

Lightbox

S P A C E S



India's Gaming Inflection:
Non-RMG at Scale

Lightbox At a Glance

10
Years

03
Funds

15
Brands

Lightbox is a Mumbai based venture capital firm focused on early growth investments in technology led businesses that are shaping the future of consumption in India. We manage approximately \$400 million and have built a portfolio of differentiated businesses with a cumulative value of \$3 billion.

Our strategy is to take concentrated bets on business models that are designed to capitalise on the unique opportunities India presents as a market. India is tipped to become a \$10 trillion GDP economy by 2034 and domestic consumption is expected to be powered by a 5X growth in middle class consumption. We are already seeing traditional industries being redefined by technology and new industries being created around new consumption models. There are substantial opportunities for product-led and technology enabled differentiation in the consumer market and Lightbox has a stellar track record building market leading companies.

The team at Lightbox, led by Sandeep Murthy, has been investing in venture capital in India since 2005. As a team, we engage deeply with a few handpicked entrepreneurs who we believe are building unique solutions to organise India’s large, unorganised consumption markets. Our sizable ownership in each of these businesses coupled with the compelling macroeconomic factors at play in India position us to drive significant value accretion across our investments.

www.lightbox.vc

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Foreword

“India’s gaming story is unfolding now. With over 600 million players, it’s one of the world’s largest markets. Yet India is a paradox among the highest in downloads but trailing in monetization. That paradox has also become its greatest potential, powered by a young, aspirational player base that is engaging more deeply, spending more widely, and making gaming a cultural mainstay.

For decades, conversations around Indian Gaming have been dominated by real-money gaming (RMG). But the findings of this report highlight what many in the ecosystem have long believed that non-RMG gaming is on the cusp of its breakthrough moment. Whether it’s in-app purchases, community-driven commerce, or brand partnerships, the pathways to sustainable revenue are opening up.

At Rooter, we see this shift firsthand. Our Gamer survey reveals an encouraging willingness to spend, especially among younger cohorts. It also debunks certain assumptions about their spending behaviour. For example, it’s easy to assume time-on-platform would predict spend, but the data has been more nuanced - a significant share of gamers who play more than two hours daily spend over ₹1,000 (USD 11) per month, but so do a sizable share of gamers who play less than thirty minutes every day. The existence of high-affinity spenders across short and long

session cohorts indicates the sharp possibilities for monetization, both immediate and distributed over time. When given the right content, value, community, and perhaps time, Indian gamers are ready to pay. This is not a future hypothesis — it’s already happening.

This is also a pivotal moment for investors and industry stakeholders. With capital seeking redeployment, the non-RMG ecosystem offers a wide, underexplored canvas from casual and mid-core titles to social and community-driven platforms. The opportunity is here: to build a vibrant, diversified gaming industry that reflects the scale of India’s players and the depth of their engagement. If unlocked with intent, India can move from being a volume story to becoming a value story.”

Piyush Kumar, Founder and CEO, [Rooter](#)

India’s leading Game and eSports content platform

Executive Summary

Gaming is at a pivotal juncture globally. Once a niche sub-culture, it's now a \$178 billion-plus colossus that has outpaced movies and music combined in annual revenue. But as growth stabilises in mature markets, new momentum is building in high-volume, under-monetised geographies. India, home to the world's second largest gamer base at nearly 500 million, India presents an outsized, under-monetised opportunity for all stakeholders.

With India's government moving to enact the Promotion and Regulation of Online Gaming Act, 2025, and ban real-money games (RMG), the regulatory risk around RMG has crystallised while non-real money games (non-RMG) including esports, social and casual games now enjoys clear tailwinds and legitimacy. The signal to gaming companies, local and global, and investors is to redeploy talent and capital towards domestically-produced IP, live-ops, adtech and alternative payments that monetise India's vast, price-sensitive user base via micro-transactions, subscriptions and in-game ads. The combination of policy clarity and scale gives India a credible shot at becoming a non-RMG powerhouse.

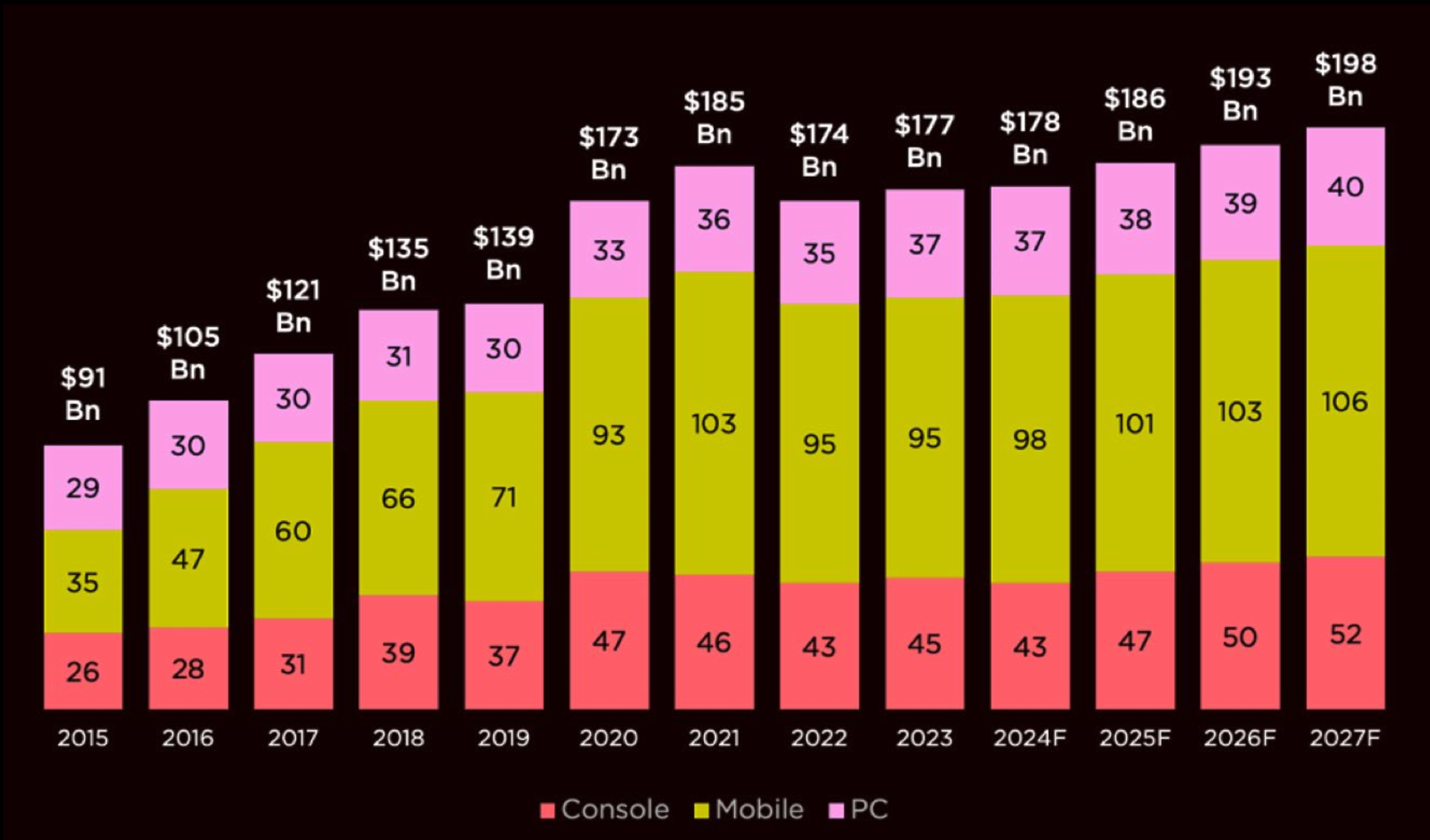
This report explores the contours of the non-RMG opportunity, drawing on global market data and industry analysis to unpack India's unique position: young,

multilingual and mobile-native, but still early in its monetisation arc. Additionally, the report is informed by primary insights from a survey conducted by Rooter, India's biggest game streaming and commerce platform. The survey data shows a user base that plays daily, prefers regional content, and engages deeply with games.

