institutional booking without a conversation it would rather avoid.

☐ **AGE IS VERIFIED AT THE DOOR AND A PARENT IS REGISTERED.** Identity logging is already required by several state cyber-cafe rules, and this business uses it for the purpose it should serve rather than as a formality: photo identity checked at entry, age recorded, and under-18 accounts requiring a **REGISTERED PARENT OR GUARDIAN WITH VERIFIABLE CONSENT** — which the DPDP Act requires for a child's data in any case, and which also means somebody knows where the child is. Parents receive a notification on entry and on session end if they opt in. Behavioural advertising and behavioural tracking are not applied to minor accounts at all, which constrains the loyalty and marketing stack the chain would otherwise build. In Year 3, 2,380 entries were refused on age grounds — a figure that must not read zero, because a door check that never turns anybody away is not a check.

☐ **AND THE BREAK IS ENFORCED BY THE SYSTEM.** A mandatory ten-minute break every two hours, with the seat released and the screen locked, plus monitor height, seat and desk ergonomics to a stated standard and peripheral sanitisation on a logged cycle. It removes about 7% of billable time in long sessions — ₹24 lakh a year — and it is enforced by the booking system rather than announced on a poster, because a health measure that depends on a customer choosing to interrupt himself mid-match is a measure that exists only in the marketing.

□ **AND HARDWARE VENDOR SUPPORT IS DISCLOSED.** Peripheral and PC brands pay venues for display, and a venue whose staff recommend a mouse or a headset is a retailer being paid by the manufacturer — the commission conflict this library keeps finding. Vendor support is reported separately in other income and does not determine what is recommended to a customer or what is installed on the floor.

8. Operations Plan (admit, seat, run, break, close)

Admission

- **Photo identity checked and age recorded at entry**, per state cyber-cafe requirements and for the purpose they exist.
- **Under-18 accounts require a registered parent or guardian** with verifiable consent.
- **School-hours entry refused** to school-age customers without a documented reason.
- **Entries refused on age grounds recorded and reported.**

Session management

- **Three-hour continuous cap for verified minors**, with a mandatory gap before any further session.
- **22:00 curfew for under-18s**, enforced by the till and the floor together.
- **Ten-minute break every two hours** for all customers, seat released and screen locked.
- **Caps not overridable at venue level**, with attempted overrides logged.

Floor, hardware and content

- **Only commercially or venue-licensed titles and software installed**, with the position published per title.
- **Hardware refreshed on a stated cycle**, with specification published so customers know what they are buying.
- **Peripheral sanitisation on a logged cycle**; ergonomics to a stated seat and monitor standard.
- **Moderation policy on the floor and in voice**, with a stated response to harassment.

Community, events and reporting

- **Tournaments, ladders and coaching** run as scheduled programming rather than as occasional promotion.
- **Arena bookable for colleges, corporates and publishers**, with equal-hardware guarantees.
- **Session-length distribution published quarterly** with mean and long-session shares.
- **Revenue per seat-hour and utilisation reported by daypart**, never blended alone.

The operational hinge is 21:50 on a Friday with a sixteen-year-old six kills into a ranked match and forty minutes of paid time on his card. Ending it is unpopular with him, costs the till, embarrasses the floor staff in front of his friends and will be argued about — and every one of those pressures lands on a twenty-three-year-old duty manager on a fixed salary. So the decision is not his: the session ends at the till, the account cannot be extended at venue level, the refund of unused prepaid time is automatic, and the manager's incentive includes the caps alongside revenue so that enforcing them is not a personal cost. The system refuses rather than warns, because at 21:50 a warning is simply the start of a negotiation.

9. Licensing, Venue & Operating Compliance (India)

- **Company & tax** — Private Limited, PAN/TAN, GST, shops and establishments per venue, trade licence.

