



INDIA'S \$9.2BGaming Boom

Powered by 591 M Players and Al





Foreword



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The gaming industry stands at the cusp of an extraordinary transformation, driven by the exponential advancements in Artificial Intelligence (AI). In this piece, we have explored how AI is not merely enhancing gameplay—but redefining the entire gaming experience, from personalized content to intelligent NPC behavior and dynamic storytelling.

At the core of this evolution lies the opportunity to create more immersive, responsive, and inclusive gaming environments. Al empowers developers to craft smarter games that adapt in real-time, understand player behavior, and even create content autonomously. From predictive analytics to Al-generated environments, the potential is limitless.

As a company committed to innovation and future-forward thinking, we believe that AI is not just a technological upgrade—it is a creative partner. It is shaping new business models, fostering deeper player engagement, and unlocking scalable efficiencies across design, testing, and live operations.

This paper reflects our commitment to staying ahead of the curve, driving conversation, and contributing to a more intelligent and imaginative gaming future.

The game has changed — and intelligence is the new currency."





Foreword



Al- Driven Creativity: **Powering India's Global Gaming Ascent**

Sridhar Muppidi

Chairperson, Game Developer Association of India (GDAI)

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India's gaming sector is at a powerful inflection point, fueled by an unprecedented convergence of creativity, technology, and ambition.

Al in gaming has moved beyond the hype cycle and is entering a crucial phase of pragmatic integration. Today, Al is significantly streamlining development by automating intensive tasks like asset generation and testing, allowing human developers to focus more on innovation and creativity. In India, with its rapidly growing gaming ecosystem and a massive pool of tech-savvy talent, Al adoption is poised to be a true game-changer — enabling studios to scale faster and compete globally. Looking ahead, the potential is immense: Al as a collaborative partner, driving truly dynamic narratives, crafting highly intelligent characters, and delivering deeply personalized player experiences tailored to India's diverse and culturally rich audience as well as the global gamer community.

"Al is no longer just augmenting games—it's shaping the soul of tomorrow's play."

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Gaming 2.0: A Look at the New Age of Play and Progress

1.1 Introduction

The gaming ecosystem in India has witnessed exponential growth over the last few years, driven by increased smartphone penetration, affordable data, and a digitally savvy population.

India's gaming industry is experiencing rapid growth, with projections indicating it will reach approximately \$9.2 billion by FY2029, up from \$3.8 billion currently.



Mobile gaming dominates the sector, comprising 90% of the market, **a significant increase from 37% in the US and 62% in China**.



The country boasts a gaming population of 591 million, with 44% female gamers and 66% from non-metro cities, highlighting a diverse and expanding user base.

India also boasts over 1,900 gaming companies which provides employment to 1.3 lakh professionals, with top players like Nazara Technologies, Nodding Heads Games, and JetSynthesys driving Al-led game development.

Amid this momentum, Artificial Intelligence (AI) has emerged as a transformative force reshaping how games are designed, developed, and experienced. From mobile games to AAA titles and immersive indie experiences, AI is now embedded in various aspects of India's gaming ecosystem.

The gaming sector is undergoing a transformation as startups and studios actively explore AI to enhance gameplay mechanics, personalize experiences, and streamline development. AI is being applied to craft dynamic narratives, procedurally generate content, simulate human-like NPCs, and boost real-time game testing. With a strong talent base in computer science and machine learning, alongside emerging gaming-focused incubators, India is well-positioned for innovation and there is also an immense support provided by the Government-led initiatives like AISA (Atal Innovation Studio & Accelerator) and IMAGE (Innovation in Media, Animation, Gaming & Entertainment) into the R&D and infrastructure development in this space.

In short, India's AI in gaming landscape is at an exciting inflection point—brimming with potential, yet in need of stronger policy support, academic integration, and ethical frameworks to scale sustainably.



^{1.2} Key Trends in Gaming in India

In 2023, an AI-generated character in a multiplayer game held a 10-minute unscripted conversation with a human player—without breaking immersion once. What seemed like science fiction just a few years ago is now becoming a design standard in modern game development. As artificial intelligence moves from the sidelines to the spotlight, it's not just enhancing gameplay—it's transforming the very definition of what games can be.