The report argues that while RMG may have powered India's gaming boom until now, it is non-RMG that will power India's bid to emerge as one of the world's most important gaming markets. From the rise of local studios and live-service games to the integration of AI and cloud infrastructure, the building blocks are falling into place. India is on the brink of a new era – one defined not by betting apps or cash contests, but by the creation of durable, culturally resonant, and monetisable gaming experiences.

Global Market Snapshot (Revenues)

Global games revenue per platform | 2015 – 2027F



+3.7%

The total market will grow with a CAGR (2024 – 2027) of + 3.7% to reach an expected \$198.4 billion in 2027. Our revenues encompass consumer spending on games: physical and digital full-game copies, in-game spending, and subscription services like Xbox Game Pass. Mobile revenues exclude advertising. Our estimates exclude taxes, secondhand trade or secondary markets, advertising revenues earned in and around games, console and peripheral hardware, B2B services, and the online gambling and betting industry.

2024: \$177.9 B

Mobile \$97.6B (+2.8% YoY)

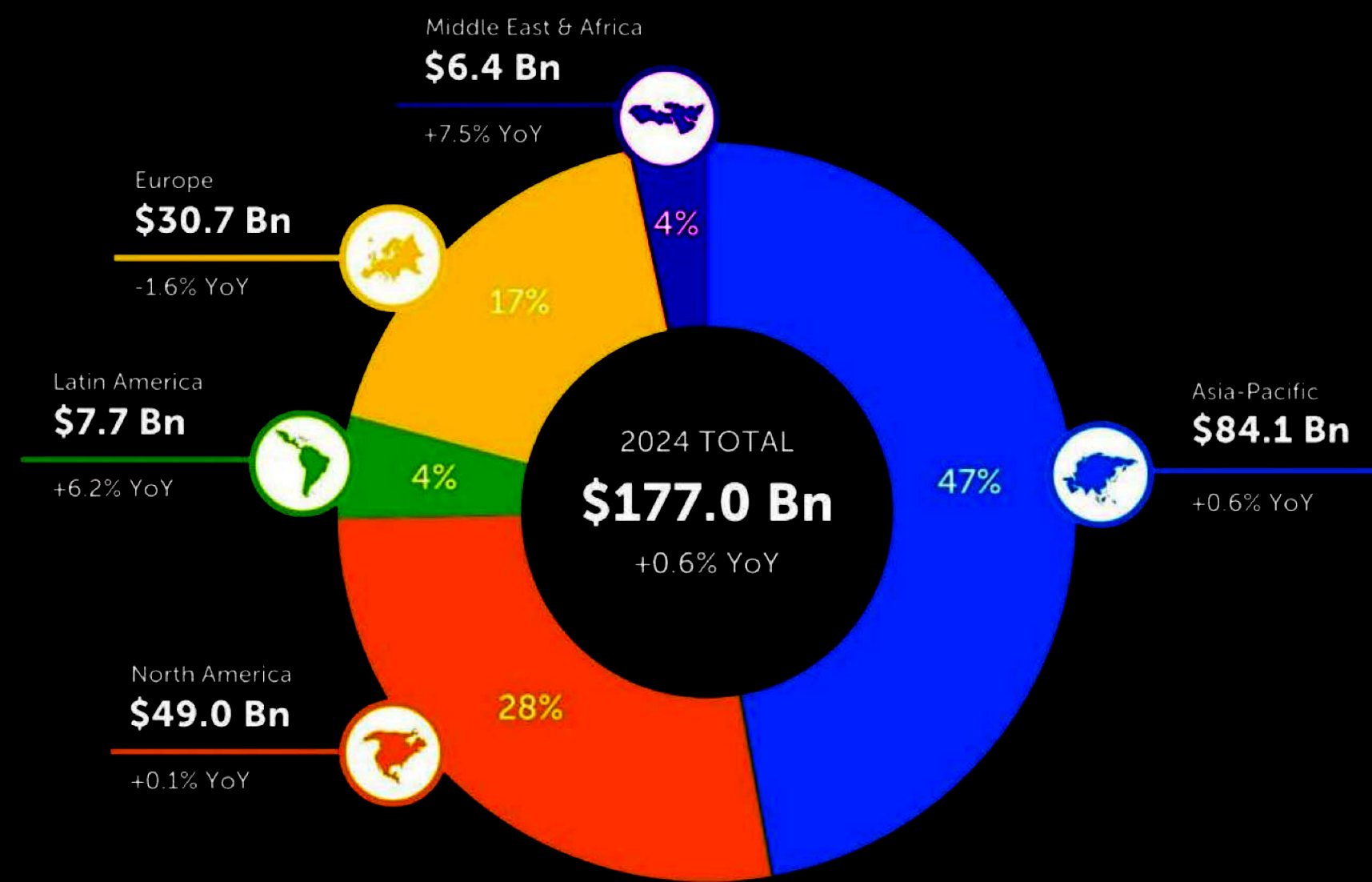
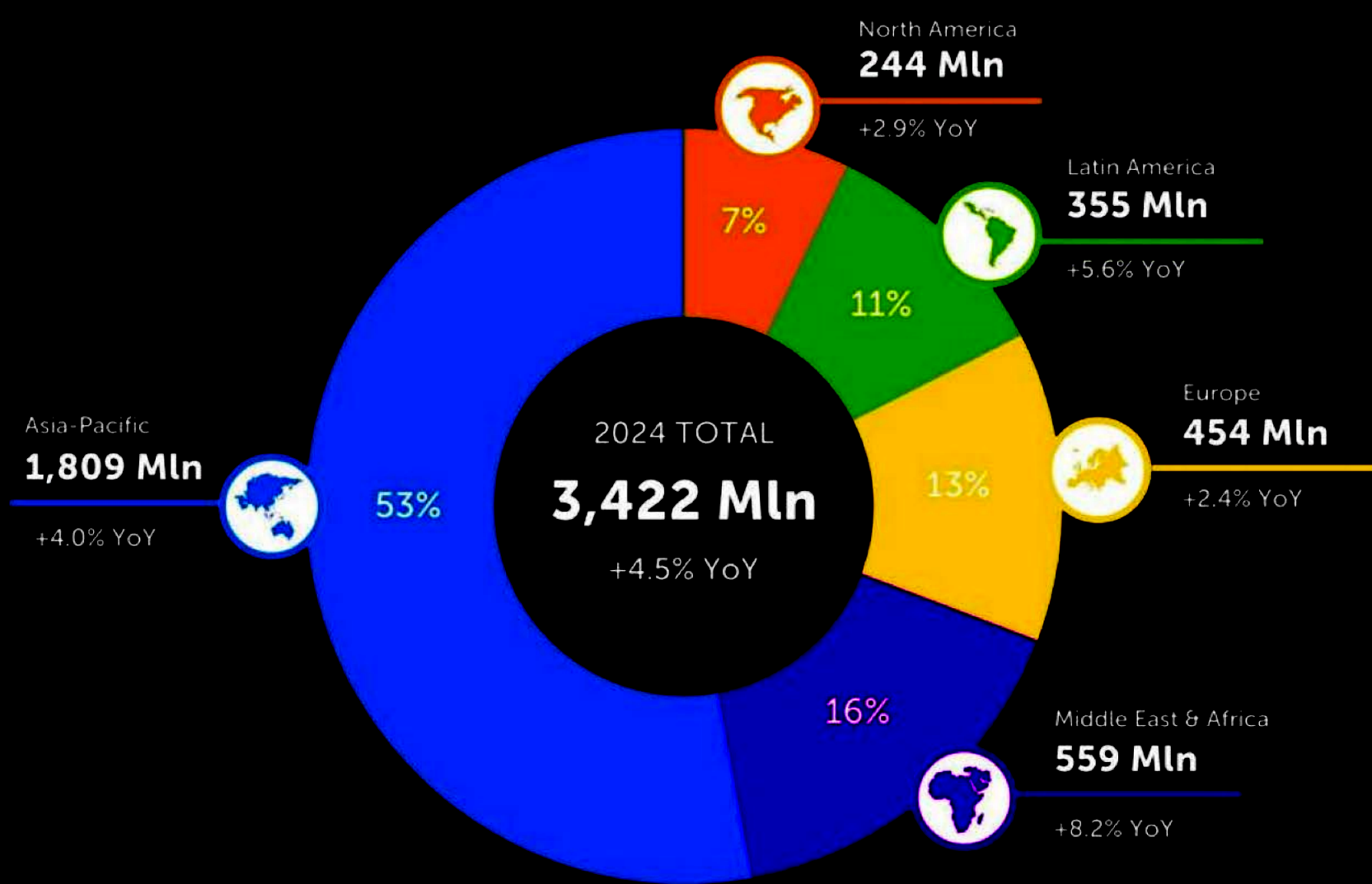
Console \$42.8B (–3.9% YoY)