- **Cyber cafe & public gaming rules** — **STATE AND MUNICIPAL** rather than national: registration or police permission in several states, visitor-identity logging, restrictions on cabin partitioning, closing hours, and in some states explicit conditions on admitting minors — a chain across two states holds different obligations in each and cannot run one default policy.
- **Software & game licensing** — consumer EULAs almost universally exclude commercial or public-performance use, so a venue running retail copies for paid play is infringing however many it bought; enforcement sits with rights-holders rather than a regulator, which is why nothing happens for years and then does.
- **Children's data** — identity logged at the door is personal data; the DPDP Act requires verifiable parental consent for a child and **prohibits behavioural advertising and tracking, which reaches the loyalty and marketing stack a chain would otherwise build without thinking.**
- **Food & beverage** — FSSAI registration or licence, hygiene, labelling and storage for the counter.
- **Premises** — fire safety, occupancy limits, electrical load, accessibility; music and broadcast licences for public screening of matches.
- **Workforce** — EPF/ESI, POSH, night-shift conditions and women's-safety requirements for late operation.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / operations head	1	1	Sets caps at company level; venues cannot vary them
Venue managers & duty supervisors	4	12	Incentive includes caps alongside revenue
Floor & till staff	10	30	Age check at entry; refusals recorded
Food & beverage	4	13	Earns per visit, not per hour
Technical — hardware, network & builds	3	8	Only licensed software imaged to the floor
Community, events & coaching	2	8	What turns a PC shop into a venue
Compliance — licensing, age & data	1	3	Owens the licence register and the door policy
Finance, marketing & admin	2	7	Publishes the session distribution
Total	27	82	Across three venues on extended hours

The single most important line here is not a headcount but a reporting relationship: the caps and the door policy are set at company level and a venue manager cannot vary them. Every argument for flexibility is locally reasonable — a regular customer, a tournament running late, a quiet Tuesday — and each concession is small, which is exactly how such policies dissolve. Including the cap metrics in the manager's own incentive removes the conflict rather than asking him to absorb it, which is the practical form control-independence takes in a business with no head office on the floor.

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation & first venue	Month 0-6	Incorporation, lease, fit-out, state registrations, 90 seats live

Licence register & door policy	Month 2–8	Commercial licences per title, age verification, parent registration, caps in the till
Community programming	Month 5–14	Ladders, weekly tournaments, coaching; first arena bookings
Venue two	Month 12–20	160 seats; second state registrations; first published distribution
Venue three & arena build	Month 20–30	220 seats; dedicated arena and streaming booths
Scale & institutional book	Month 28–36	48% utilisation; college and corporate bookings; sponsorship line

Training and competence

- **Age verification and refusal** — how to turn somebody away without a confrontation, practised rather than described.
- **Session-end handling**, including automatic refund of unused prepaid time.
- **Licence discipline** for technical staff — nothing installed that is not on the register.
- **Harassment and moderation response** on the floor and in voice channels.

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions, not forecasts or guarantees. They exist to show the drivers of a gaming-venue P&L and how the session, age and licensing disciplines move them. Every input is editable. **The defining economics are that rent runs for 24 hours while seats earn for about eleven, so utilisation by daypart is the business — and the caps in this plan remove revenue precisely from the dayparts that are otherwise idle, which is why their cost is stated rather than absorbed.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Fit-out, seating & interiors — three venues	126	Ergonomics to a stated standard
Gaming PCs, consoles, peripherals & displays	148	Three-year refresh cycle assumed
Arena, streaming booths & production	54	Turns a PC shop into a venue
Network, power backup & bandwidth infrastructure	38	Latency is the product
Commercial software & game venue licences	26	The line the trade does not carry
F&B counter, kitchen & FSSAI compliance	22	Earns per visit
Till, booking, age-verification & session-control systems	16	Where the caps are actually enforced
Deposits, licences, pre-operative & contingency	10	Two states, three municipalities
Total project cost	440	₹160L investor + ₹140L term loan + ₹100L promoter + ₹40L WC

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
Session-length distribution PUBLISHED quarterly — share of seat-hours from sessions over 6 hrs / over 10 hrs / mean session	41% / 14% / 3.8 hrs	34% / 8% / 3.4 hrs	27% / 4% / 3.1 hrs
Verified minors capped at 3 continuous hours / 22:00 curfew for under-18s enforced / school-hours entry refused / revenue the caps cost (₹L) / caps overridden at venue level	100% / 100% / 100% / 18 / NIL	100% / 100% / 100% / 34 / NIL	100% / 100% / 100% / 62 / NIL
Photo identity checked and age recorded at entry / under-18 accounts with a registered parent and verifiable consent / entries REFUSED on age grounds / behavioural tracking applied to minor accounts	100% / 100% / 640 / NIL	100% / 100% / 1,420 / NIL	100% / 100% / 2,380 / NIL
Titles and software running under a COMMERCIAL or venue licence / licence position published per title on the floor / titles dropped because they could not be licensed commercially	100% / 100% / 6	100% / 100% / 9	100% / 100% / 11
Mandatory 10-minute break per 2 hours enforced by the system / peripheral sanitisation cycles per day / seats meeting the stated ergonomic standard	100% / 3 / 100%	100% / 4 / 100%	100% / 4 / 100%
Seats / revenue per seat-hour / utilisation / weekday-afternoon utilisation / membership churn per month	90 / ₹130 / 32% / 14% / n/a	160 / ₹129 / 41% / 24% / 9%	220 / ₹142 / 48% / 31% / 6%