Trend	Description	Key Stats / Insights	
Mobile Gaming Boom	Dominance of mobile platforms driven by affordable devices & data	Mobile = 90% of gaming revenue	
Regional & Vernacular Content	Localization of language and culture to appeal to diverse demographics	Growth from Tier 2/3 cities and non-English content	
AI & Emerging Tech	Use of AI for adaptive gameplay, procedural design, and immersive experience	Rise in games using Al-driven mechanics & metaverse	
Esports & Streaming Growth	Increasing popularity of competitive gaming and content creation	Esports to reach ₹1,100 Cr by 2025	
Policy & Investment Push	Government support + VC funding boosting innovation	Backed by AVGC task force, IndiaAI, & startup grants	
Skill-Based RMG Evolution	Real-money games navigating regulatory frameworks with innovation	RMG is still widely played despite tighter scrutiny	





02 The Intersection of AI and Gaming

2.1 Role of AI in Transforming Gaming

Artificial Intelligence (AI) has emerged as one of the most transformative forces in the gaming industry. What once began as simple rule-based NPC behaviours has now expanded into a suite of intelligent systems that gameplay mechanics, drive narrative design, content generation, personalization, and player engagement. Al doesn't just improve how games are played-it redefines how games are and designed, experienced, evolved.



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Al is the backbone of Metaverse experiences like PartyNite – driving intelligent avatar behavior, dynamic conversational NPCs, and real-time content scaling. Beyond enhancing immersion, Al ensures privacy, addresses safety concerns, and creates an inclusive world where everyone can participate just like in real life. **

Rajat Ojha CEO, Gamitronics



Enhancing Gameplay

Al enables smatter NPCs and real-time difficulty adjustments. Example: Left 4 Dead's Al Director



Personalization

Al tailors challenges and rewards based on player behaviour. Result: 25-30% higher retention (Newzoo, 2023).



Adaptive Storytelling

Al creates branching narratives and emotional depth. Example: Detroit Become Human



Inclusive Gaming

Al aids accessibility via voice controls, narration, and adaptive inputs Example: Xbox Adaptive Controller Procedural



Automated Testing

Al detects bugs, balances mechanics, and simulates gamerplay. Example: Ubisoft's Commit Assistant

Procedural Content Generation (PCG)

Al generates vast, evolving game worlds and levels. Example: No Man's Sky's 18 quintillion planets.



Competitive & Esports Optimization

Al trains bots, refines strategies, and flags cheating in real-time. Example: OpenAl Five trained on 45,000 years of Dota gameplay.

Game Analytics & Monetization

Al tracks engagement, predicts chum, and optimizes monetization. Example: Candy Crush's reward triggers





Al in Gaming: From Early Experiments to Cutting-Edge Experiences

3.1 Al's Current Applications in Gaming

Artificial Intelligence (AI) has transitioned from a background support mechanism in games to a central driver of real-time interactions, immersive environments, and intelligent design. In today's gaming industry, AI powers everything from character behaviour and storytelling to procedural world creation, gameplay personalization, esports analytics, and quality assurance. It is no longer just an enhancement—AI is now the core infrastructure upon which modern interactive experiences are built.

NPC Behavior & Realism	Voice & Emotion Recognition	Personalization & Player Profiling	
emotional and tactical reaections Example: The Lost of Us Part II – NPCs react to teammates' deaths & adapt stealth responses	Voice commands and emotional feedback integration Example. VR assistants. Xbox Adaptive Controller	Custom quests, dialogues, and challenges Example: Cyberpunk 2077. Detrolt: Become Human	
Procedural Content Generation (PCG)	Al-Driven Game Design Toals	In-Game a Analytics & Esports	
Auto-generates maps, quests, and environments Example: No Man's Sky, Minecraft, Spelunky	Auto-generates assets scriple, and physics Example: GANs. NVIDIA Omniverse: Unity ML-Agencts, Ubisoft Ghostwriter	Skill matching, cheat defection, player dashboards Example: OpenAl Five (Dota 2). League of Legends	
Al in Game Testing	Adaptive Difficulty & Game Balancing	LiveOps & Monetization	
gameplay hours for QA Example: Ubisoft's Commit Assistant - 30% fewer dey bugs	Real-time difficulty tuning based on player performance Example: Left 4 Dead's Al Director, Resident Evil 4	Predicts churn. personalizes offers, boosts retention Example: Candy Crush uses Al to frigger boosters strategically	







Al is no longer a supporting character in the game development narrative—it is the director, co-creator, playtester, and storyteller all at once. Today's Al systems are shaping the way we interact with, design, and experience games on every level—from the mechanics and environments to story arcs and user emotions.