PC \$37.3B (+0.1% YoY).

Forecasts: \$198 B by 2027 (Newzoo)

Source: ©Newzoo | Games Market Reports & Forecasts | February 2025

Regional Dynamics



Players (3.2B)

China: 702 M
India: 419 M
US: 221 M

ARPU

US: \$215
China: \$68
India: \$3.03 → monetisation headroom

Revenue Share

APAC: 47% (\$84.1 B)
North America: 28% (\$49 B)
Europe: 17% (\$30.7 B, - 1.6% YoY)

Growth Pockets & Outlook

China + US

52% of global spend (\$47B / \$46.1 B),
but growth cooling

LatAm + MENA

Gaining pace (+6.2% / +7.5% YoY
revenue; MENA players +8.2% to
559M)

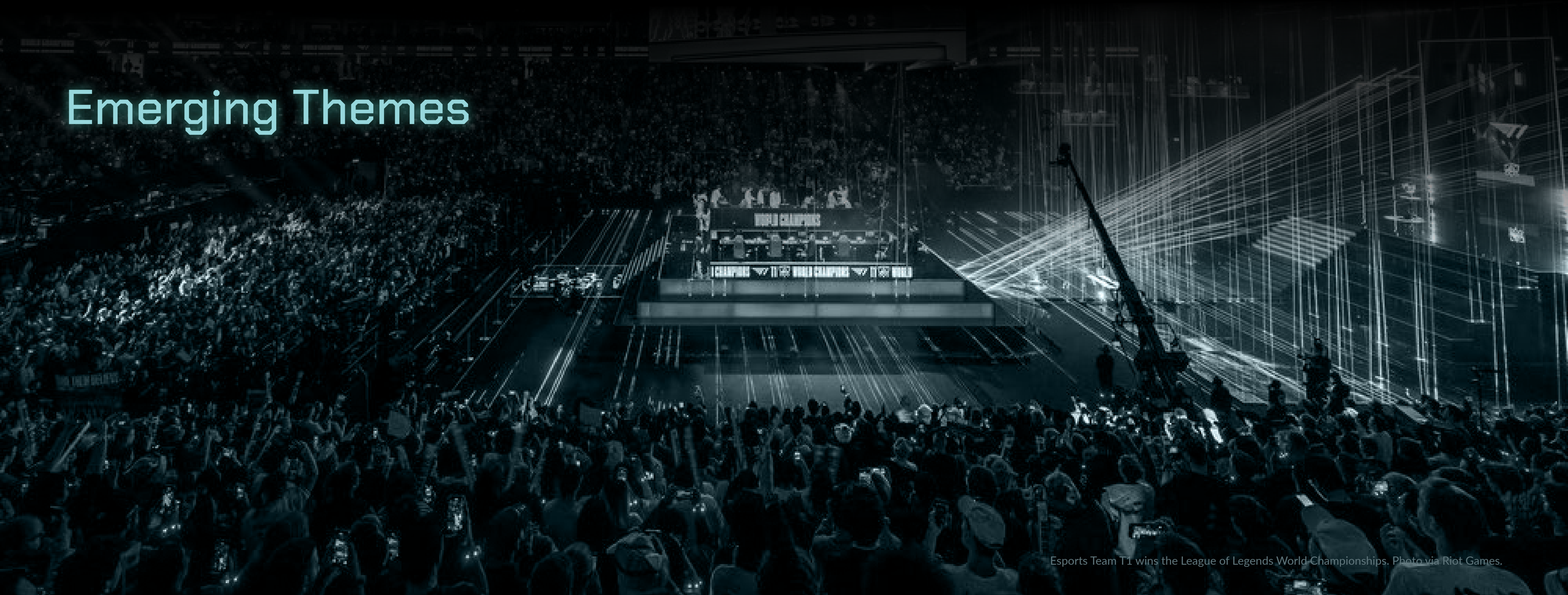
US / EU

Console-led growth (Switch 2), strong
PC (EU > US), **GTA VI** to lift premium
PC from 2026; mobile pushes
direct-to-consumer

APAC

Slower East Asia; faster Central/SE
Asia; **China** cooling on PC/mobile;
Japan mobile near saturation; Switch 2
to help consoles

Emerging Themes



Esports Team T1 wins the League of Legends World Championships. Photo via Riot Games.