Row one is the row this business exists to report and, unusually, it must **FALL**: sessions over ten hours dropped from 14% of seat-hours to 4% while revenue grew more than four times. A venue whose long-session share rises with its revenue is being carried by the customers it should be worrying about, exactly as the anchor's studio was. Row three's third figure must not read zero — 2,380 entries refused on age grounds — because a door check that never turns anybody away is not a check. Row six's revenue per seat-hour of ₹142 is a blended figure and is stated with its underlying per the library's rule: premium and VR bays ₹340, standard pay-per-hour ₹148, membership hour ₹112 — and the weekday-afternoon utilisation of 31% beside it is the commercial return on the door policy, since that daypart belongs to customers whose parents have to be comfortable.

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Driver
Pay-per-hour PC & console gaming	122	262	452	₹148 per seat-hour
Memberships & prepaid hour packs	52	128	232	₹112 per hour; caps apply equally
Food & beverage	52	118	220	Earns per visit, not per hour
Arena hire, tournaments & events	30	72	128	Per booking; institutional demand
Console, VR bays, simulators & premium seats	18	44	82	₹340 per hour; short by nature
Sponsorship, coaching & streaming-booth hire	6	16	46	Community-dependent, not clock-dependent
Total revenue	280	640	1,160	Illustrative

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	280	640	1,160
Cost of sales — F&B, consumables & direct content cost	(67)	(141)	(232)
Gross profit	213	499	928
Venue staff	(68)	(112)	(186)
Rent & common-area charges	(72)	(108)	(168)
Power, internet & bandwidth	(32)	(50)	(86)
Commercial software & game venue licensing	(24)	(36)	(62)
Hardware maintenance & refresh provision	(26)	(40)	(74)
Age verification, session control & compliance	(10)	(12)	(18)
Marketing, community & events	(22)	(32)	(52)
Admin, licences, insurance & other	(34)	(46)	(68)
EBITDA	(75)	63	214
Depreciation & amortisation	(52)	(72)	(96)
Finance cost	(22)	(30)	(38)
Other income — publisher and esports venue support, hardware vendor display support (disclosed) & interest	52	84	91
PBT	(97)	45	171
Tax	24	(11)	(43)
PAT	(73)	34	128
Net margin	(26.1%)	5.3%	11.0%
ROCE	(28.9%)	(0.2%)	34.8%

The arithmetic that matters is the comparison this P&L cannot show, so it is stated: the minor caps and curfew (₹62 lakh), the school-hours refusal (₹28 lakh), the commercial-licence premium (₹38 lakh) and the enforced break (₹24 lakh) total ₹1.52 crore against a Year-3 PAT of ₹1.28 crore. An operator abandoning all four would earn more than twice as much from the same three venues, and the difference would be entirely invisible to a customer walking in. The hardware vendor display support inside other income is disclosed separately per the library's commission rule, because a venue whose staff recommend peripherals is a retailer being paid by the manufacturer — it is reported and it does not determine what is recommended or installed. Rent at ₹1.68 crore against ₹2.14 crore of EBITDA is the reminder that this is a real-estate business wearing a gaming business's clothes.

12.5 Break-even & sensitivity

Scenario	Yr 3 revenue	Yr 3 PAT	Comment
Base	₹11.60cr	₹1.28cr	As modelled
No caps, no curfew, consumer licences, no break	₹13.12cr	₹2.72cr	The trade's economics, stated
Overnight packages introduced	₹12.68cr	₹2.06cr	Dead rent filled by customers who should be home
Utilisation 48% → 38%	₹9.18cr	₹6L	Rent runs whether the seat does or not
Rent +25% on renewal	₹11.60cr	₹96L	The real operating exposure
A publisher enforces against unlicensed venues	₹11.60cr	₹1.28cr	Competitors close; we are unaffected

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	160	Growth capital; session-distribution and licence covenants
Term loan	140	Fit-out and hardware; 4-5 years with refresh provision
Promoter contribution	100	Cash and equipment
Working capital facility	40	Deposits, seasonality and licence renewals
Total	440	Illustrative structure

A lender should read three numbers: weekday-afternoon utilisation, membership churn and the licence register. The first at 31% is the return on the door policy, because that daypart belongs to customers whose parents have to be comfortable and independents cannot reach it; the second at 6% a month against a norm nearer 14% says the community programming is real rather than promotional. The licence register is the credit item nobody prices: an unlicensed competitor carries an unquantified contingent liability that crystallises the day a publisher decides to act, and the last row of the sensitivity table is the only one in this library where a risk event improves the borrower's position. The dominant exposures are rent on renewal and utilisation, which are the same exposure viewed twice.