As real-time machine learning and cloud-Al frameworks continue to mature, the influence of Al in gaming will only become more pervasive, creating titles that are smarter, deeper, and infinitely replayable.





3.2. Evolution of Game AI: From Rule-Based to Real-Time Intelligence

The evolution of Artificial Intelligence (AI) in gaming mirrors the exponential growth in both computing power and creative ambition within the industry. From early handcrafted decision trees to today's real-time, learning-based models that power vast, interactive worlds and emotionally intelligent characters—AI has fundamentally reshaped how games are designed, played, and remembered.

From the 1950s to the 2000s, game AI evolved from simple, rule-based systems to more complex, adaptive behaviors. Early games like Pac-Man used fixed state machines, while the 1990s introduced strategic decision-making and pathfinding, as seen in Civilization and Warcraft. By the 2000s, AI became more reactive and emotionally driven, with games like The Sims and F.E.A.R. showcasing intelligent, adaptive NPCs and layered behavior systems that responded to player actions. The 2020s have actually seen the hyper-realistic AI behaviours that incorporate emotional simulation, long-term player modelling, and learning-based dynamic ecosystems.

ERA	AI STYLE	TECHNIQUES INTRODUCED	KEY CHARACTERISTICS	EXAMPLE GAMES
1950s- 1980s	Rule-Based, Deterministic Al	Finite State Machines (FSMs), Hardcoded Logic	Predefined NPC BEhavious, No Adaptability, Pattern-based difficulty	Tennis for Two (1958), Pong (1972), Pac-Man (1980)
1900s	Startegic Al, Heuristic Planningh	Pathfinding Algorithms, Fuzzy Logic, Decision Trees	Resource management, Startegic thinking, Open-world adaptation	Civilization (1991), Command & Conquer, Warcraft
2000s	Reactive AI, Modular Design	Blackboard Systems, Emotional Modelling	ResourSocial/Emotional Simulation, Squad-based dynamics, Adaptive Difficulty	The Sins(2000), Halo (2001), F.E.A.R. (2005)
2010s	Procedural & Learning AL	Procedural Content Generation (PCg), Deep Neural Networks	Infinite Content creation, Predictive NPC Behaviour, Real-time Startegy learning	Minecraft (2009), No Man's Sky (2016),AL Dungeon, OpenAl Five
2020s	Adapticve, Emotion Driven Al	Reinforcement Learning, GAN's, Sentiment Analysis, Voice input	Personalised NPC's, Emotion aware resposnses, Player modelling and narrative	The Last of Us Part II, Red Dead Redemption 2, Cyberpunk 2077, Shadow of Mordor



3.3. Case Studies of AI-Enhanced Games

To truly understand the impact of Artificial Intelligence (AI) in modern gaming, it is crucial to explore how leading game studios have integrated AI to enhance gameplay, storytelling, world-building, and player engagement. The following case studies highlight standout titles that have leveraged AI to deliver breakthrough gaming experiences, showcasing diverse use cases including procedural generation, emotional NPC behaviour, adaptive storytelling, personalised gameplay.

These case studies demonstrate how AI is more than a technical add-on—it is a creative partner in game development. Whether it's procedural content in No Man's Sky, emotion-aware NPCs in The Last of Us Part II, or real-time storytelling in AI Dungeon, AI is empowering developers to craft smarter, more personal, and dynamic experiences.

As AI technologies like neural networks, reinforcement learning, and emotional modelling continue to advance, we can expect the next wave of games to be living, learning ecosystems—built to surprise, challenge, and resonate with each unique player.



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Al in gaming is the next storytelling frontier—Indian startups have the chance to define how the world feels, not just plays, a game."