Off-Platform Payments

Avoid 30% store fees via **Xsolla / Coda** (5–10%) → vital for price-sensitive markets

Engagement ≠ spend:
higher playtime, selective spending
→ deeper micro-transaction design

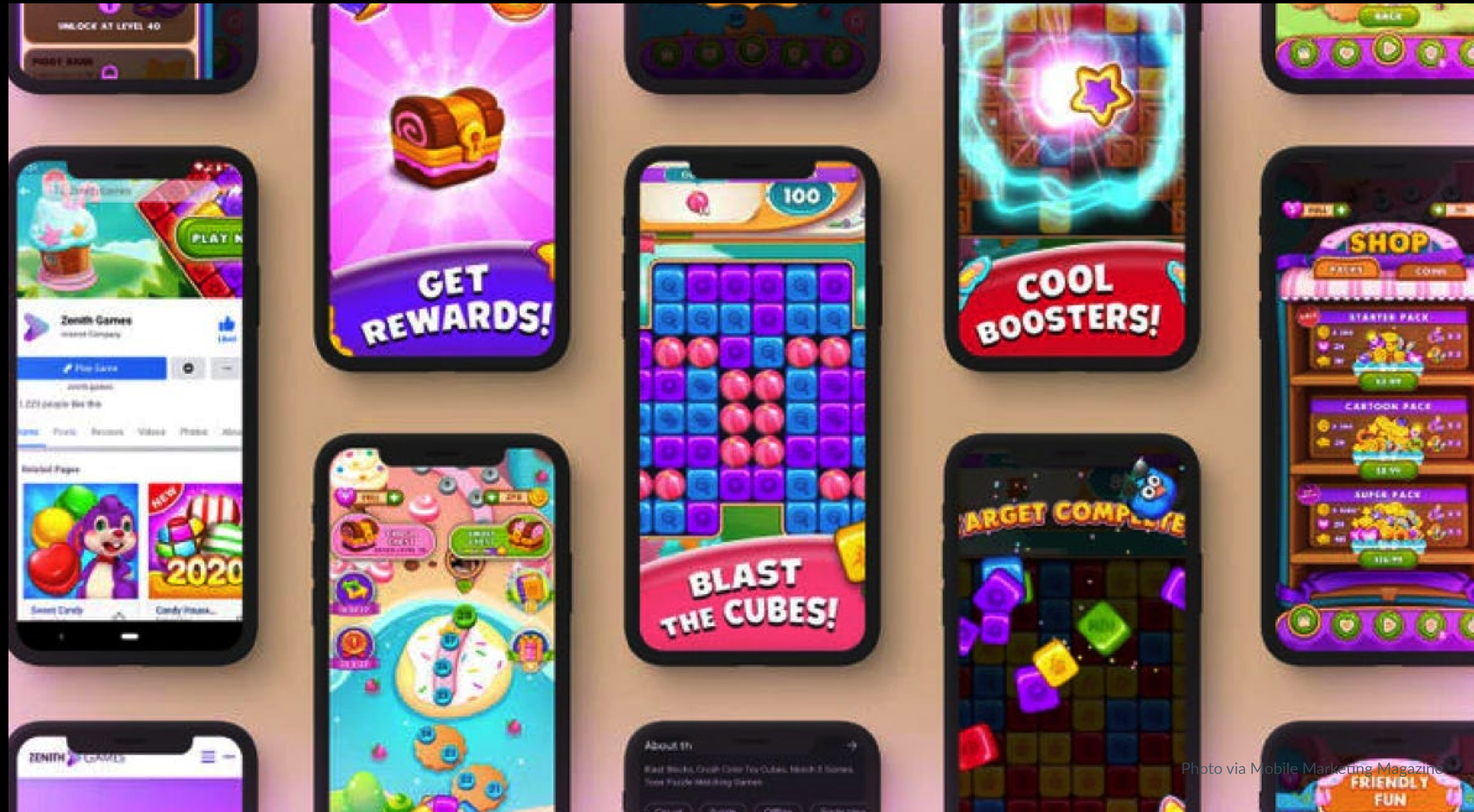
Live-Service Dominance

Fortnite, Roblox, BGMI/PUBG capture
playtime via seasons/passes

Market Correction

16,766 layoffs in year (more than 2022
+ 2023 combined)

Monetisation Models



F2P Micro-transactions

2024 share — PC 58%, Console 32%

Subscriptions

Game Pass (35M+)

Apple Arcade

PS Plus

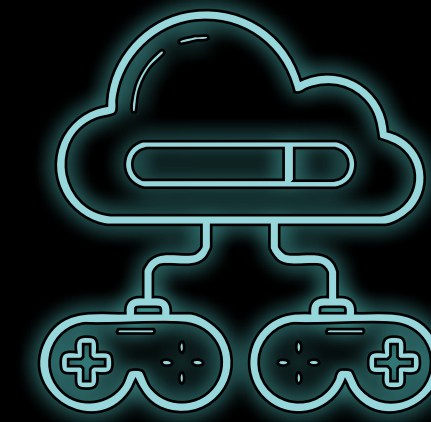
Cloud Gaming

Rising; projected \$121B by 2032

In-game Ads

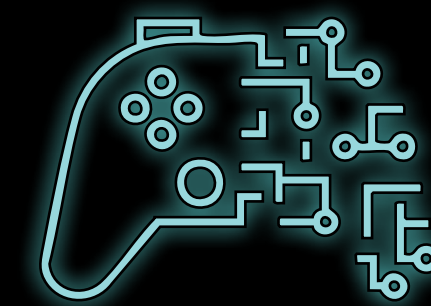
Static/dynamic; **advergaming** flows users into deeper play.

Technology Drivers



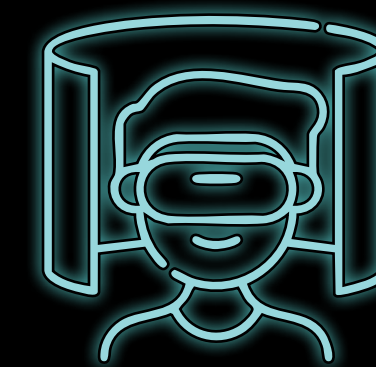
Cloud Gaming

Data-centre rendering
→ hardware-light access



Artificial Intelligence (AI)

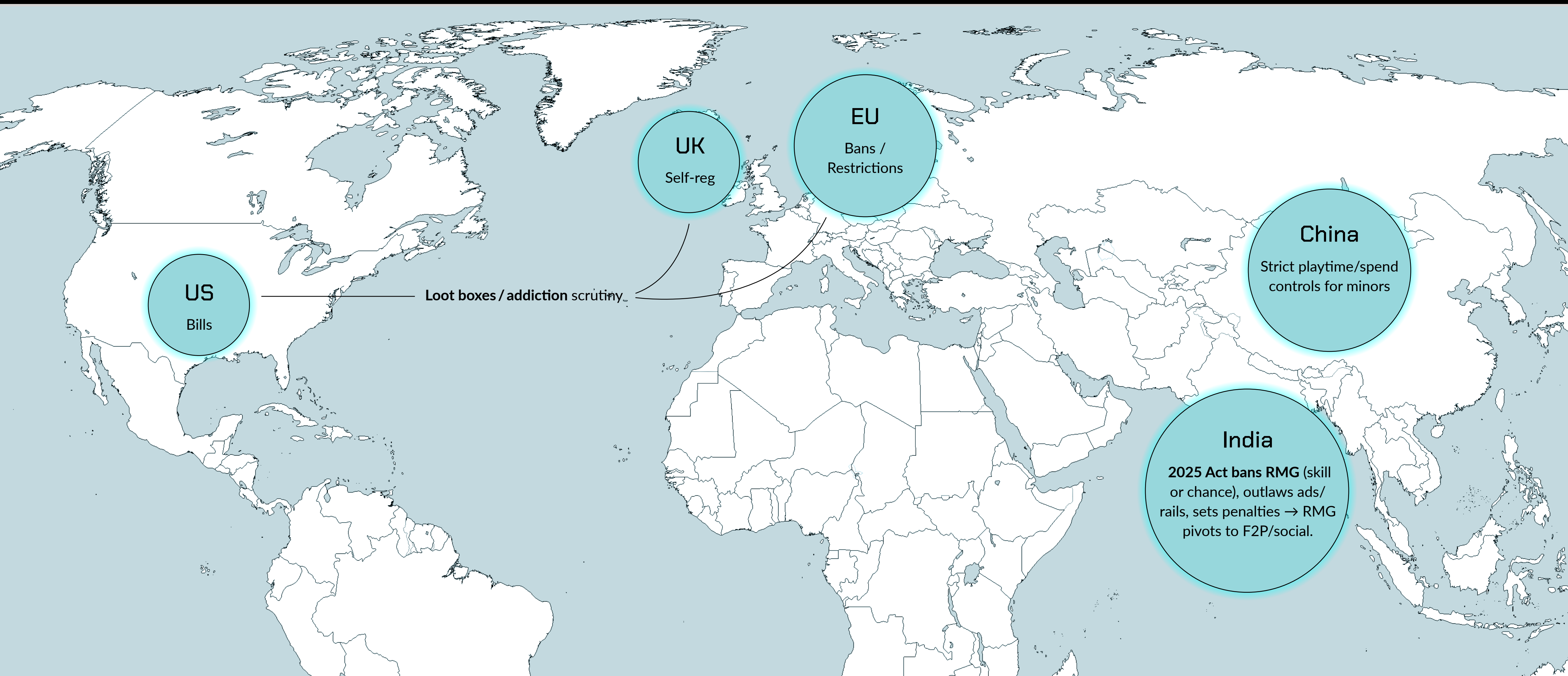
Adaptive NPCs, personalisation,
faster dev (code/test/assets)