- **Use of funds** — 34% gaming hardware, 29% fit-out and seating, 12% arena and production, 9% network and power, 6% commercial licences, 5% F&B, 4% systems, balance deposits and pre-operative.
- **Repayment** — term loan from Year 2-3 cash flow with a hardware refresh provision held rather than deferred; working capital revolving against deposits and seasonality.
- **Investor exit** — strategic sale to a national gaming-venue chain, an esports organisation building owned venues, or an entertainment operator; or promoter buyback.

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
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The unit of sale is somebody's time	A pay-per-hour venue earns more the longer somebody stays, its most profitable seat is the one nobody vacates, and its most profitable customer is the one with nowhere to be — a category overlapping heavily with people who should be somewhere. Overnight packages exist across the trade precisely because midnight to six is otherwise dead rent. There is no algorithm and no experimentation team here, which makes the mechanism cruder and the outcome identical to the anchor's: no individual acts badly, and the incentive is not even hidden inside a metric — IT IS THE METER	PUBLISH THE SESSION-LENGTH DISTRIBUTION QUARTERLY — share of seat-hours from sessions over 6 and over 10 hours, beside the mean — so the venue cannot describe itself by an average that hides its longest customers; sessions over 10 hours fell 14% → 4% of seat-hours while revenue grew more than four times. CAP VERIFIED MINORS AT 3 CONTINUOUS HOURS with a mandatory gap, ENFORCE A 22:00 CURFEW for under-18s, REFUSE SCHOOL-HOURS ENTRY, all enforced by the till and booking system and NOT OVERRIDABLE AT VENUE LEVEL — ₹62 lakh in Year 3. WHERE THE UNIT OF SALE IS SOMEBODY'S TIME, PUBLISH THE DISTRIBUTION AND CAP THE TAIL
21:50 on a Friday	A sixteen-year-old six kills into a ranked match with forty minutes of paid time on his card; ending it is unpopular, costs the till, embarrasses the floor staff in front of his friends and will be argued about — and every one of those pressures lands on a twenty-three-year-old duty manager on a fixed salary	The decision is NOT HIS: the session ends AT THE TILL, the account cannot be extended at venue level, unused prepaid time is refunded AUTOMATICALLY, override attempts are logged, and the manager's incentive INCLUDES THE CAP METRICS alongside revenue so enforcement is not a personal cost. The system refuses rather than warns, because at 21:50 a warning is simply the start of a negotiation
Consumer licences run commercially	Consumer EULAs for games and operating systems almost universally permit personal, non-commercial use and exclude public performance or commercial exploitation, so a cafe charging by the hour to play retail copies is infringing however many it bought — which describes very nearly the whole Indian gaming-cafe industry. Enforcement sits with rights-holders rather than a regulator, so nothing happens for years and then a publisher decides to act	ONLY software held under a COMMERCIAL, VENUE OR CAFE LICENCE installed, with the LICENCE POSITION PUBLISHED PER TITLE on the floor and at the counter; 11 popular titles DROPPED because they could not be licensed commercially; ₹38 lakh a year of incremental cost and a visibly smaller catalogue; nothing imaged to the floor that is not on the register — and the resulting ability to sign institutional bookings without a conversation the trade would rather avoid
Minors at the door and their data	Identity logging is already required by several state cyber-cafe rules and is usually treated as a formality; meanwhile the DPDP Act requires verifiable parental consent for a child's data and prohibits behavioural advertising and tracking, which reaches the loyalty and marketing stack a chain would otherwise build without thinking	PHOTO IDENTITY CHECKED AND AGE RECORDED AT ENTRY, used for the purpose it should serve; under-18 accounts requiring a REGISTERED PARENT OR GUARDIAN with verifiable consent, with entry and session-end notification on opt-in — so somebody knows where the child is; NO behavioural advertising or tracking on minor accounts at all; and 2,380 ENTRIES REFUSED ON AGE GROUNDS in Year 3, a figure that must not read zero because a door check that never turns anybody away is not a check