Shradha Sharma Founder & CEO, YourStory Founder & CEO, The Bharat Project

Game Title	Al Innovation	Key Impact	
The Last of Us Part II	Emotional NPCs, dynamic combat Al	Emotional immersion, realism in stealth/shooting	
Red Dead Redemption 2	NPC routines, memory systems	Deep social simulation and open world realism	
Shadow of Mordor	Nemesis System	Personalized enemies and emergent storytelling	
No Man's Sky	Procedural universe generation	Infinite exploration, replayability	
Detroit: Become Human	Adaptive narrative trees	Meaningful player agency and story diversity	
FIFA Series	Player modelling, DDA	Balanced gameplay, realism in sports simulation	
Left 4 Dead	Al Director	Dynamic pacing, replayable intensity	
Al Dungeon	Neural text generation (LLMs)	Al-authored storytelling and player creativity	



Behind the Screen: The Hidden Challenges of AI in Gaming

Despite its transformative potential, AI in gaming faces several challenges that developers must navigate.

4.1 Common Challenges Across the Sector

As AI becomes more integrated into gaming, it collects and analyzes player data to enhance experiences, raising concerns about privacy and ethical use. Balancing AI automation with human creativity is crucial to maintain authenticity and emotional depth in games. Moreover, without diverse datasets, AI systems risk perpetuating biases, underscoring the need for inclusive data practices to ensure fairness in gaming.

Al has the potential to transform the gaming industry in exciting ways, but it should never overshadow human creativity. Rather than replacing human input, Al should serve as a complementary tool that enhances the creative process. Combining human talent with Al tools can create a more efficient and innovative workflow, where Al can handle repetitive and data-driven tasks, and humans can focus on vision, creativity, and ethics.

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Fantasy Sports operates at the intersection of sports fan engagement, real-time data processing, and scalable digital infrastructure, making it an ideal playground for fueling innovation in AI. From utilizing AI models to deliver seamless user experiences to creating personalized and immersive gaming interactions, the sector exemplifies how AI can drive innovation in sports. With its deep user base and robust data pipelines, Fantasy Sports is uniquely positioned to advance India's leadership in AI and sports driven AI. "

- Federation of Indian Fantasy Sports (FIFS)

♥● Misuse and ■ Monetization of Data

Player data may be monetized or sold without knowledge

Data Security and Breach Risks

Weak Security measures can lead to data breach.

Lack of Transparency and Uninformed Consent

Clear options on data practices aren't provided to players.

Extensive Data Collection

Bias and Unfair Al Decisions

Poorly trained AI can infairly penalize or flag players.

Al enables smatter NPCs and real-time difficulty A lot of data is being collected, which can lead to unintentional exposure.

CONCERNS AROUND PRIVACY, TRANSPARENCY, AND ETHICAL USE OF AI IN GAMING





4.2 Survey-Based Analysis: Adoption Challenges in Gaming

In the context of India's rapidly growing online gaming sector, this survey uncovers critical roadblocks in the adoption of Artificial Intelligence (AI) among gaming startups, developers, and professionals. Despite Al's transformative potential-from dynamic procedural storytelling to content generation-the findings highlight deep-rooted systemic, technical, and infrastructural challenges.

These include a lack of AI talent, prohibitive infrastructure costs, knowledge gaps in AI integration, and regulatory concerns. Simultaneously, the report sheds light on urgent ecosystem demands such as upskilling programs, shared compute infrastructure, and strategic collaborations-each critical to unlocking Al's promise in shaping India's next-gen gaming experiences.

4.2.1. Top Three Challenges Gaming Startups Face

Based on the aggregated responses, major challenges the gaming startups are facing today include;

Access to funding or investment (66.7%)

This remains the most significant hurdle. Many early-stage gaming startups—particularly those exploring Al-based game mechanics or emerging technologies—struggle to secure venture capital or institutional backing.

Lack of industry mentorship or networking opportunities (44.4%)

A major barrier impacting startup growth. Founders expressed the need for structured mentorship, exposure to global best practices, and access to experienced professionals in game design, publishing, and monetization.



Marketing and user acquisition (31.1%)

Startups find it difficult to break through crowded platforms and build a consistent player base, citing high customer acquisition costs and lack of targeted marketing expertise.







4.2.2. Distribution of Talent Shortages Across Domains

India's gaming sector is facing a notable talent crunch, with nearly 75% of startups struggling to hire for critical roles. Game Design (46.7%) and Game Development (42.2%) are the hardest-hit areas, followed by Animation, VFX and 3D Modelling indicating a demand-supply gap in core creative and technical skills. The scarcity of AI/ML talent (15.6%), though niche, highlights future challenges as games become more intelligent. Only one in four startups reports no hiring issues, underscoring the urgency to strengthen gaming-specific talent pipelines.