AR / VR

Renewed push (Meta, Sony, Apple)
→ immersive/mixed reality

Regulatory Headwinds



India Rising: Scale & Paradox

Gamer Base

419M+ (other estimates:
442M/488M); ~110M daily; 5–6%
CAGR; 517M by 2025 (FICCI-EY)

Pre-Law RMG Market

~\$3.8B FY24 → **\$9.2B FY29** (Lumikai,
Nov' 24)

Drivers

560M smartphones; ultra-cheap data;
UPI; localisation; cricket; youth skew
(>80% <35)

Paradox

Huge volume, **APRU ~ \$3.03**

India’s Two Worlds + Capital Flow

Year	Funding in Gaming (\$Mn)	Funding in RMG (\$Mn)	Funding in Non-RMG (\$Mn)	
2010	0.87	0.87	–	RMG
2011	25.40	19.40	6.00	
2012	5.03	2.99	2.04	83–86% of India’s gaming revenues (pre-law)
2013	12.00	–	12.00	
2014	97.90	4.17	93.73	
2015	41.70	0.33	41.37	Non-RMG
2016	184.00	1.43	182.57	
2017	173.00	6.77	166.23	Casual/mid-core; monetised via ads + IAP
2018	145.00	116.00	29.00	
2019	73.50	71.30	2.20	
2020	153.00	135.00	18.00	Funding (2005 – 2024)
2021	1,400.00	1,300.00	100.00	
2022	367.00	332.00	35.00	\$3.7B total
2023	218.00	20.60	197.40	\$3.3B to RMG
2024	167.00	19.50	147.50	2021 peak \$1.6B+ to RMG

Mobile Leads

Mobile ≈ \$3B; ~80% of India Gaming

Installs FY25

8.45B (India) vs 3.34B (Indonesia)

Demographics

77% aged 18–34; 86% male

Popular

BGMI, Free Fire, CoD Mobile, Subway Surfers, Candy Crush, Clash of Clans

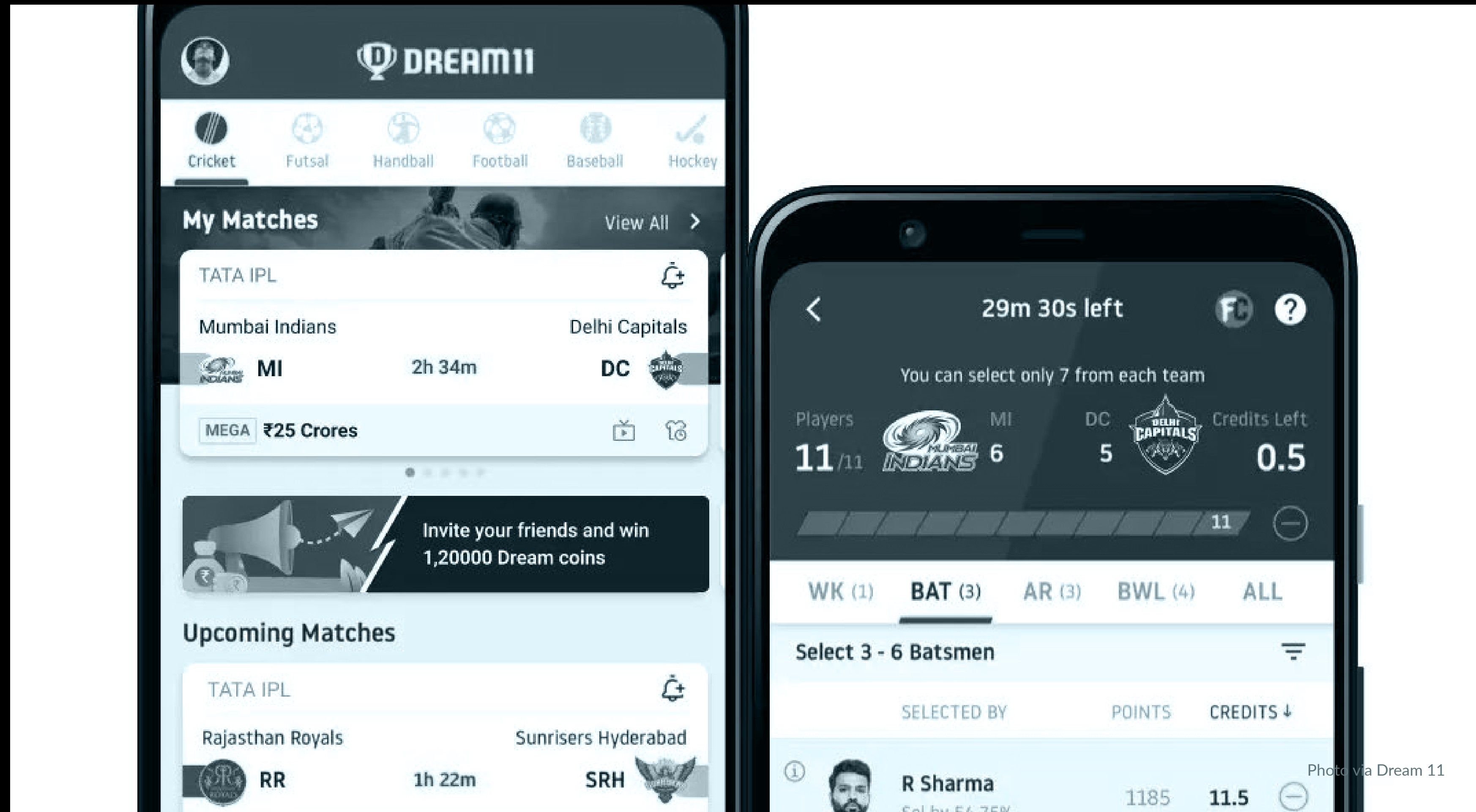
Domestic

Nazara, Gameskraft, MPL, WinZO, Octro, Dream11, Zupee, Gametion

Ludo King: 1.25 B+ all-time downloads; #1 FY25



Download Dynamics



Genres Leading Installs

Simulation (22%)