State-by-state venue rules treated as one policy	Cyber cafe and public gaming rules are state and municipal — registration or police permission, identity logging, cabin restrictions, closing hours and in some states explicit conditions on admitting minors — so a chain across two states holds different obligations in each	A per-venue compliance register maintained by a function that is not the venue manager, with the STRICTER of the applicable state rule and company policy applied at every site; closing hours, partitioning and minor conditions configured per venue in the till system rather than left to the floor; and the licence, age and data positions documented so a police or municipal inspection is an audit rather than an argument
Seat-time health and hygiene	Multi-hour sessions on shared peripherals with poor ergonomics produce eye strain, repetitive strain and infection transmission — none of which a customer mid-match will interrupt himself to prevent	MANDATORY 10-MINUTE BREAK PER 2 HOURS with the seat released and screen locked, ENFORCED BY THE BOOKING SYSTEM rather than announced on a poster, costing ~7% of billable time in long sessions (₹24 lakh); monitor height, seat and desk ergonomics to a stated standard on 100% of seats; peripheral sanitisation on a logged four-times-daily cycle; and a stated moderation and harassment response on the floor and in voice
Rent, utilisation and daypart	Rent runs 24 hours while seats earn for about eleven; utilisation falling to 38% takes Year-3 profit to ₹6 lakh and a 25% rent rise on renewal takes it to ₹96 lakh	Revenue lines that do not depend on the clock — F&B per visit, arena hire per booking, sponsorship and coaching from the community — at 34% of revenue; weekday-afternoon utilisation built to 31% through the door policy that independents cannot match; hardware refresh provisioned rather than deferred; and leases negotiated with the daypart reality rather than the peak in mind
Hardware obsolescence and vendor conflict	A three-year refresh cycle on the main asset, funded from operating cash; and peripheral brands paying venues for display, which turns floor staff into a paid sales channel	Refresh provision held as a cost line rather than treated as discretionary capital; specification published so customers know what they are buying; and HARDWARE VENDOR DISPLAY SUPPORT DISCLOSED SEPARATELY in other income per the library's commission rule, with the express position that it does not determine what is recommended to a customer or what is installed on the floor

15. SWOT Analysis

Strengths • Session-length distribution published and falling • Minors capped at 3 hours, curfewed at 22:00, school hours refused • Every title under a commercial licence, published per title • Age verified at the door; 2,380 entries refused • Break enforced by the system, not by a poster	Weaknesses • ₹1.52cr of Year-3 revenue forgone by design • Smaller catalogue than any competitor • Rent runs 24 hours; seats earn for eleven • Hardware refresh every three years
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Opportunities • Weekday afternoons no independent venue can reach • College, corporate and publisher bookings needing a licensed venue • Esports programming, coaching and ladders • VR and simulator experiences impractical at home • Publisher enforcement removing unlicensed competitors	Threats • Rent on renewal • Competitors filling the night with overnight packages • State-level rule changes on venues and minors • Home hardware becoming affordable
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16. Recommended AiSevak Tools for This Business

- **Session-length distribution reporter** — over-6 and over-10 hour shares with mean, published quarterly.
- **Age & parent register** — identity at entry, verifiable consent, entry and session-end notification.
- **Session cap & curfew enforcement** — in the till, not overridable at venue level, overrides logged.
- **Licence register** — commercial or venue licence per title, published on the floor; nothing imaged that is not listed.
- **Break scheduler** — seat release and screen lock every two hours.
- **Daypart utilisation dashboard** — revenue per seat-hour and occupancy by hour, never blended alone.
- **Community & ladder manager** — tournaments, teams, coaching and membership churn.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, seats, revenue per seat-hour, utilisation, session distribution, refusal counts and headcount are editable inputs; actual outcomes depend on catchment, rent, daypart demand and local rules. Figures are in Indian rupees.
- **The central integrity finding is that a pay-per-hour venue earns more the longer somebody stays, and its best customers are often fifteen-year-olds playing until three in the morning.** There is no algorithm here and no A/B test — the incentive is the till, and it points one way all night. The most profitable seat is the one nobody vacates and the most profitable customer is the one with nowhere to be, a category overlapping heavily with people who should be somewhere. **Overnight packages exist across the Indian gaming-cafe trade precisely because midnight to six is otherwise dead rent, and the only customers available to fill those hours are people with no reason to be home. Per the vertical anchor's rule, no individual acts badly and the incentive does the work — except that here it is not even concealed inside a metric. It is the meter.**
- **So the distribution is published and the tail is cut.** The share of seat-hours from sessions over six and over ten hours is reported quarterly beside the mean session, so the venue cannot describe itself by an average that hides its longest customers — sessions over ten hours fell from 14% of seat-hours to 4% while revenue grew more than fourfold. Verified minors are capped at three continuous hours with a mandatory gap, a 22:00 curfew applies to under-18s, and school-hours entry is refused to school-age customers without a documented reason. **All of it is enforced by the till and booking system rather than by a manager's judgement, cannot be overridden at venue level, and cost ₹62 lakh in Year 3. WHERE THE UNIT OF SALE IS SOMEBODY'S TIME, PUBLISH THE DISTRIBUTION AND CAP THE TAIL — and put the decision somewhere other than with the twenty-three-year-old duty manager standing in front of an argument at 21:50 on a Friday.**
- **Every title runs under a commercial licence, which is the trade's open secret stated plainly.** Consumer end-user licences for games and operating systems almost universally permit personal, non-commercial use and exclude public performance or commercial exploitation, so a cafe charging by the hour to play retail copies is infringing however many it has bought — and this describes very nearly the whole Indian gaming-cafe industry. **Enforcement sits with**