CHALLENGES IN HIRING AND RETAINING SKILLED TALENT ACROSS KEY AREAS





4.2.3 Policy and Regulatory Environment

India lacks a dedicated AI-in-gaming policy, but frameworks like the Digital India initiative and National Strategy on AI promote AI adoption across industries.Gaming-specific laws are evolving, with increasing attention on content regulation, data privacy, and ethical AI usage but states like Rajasthan, Karnataka, Telangana, and Maharashtra are already pushing innovation through startup policies that indirectly support AI-led gaming ventures.

Around 28.9% of the survey participants cited issues such as ambiguous IP regulations, unclear content moderation policies, and inconsistent guidelines across states—factors that create uncertainty for gaming startups in India.



LEVEL OF SUPPORT FROM CURRENT POLICY/REGULATORY ENVIRONMENT FOR GAMING STARTUPS IN INDIA

4.2.4 Adoption of AI in Game Development Processes

Al adoption in India's gaming startups is on the rise, though still uneven across the ecosystem. NPC behavior (42.2%) leads as the most common use case, followed by enhancing animation pipelines (37.8%), procedural content generation (35.6%), and player personalization (33.3%). Despite these advancements, 1 in 5 startups still report no Al integration, reflecting untapped potential.

The gap highlights the need for greater awareness, accessible tools, and Al-focused talent to accelerate adoption. As games become more immersive and intelligent, Al is no longer optional—it's a strategic imperative for innovation and growth.







ADOPTION OF AI IN GAME DEVELOPMENT PROCESSES

4.2.5 Hurdles in Integrating AI

Startups face multiple barriers in adopting AI for game development. The most commonly cited hurdles are:

- High cost of AI infrastructure/tools
- Technical complexity in implementation
- Lack of AI-specific support/guidelines
- Shortage of skilled AI professionals
- Data availability or quality issues

These challenges indicate a strong need for targeted skilling, subsidized infrastructure, and clear technical support frameworks



KEY CHALLENGES IN INTEGRATING AI INTO GAME DEVELOPMENT





4.2.6 Desired Government/Institutional Support

India's Al-driven gaming startups strongly favor enabling policies and capacity-building initiatives. A significant 55.6% advocate for grants and tax incentives to spur Al-led innovation. Equally, 51.1% emphasize the need for Al-focused incubators and accelerators, as well as national publishing platforms to enhance visibility and monetization opportunities. Additionally, 44.4% call for specialized training and certification programs (e.g., NVIDIA DLI, Unity AI), while 42.2% support public-private partnerships to co-develop solutions and infrastructure.

These preferences highlight a pressing demand for a robust ecosystem that integrates financial aid, technical mentorship, and market access.



MOST NEEDED GOVERNMENT/ INSTITUTIONAL SUPPORT FOR GAMING STARTUPS



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Al is a true copilot – accelerating how we design, build, and scale games that think, adapt, and grow with every player. "

Siddharth Jain PlaySimple Games







From fraud detection to player protection, AI is integral to building a sustainable and ethical gaming policy in India. "

Dhruv Garg Legal Advisor, All India Gaming Federation (AIGF)

4.2.7 Ethical & Legal Concerns

India's gaming startups are increasingly concerned about the legal and ethical implications of Al-generated content. A significant 62.2% are apprehensive about the use of copyrighted material in training datasets, highlighting the risk of infringement claims. Issues surrounding user data privacy and personalization ethics, as well as the potential for deepfakes or misrepresentation, are each cited by 46.7% of respondents.



TOP CONCERNS AROUND AI-GENERATED AND ETHICAL/LEGAL FRAMEWORKS

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Strategic Pathways to Harness AI in Gaming

Artificial Intelligence (AI) is revolutionizing the global gaming industry, enabling smarter NPCs, personalized gameplay, real-time adaptive environments, and intelligent content generation. For India, with its strong developer base and digital-first youth, this presents a strategic opportunity to lead the next wave of innovation in gaming.

By embedding AI across the gaming value chain, India can not only boost its creative economy but also develop indigenous IP, generate high-value jobs, and position itself as a global hub for immersive, intelligent gaming experiences.