Arcade (19%)

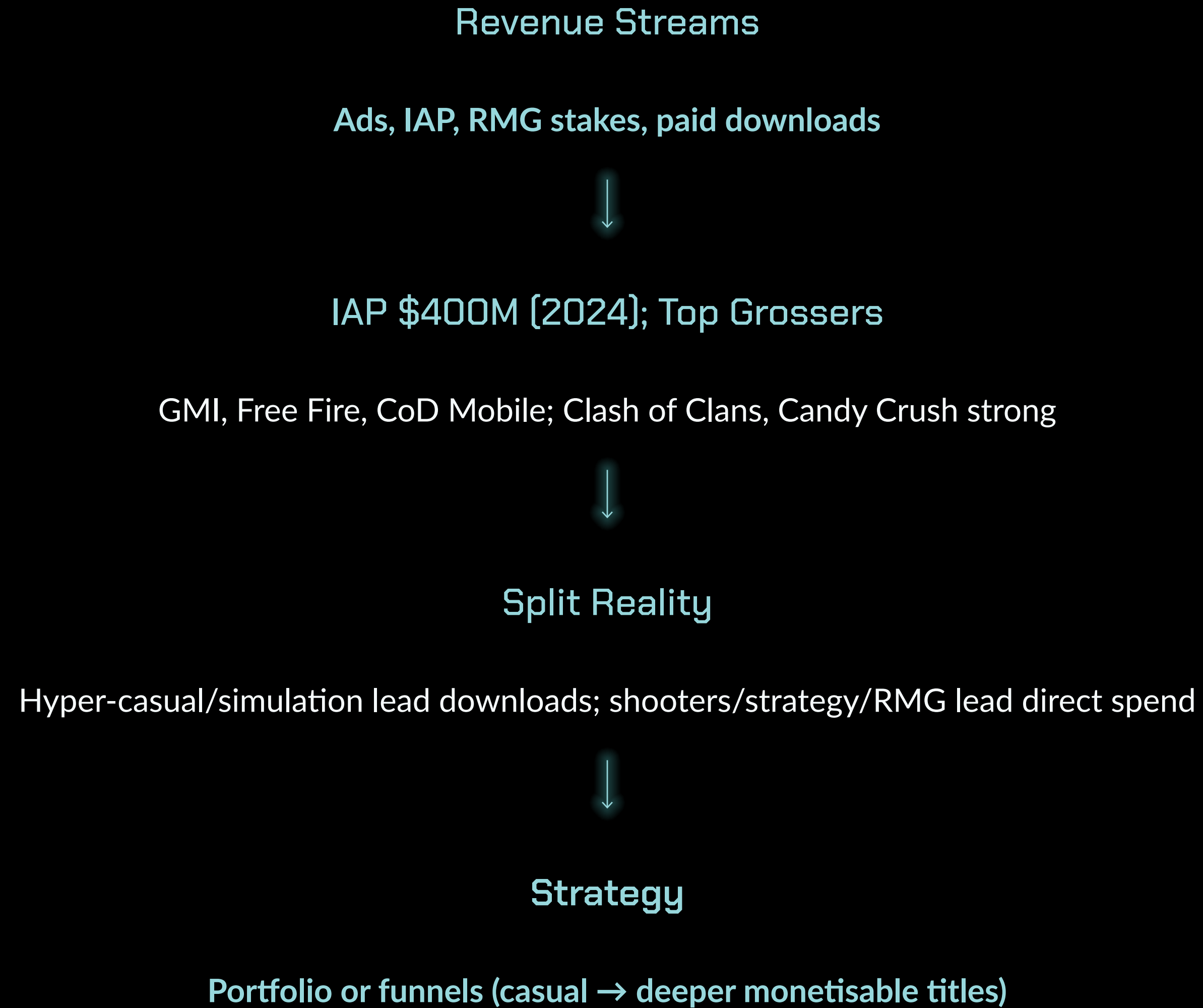
Puzzle (17%)

Fantasy Sports (RMG Core)

Ranks high by downloads
(e.g., **Dream11** #4 FY25)

Local themes, simple mechanics, and
social multiplayer drive acquisition
/ retention

Monetisation (Mobile)



PCs and Consoles

PC \approx 15% of Revenue Growth

Via gaming laptops/dual-use devices

Console <10% Demand

Constrained by high upfront costs

Most Played / Earners

Include Valorant, BGMI, CS2, GTA V/
Online, Apex Legends, Dota 2

Hardware Platforms

Sony, Microsoft, Nintendo

Publishers

EA, Ubisoft, Take-Two; Indian dev
contributions ongoing

GTA VI (2026) widely anticipated

Optimise for Mobile



Design

Touch, variable screens, short sessions, low spec variance

Distribution

Play / App Store; APK / alt stores exist

Monetisation

F2P (IAP + ads) dominant

PC / Console

Niche but higher-value; global trends may echo with lag

Inside the Non-RMG Opportunity

Non-RMG:

No real-money stakes; motivations = entertainment / skill / social / progression

F2P is predominant; revenues via **IAP, ads, subs, premium, often hybrid**

Monetisation Detail & Tax Context

IAP

Cosmetics, currency, consumables, unlocks. FICCI-EY: **IAP CAGR 20%**

Expert View

<5% of gamers pay, but spender base and/or intensity rising

Ads

Rewarded, banners, interstitials, offerwalls; ~10% ad revenue growth (2024)

Subs / Premium / Hybrid

Recurring value; pay-to-play niche

Tax

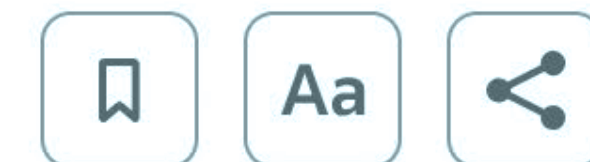
Non-RMG digital goods/services at standard GST (18%);
Avoids the 28% GST regime contentious for RMG