rights-holders rather than with any regulator, which is why nothing happens for years and then a publisher decides to act. This chain runs only commercially or venue-licensed software, publishes the licence position per title on the floor and at the counter, and dropped 11 popular titles it could not license commercially, at ₹38 lakh a year and a visibly smaller catalogue. It is also the only line in this library's sensitivity tables where a risk event — publisher enforcement — improves the borrower's position rather than worsening it.

- **Age is verified at the door and a parent is registered.** Identity logging is already required by several state cyber-cafe rules and is usually treated as a formality; here photo identity is checked at entry, age is recorded, and under-18 accounts require a registered parent or guardian with verifiable consent — which the DPDP Act requires for a child's data in any case, and which also means somebody knows where the child is. **Parents receive entry and session-end notification on opt-in, behavioural advertising and tracking are not applied to minor accounts at all, and 2,380 entries were refused on age grounds in Year 3 — a figure that must not read zero, because a door check that never turns anybody away is not a check.** And the ten-minute break every two hours is enforced by the booking system with the seat released and screen locked, costing about 7% of billable time in long sessions, because a health measure depending on a customer interrupting himself mid-match exists only in the marketing.
- **The rules are not one policy.** Cyber cafe and public gaming requirements are state and municipal rather than national — registration or police permission, visitor-identity logging, cabin partitioning restrictions, closing hours and in some states explicit conditions on admitting minors — so a three-venue chain across two states holds different obligations at each site. **A per-venue compliance register is maintained by a function that is not the venue manager, the stricter of the applicable state rule and company policy is applied everywhere, and closing hours, partitioning and minor conditions are configured per venue in the till rather than left to the floor.**
- **The economics are a real-estate business wearing a gaming business's clothes.** Rent runs for 24 hours while seats earn for about eleven, so utilisation by daypart is the whole result — and the caps in this plan remove revenue precisely from the dayparts that would otherwise be idle, which is why their cost is stated rather than absorbed. **The minor caps and curfew (₹62 lakh), school-hours refusal (₹28 lakh), commercial-licence premium (₹38 lakh) and enforced break (₹24 lakh) total ₹1.52 crore against a Year-3 PAT of ₹1.28 crore: an operator abandoning all four would earn more than twice as much from the same three venues, and the difference would be entirely invisible to a customer walking in.** The mix is deliberately built so 34% of revenue does not increase when a customer stays longer, because a venue earning 90% from the meter will discover reasons its cap is impractical. Hardware vendor display support is disclosed separately per the library's commission rule and does not determine what is recommended or installed; revenue per seat-hour of ₹142 is stated with its underlying — premium and VR ₹340, standard ₹148, membership ₹112.
- **Compliance and professional advice.** State and municipal cyber-cafe and public-gaming registration, identity logging, partitioning and closing-hour rules, and state-specific conditions on minors; commercial, venue or cafe licences for every game and item of software, since consumer EULAs exclude commercial use and enforcement rests with rights-holders; the DPDP Act's verifiable parental consent for children's data and its prohibition on behavioural advertising and tracking; FSSAI registration and food-safety compliance for the counter; fire safety, occupancy and electrical load; music and broadcast licences for public screening of matches; GST; and EPF/ESI, POSH and night-shift and women's-safety requirements for late operation. Professional advice should be taken on venue licensing per state, software and game commercial licensing, children's data handling and lease terms.

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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.

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