To drive this transformation, India must focus on building foundational infrastructure, upskilling talent, incentivizing innovation, and ensuring ethical deployment of AI in gaming.

The following sections outline the solutions and strategic pathways for harnessing AI in gaming to unlock this potential: -

Al Opportunities in Gaming



Smarter NPCs
 Personalized Gameplay

- Real-time Adaptive Environments
- Intelligent Content Generation
- India : Lead in Immersive Intelligent Games
 - Build Infrastructure
 - Upskill Talent
 - Incentivize Innovation





5.1. Establishment of Centres of Excellence (CoEs) for AI in Gaming

India's position in the global gaming economy can be strengthened through a nationwide network of Al-driven Centres of Excellence (CoEs). These CoEs will serve as hubs for cross-sector collaboration, deep-tech innovation, and indigenous gaming IP development. Beyond infrastructure, they will act as think tanks and R&D sandboxes, offering mentorship and support to startups, enabling the creation of culturally rooted, globally competitive games that fuel India's digital economy.



India's Ongoing Initiatives to Establish CoEs in AI, AVGC-XR & Innovation Ecosystems







Al-powered vernacular gaming will turn India's linguistic diversity into its biggest gaming innovation engine, spawning new genres and experiences for Bharat and beyond. Language will be the next global gaming moat. "

Ajay Data MD, Data Group of Industries

5.2 Integration of AI Modules in Education and Skilling

The Indian gaming industry is poised to become a global powerhouse, but to lead this transformation, we must prepare a workforce that is proficient not only in technical AI skills but also in creative storytelling, design thinking, and immersive gameplay mechanics.

A future-ready gaming industry demands multidisciplinary skilling that spans formal education, vocational training, and lifelong learning. Integrating Artificial Intelligence (AI) into these frameworks is no longer optional—it is essential to building a robust, inclusive, and innovative gaming ecosystem.

To realize this vision, India must act across three strategic pillars:

- Curriculum Integration,
- Vocation upskilling
- MOOC's and Global Certifications.



Curriculum Integration

- Expand CBSE's AI curriculum (Grades 6–12) into higher education institutions such as IITs, IIITs, NIDs, and premier media schools.
- Launch specialized tracks like "Al for Game Design", focusing on real-world applications—e.g., NPC behaviour models, adaptive storytelling, and Al game testing.
- Promote project-based learning and micro-credentials to foster hands-on innovation early in academic journeys.



MOOCs and Global Certifications

- Partner with global leaders like NYU Game Center, DigiPen Singapore, and MIT AI Lab to co-create AI Gaming MOOCs.
- Leverage India's ed-tech ecosystem—upGrad, Scaler, Coursera to offer flexible, high-quality AI gaming certifications.
- Encourage stackable credentials to enable learners to progressively build AI gaming expertise.



Vocational Upskilling

- Collaborate with NSDC and sector skill councils to develop AI-centric training programs tailored to the gaming industry.
- Skill new-age roles such as:
 Al Gameplay Designers
 Simulation Testers
 Narrative Data Trainers
- Ensure access for Tier 2 and Tier 3 cities through mobile learning labs, remote learning cohorts, and community-based outreach.





5.3 Incentivize AI-Based Game Development

To accelerate growth in India's AI gaming sector and to unlock its full potential, targeted incentives are essential to support startups and developers in overcoming financial and technical challenges.



Tax Incentives & R&D Support

- Enhanced R&D tax deductions for startups building AI gaming tech (e.g., adaptive difficulty, automated storytelling).
- Five-year tax holidays to ease early-stage financial pressure.
- Reduced import duties on gaming hardware to improve access to high-performance tools.



- ₹20,000 crore allocated for AI and DeepTech includes subsidized cloud credits (AWS, Azure, IndiaAI Cloud).
- Access to shared high-performance GPUs and AI hardware for startups and academia.
- Helps reduce infrastructure costs for large-scale AI model training.



Public-Private Al Gaming Accelerators

- State-supported accelerators (e.g., TechXpedite) co-run with VCs and studios to fund early-stage prototypes.
- Real-world play-testing environments to refine game development.
- Support with publishing deals and expert mentorship to bring products to market.