Lightbox

India deals blow to online gaming industry with 28% tax

By Nikunj Ohri

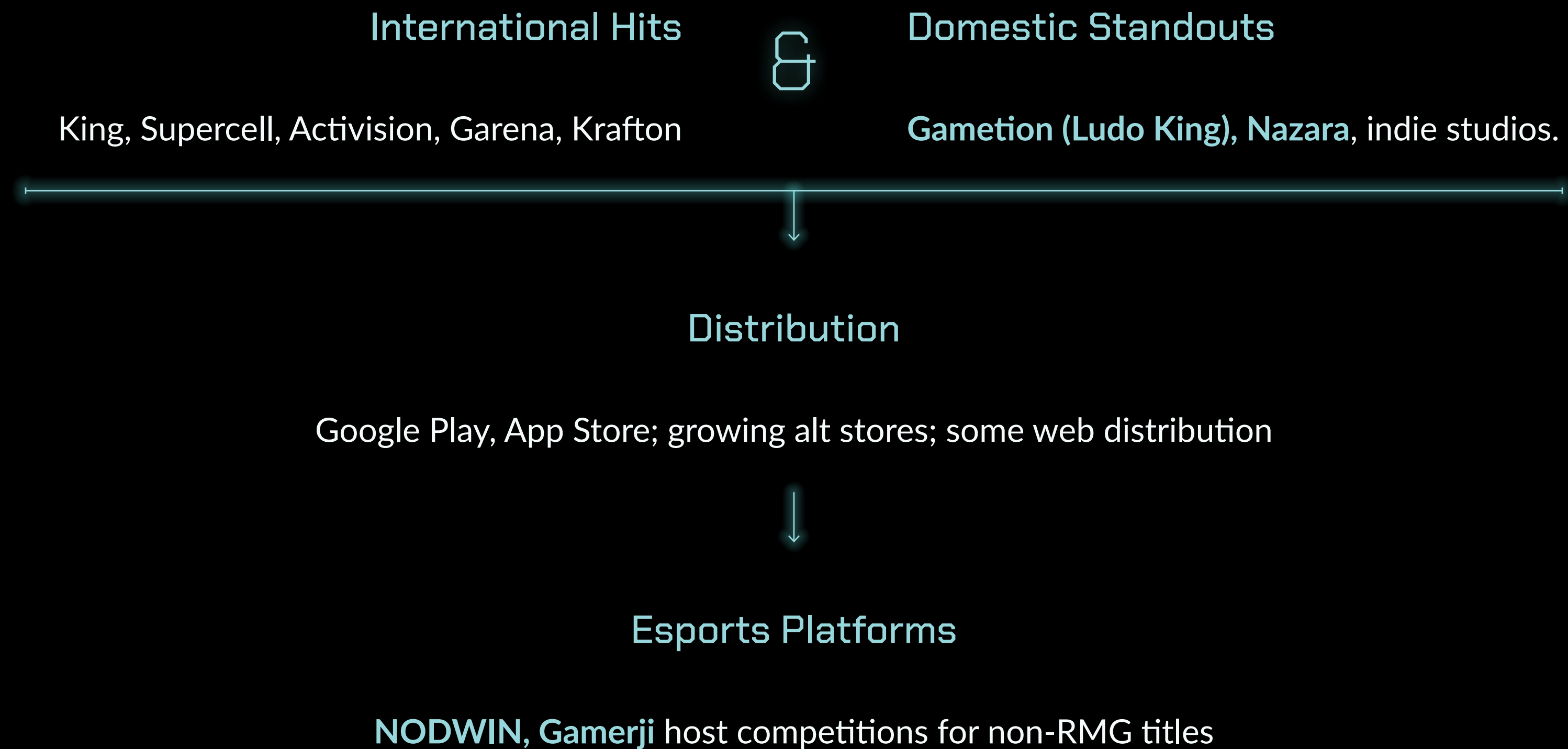
July 11, 2023 10:54 PM GMT+5:30 · Updated July 11, 2023



[1/2] Dream11 and MPL logos are displayed in front of the Indian flag in this illustration taken September 14, 2022. REUTERS/Dado Ruvic/Illustration/File Photo [Purchase Licensing Rights](#)

NEW DELHI, July 11 (Reuters) - India's government on Tuesday said it would impose a 28% tax on funds that online gaming companies collect from their customers, in a blow to the \$1.5

Ecosystem and Distribution



Content Categories

Casual / Simulation / Board

Ludo, Carrom, Chess, cricket/football, trivia, hyper-casual

Mid-Core

BGMI, CoD Mobile, Free Fire (avg daily play ~80m); IAP-led monetisation

Puzzle/Arcade

Enduring leaders (Candy Crush, Subway Surfers, etc.)

Educational / Skill Based

Emerging

AAA/India-Themed

DPDP Act (consent, minors' data) can impact targeting/ops

Industry POV

Krafton India CEO: India is **Top-5** revenue for BGMI; building for India and global export



Esports and Competitive

\$100M (2024) Revenue

Sponsorship 61%

Organisers

NODWIN, **Skyesports**; big audiences
+ influencer ecosystem

Esports

Spans both **RMG** (when for money)
and **Non-RMG** contexts

Scaling Challenges

Monetisation

Low ARPU, low eCPMs → need scale, hybrid models, segmented offers; identify/retain **high-value** players

Infrastructure

Concurrent spikes; need scalable cloud backends; cost sensitivity; fragmented tooling for **live-ops/analytics/engagement**

Talent

Specialised game design/AI/engine skills scarce; limited domestic publishing muscle

CAC

Competitive market raises acquisition costs

Compliance

DPDP Act (consent, minors' data) can impact targeting/ops

Fraud

Identity/account/promo abuse risks



Tech Tailwinds

A black and white photograph of a man with a beard and long hair, wearing an Oculus VR headset. The headset is white with the 'oculus' logo visible. The man is looking down, and the background is dark.

AR / VR

Early but growing; 5G helps; need testing across devices; brand activations show adoption.

Cloud Gaming

Democratises premium play; India market tiny today but high CAGRs; **JioGamesCloud** live; **NVIDIA GeForce Now** expanding

AI

Hyper-localisation, personalisation, pricing, UA/churn, smarter NPCs, faster dev; challenges in talent / data / ethics / culture fidelity

Opportunity Areas

Game-Based Learning (GBL)

\$873.3M (2024) → \$5.4B (2033).
Govt/AVGC push; engagement gains

Social / Community Platforms

Multiplayer, creator ecosystems (e.g.,
STAN as “Indian Discord”)

Skill Development Games

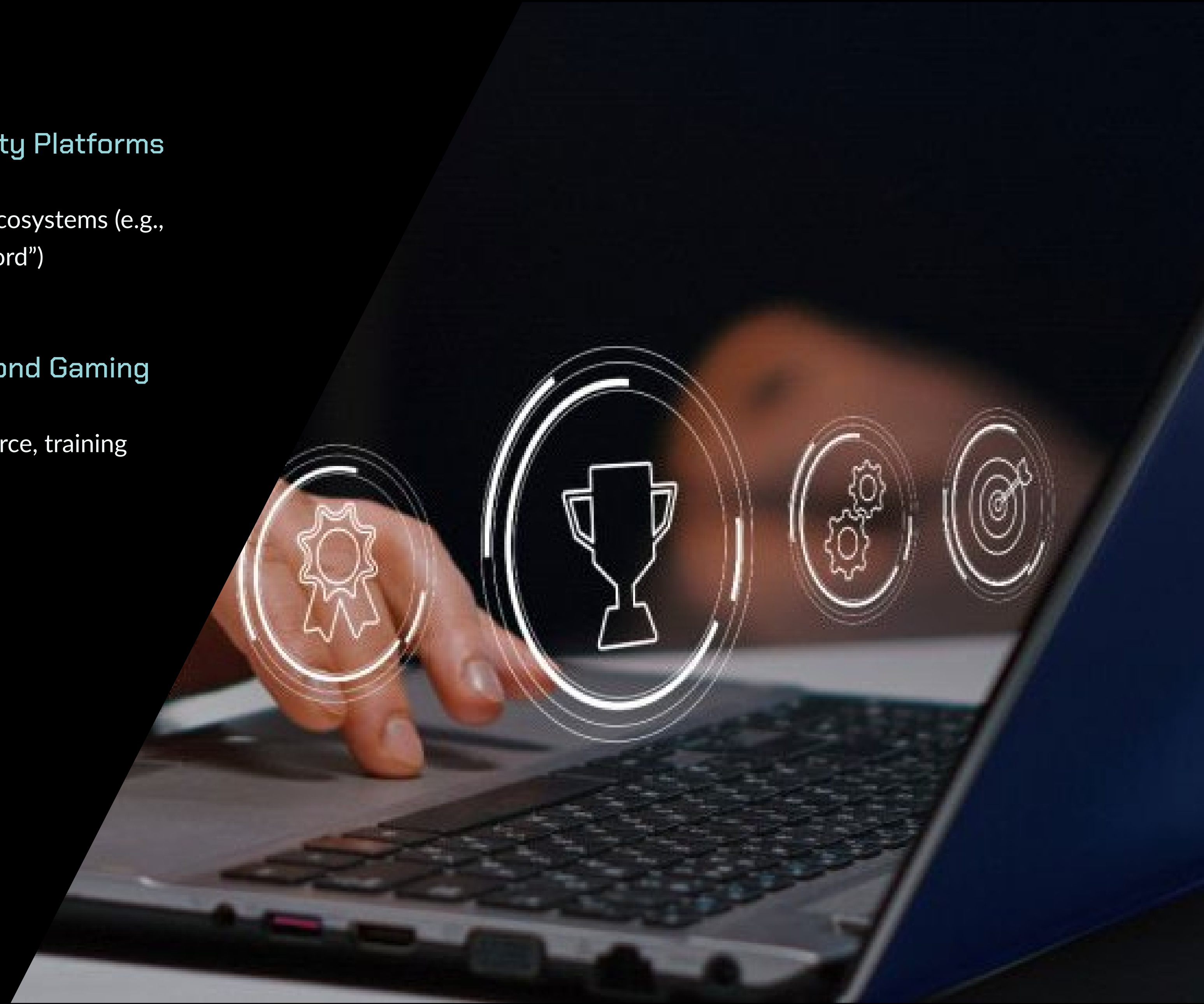
Cognitive/practical skills; monetise via
premium/packs/institutional