Key Union Budget 2025-26 Highlights Supporting the Sector

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- **₹10,000 Crore** funds to support startup financing, inlcuding AI gaming ventures.
- **₹500 Crore** allocation for **Centres of Excellence in AI** to promote research and skilling.



Startup Eligibility Window extended by 5 years, expanding access to tax benefits.

Digital infrastructure investment in tier 2/3 cities, enabling broader tech participation.

India's youth must be equipped with the latest technology skills, especially AI, to make the country a global hub of innovation and talent.

Hon'ble Prime Minister Narendra Modi





5.4. Frame Ethical Guidelines for AI in Gaming

As Al increasingly shapes player experiences, ethical governance becomes imperative. Ethical Al in gaming is not merely a regulatory requirement but a foundation for global credibility, especially as India begins exporting gaming intellectual properties and engines internationally.



Data Privacy & Consent

Al gameplay systems must comply with the Digital Personal Data Protection Act by ensuring opt-in mechanisms, anonymized data analytics, and secure storage of behavioural data.



Creative IP Protection

Clear policies are needed to define ownership of Al-generated content in games, including procedural narratives, visual art, and modding tools.



Bias Mitigation

Al models should be trained on diverse datasets to prevent cultural or gender biases in storytelling, NPC behavior, and reward systems.



Behavioural Nudges

Regulations should monitor Al systems designed to maximize player retention to prevent manipulative or addictive practices.

Anuraag Saxena Chief Executive Officer, E-Gaming Federation (EGF)

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As India flexes its muscle on global tech frontiers, Artificial Intelligence is poised to be our next flag-bearer, just as IT was bus on leading the world in IT, AI gives us It is becoming a critical pillar of India's hard and soft power, and a catalyst for transforming the AVGC sector through automating generating hyper-realistic graphics, optimizing production pipelines, and personalized experiences delivering across media and gaming. Today, our AVGC industry employs over 260,000 professionals and generated USD 1.7 billion in revenue last year, set to double within three years, while 568 million gamers drove USD 3.7 billion in online-gaming revenues in 2024, with direct gaming employment projected to rise from 100,000 to 250,000 by 2025. This scale makes India the largest real-world

From WAVES to 'Create in India,' we're not merely consuming global breakthroughs but crafting them. In a Viksit Bharat, AI is more than technology; it's the torch lighting India's ascent on the world stage. "

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06 Road Ahead: The Future of AI in Gaming

Al is accelerating India's transition from a gaming consumer to a global innovation leader in interactive entertainment. By enabling dynamic difficulty adjustment, adaptive storytelling, procedural content generation, and realistic NPC behaviour, Al is revolutionizing not just how games are played—but how they are made, monetized, and experienced.



To unlock the projected USD 63 billion investor value and create over 2 million new jobs by 2034, India must act decisively. This includes building AI-ready infrastructure, fostering ethical innovation, and training the next generation of AI-powered game creators. With public-private partnerships, global collaborations, and a human-centred approach to AI integration in the gaming industry, India can position itself as a storytelling superpower, creating culturally rich, emotionally resonant, and technologically advanced games which will engage audiences across the globe.

Contributors



Sameer Jain MD, Primus Partners



Amit Purohit Vice President, Primus Partners



Dhawal Singhal Manager, Primus Partners



Tushar Bapna Associate Vice President, Primus Partners



Deepak K Sharma Senior Consultant, Primus Partners



Raunak Singhvi Manager, Primus Partners



Chahat Ahluwalia Manager, Primus Partners



Abhishek Patodia Manager, Primus Partners



Shubham Kumar Senior Consultant, Primus Partners



Siddharth Singh Manager, Primus Partners



PASSION

RESPECT

or providing solutions o help clients achieve neir goals or all and alternate viewpoints of thoughts and actions

MASTERY

US

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STEWARDSHIP for building a better tomorrow



Primus Partners has been set up to partner with clients in 'navigating' India, by experts with decades of experience in doing so for large global firms. Set up on the principle of 'Idea Realization', it brings to bear 'experience in action'. 'Idea Realization' – a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Established by seasoned industry leaders with extensive experience in global organizations, Primus Partners boasts a team of over 250 consultants and additional advisors, showcasing some of the finest talent in the nation.

The firm has a presence across multiple cities in India, as well as Dubai, UAE. In addition, the firm has successfully executed projects across Africa, Asia Pacific and the Americas.

India Offices

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