Gamification Beyond Gaming

Health, ads, e-commerce, training

Talent

Mythology / folklore / pop culture;
Hindi + select regional languages



Router Survey: Who's Playing & Paying



Sample	Payers	Spend Band [Payers]	ARPPU / ARPU [Midpoint]
n=462; skew 18-24 (74%), male 85%, <₹5L income 72%	74.9% buy non-RMG IAP	₹0-₹100 (36.4%), ₹1000+ (31.2%), ₹501-₹1000 (17.3%), ₹101-₹500 (15%)	~₹584 / ~₹437 (lower-bound: ~₹414 / ~₹310)

Router Survey: What They Buy and How They Pay



Spend Baskets

Battle passes/subs 40%, cosmetics 37%, unlocks 23%

→ live-service cadence wins

Devices

Smartphone dominant (395 mentions) but higher-value on PC (84%), console (82%), tablet (93%) vs smartphone (73%)

Ads

38% would quit if too many; ~50% neutral/no opinion; 12% annoyed

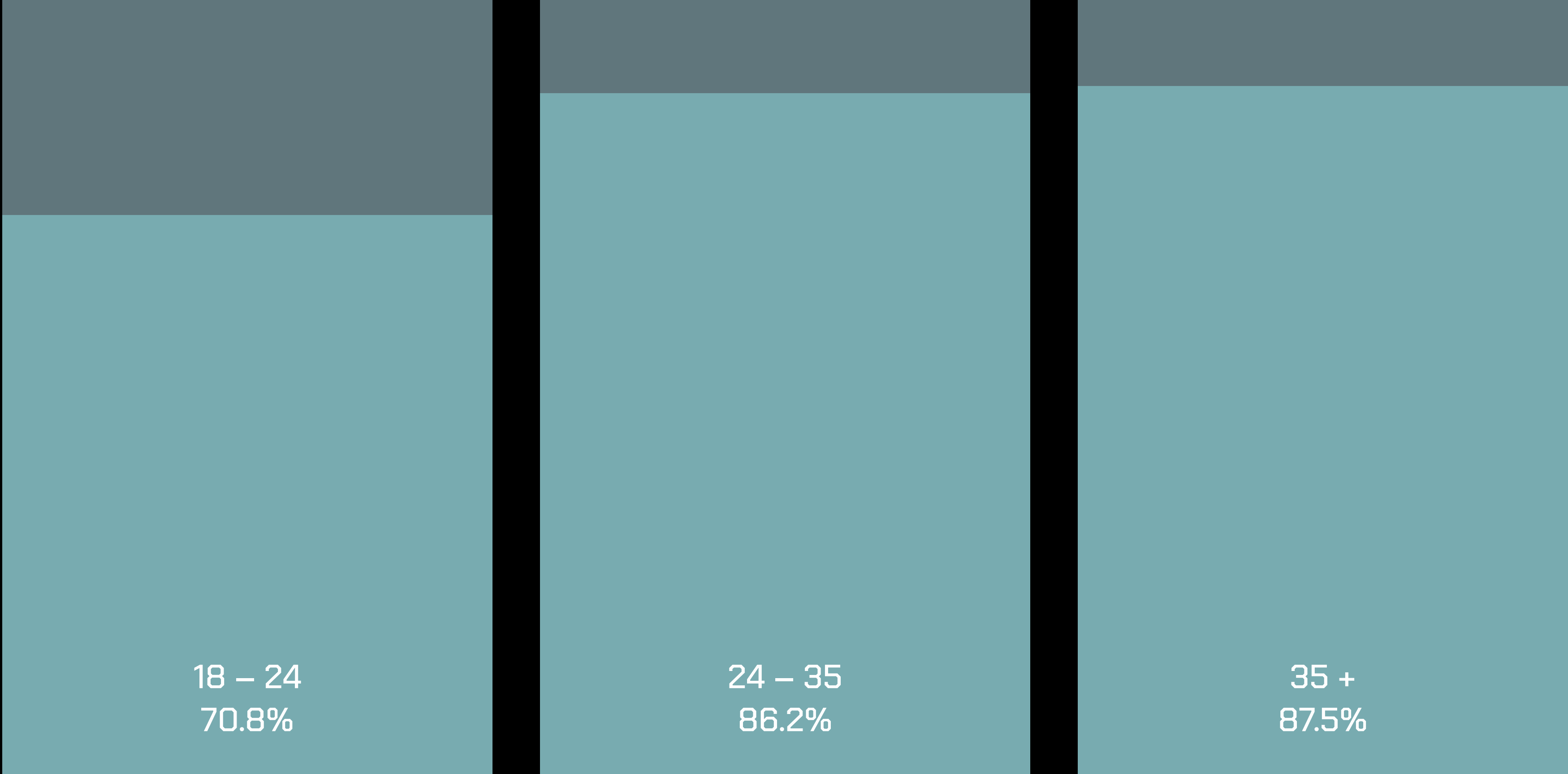
→ rewarded/contextual + capped

Language

English 49%, Hindi 34%, Tamil 7%, Telugu 4% → Hindi-first + selective southern

Router Survey: Engagement and Cohorts

Payer Incidence by Age



5 Year Playtime

52.4% increased
(24.4% same; 23.1% decreased)

Playbook (Post RMG Ban)

Build Rails Before Hits

UPI-friendly off-store payments;
₹10-₹99 top-ups; ₹99-₹129 passes

Skill Development Games

Calendar of events/drops/progression;
data-driven pricing/offers

Talent

Small IAP + rewarded ads with
frequency discipline

Cross-Device Expansion

Lift ARPPU via PC / console /
tablet cohorts



