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Paytm, Alibaba And Tencent Strive For A Slice Of India's Booming Gaming Industry

In January, A JV Of Paytm And Alibaba Owned AGTech Launched A Gaming Platform, Gamepind

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With Paytm recently launching a mobile gaming platform Gamepind, as part of its joint venture with Alibaba-owned AGTech Media, it is now Chinese Internet conglomerate Tencent that is looking for investment opportunities in the Indian gaming market.

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booming with homegrown as well as international players.

In a report, ET quoted a person familiar with the development, who said, “Tencent is already evaluating the startup gaming market and is scouting for players to invest in. Don’t be surprised to see Alibaba and Paytm also making investments in the space. Especially Paytm, it is no longer just a digital payments company. It is looking to have its footprint across digital properties. The hot favourites will be casual and social games.”

In an email query sent to the company, Paytm declined to comment on the development.

Back in July 2017, Paytm inked a joint venture with Hong Kong’s mobile games development firm AGTech Media, in a bid to develop mobile games for Indian consumers.

As reported last year, the JV is currently engaged in the development and operation of various platforms including website, mobile applications or other distribution channels to build and publish a variety of products for Indian customers such as mobile games and other user engagement activities.

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At the time of the announcement, **the JV had an initial authorised share capital of \$6 Mn** and was slated to receive further investments of \$8.8 Mn and \$7.2 Mn investments from Paytm and AGTech Media respectively. Paytm currently holds 55% of the shares in the JV, while the rest 45% is owned by AGTech Holding,

The JV came to fruition this January when the **duo launched Gamepind**, a mobile gaming platform with social and casual games. Gamepind is available on the Paytm app as well as independently.

In the booming gaming industry in India, about **80% of India's mobile gaming population is made up of 18- to 35-year-olds**, but the share of older generation has seen a rapid increase in recent times. Mobile games like Candy Crush, Ludo King etc have witnessed huge growth among players of various ages.

Major Players Of Indian Gaming Industry

Ramping up India's gaming interests, we have companies like **Nazara Technologies which have been rapidly expanding**. In February, ESL (Electronic Sports League), the world's largest esports company, invested for a minority stake in Nazara. The investment will be used to scale up Nazara's footprint in emerging markets.

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Also, **ESL signed a license agreement with NODWIN Gaming**, acquired by Nazara Technologies. As part of this, NODWIN Gaming has secured multi-year exclusive licensing rights for the ESL system and ESL community platform for organising and operating ESL competitions in India. NODWIN Gaming has also secured media distribution rights of ESL global content to local linear and digital platforms in the Indian subcontinent.

Also, prior to this in January, Nazara acquired a majority stake in NextWave Multimedia to strengthen its portfolio of offerings in the virtual interactive sports genre in India and other emerging markets. The NextWave acquisition comes after Nazara's investments in startups such as MasterMind Sports, Truly Social, Moong Labs and more recently HalaPlay.

In September 2017, Mumbai-based Nazara Technologies revealed plans to offer an IPO towards the end of FY18 for \$156.5 Mn, making it the

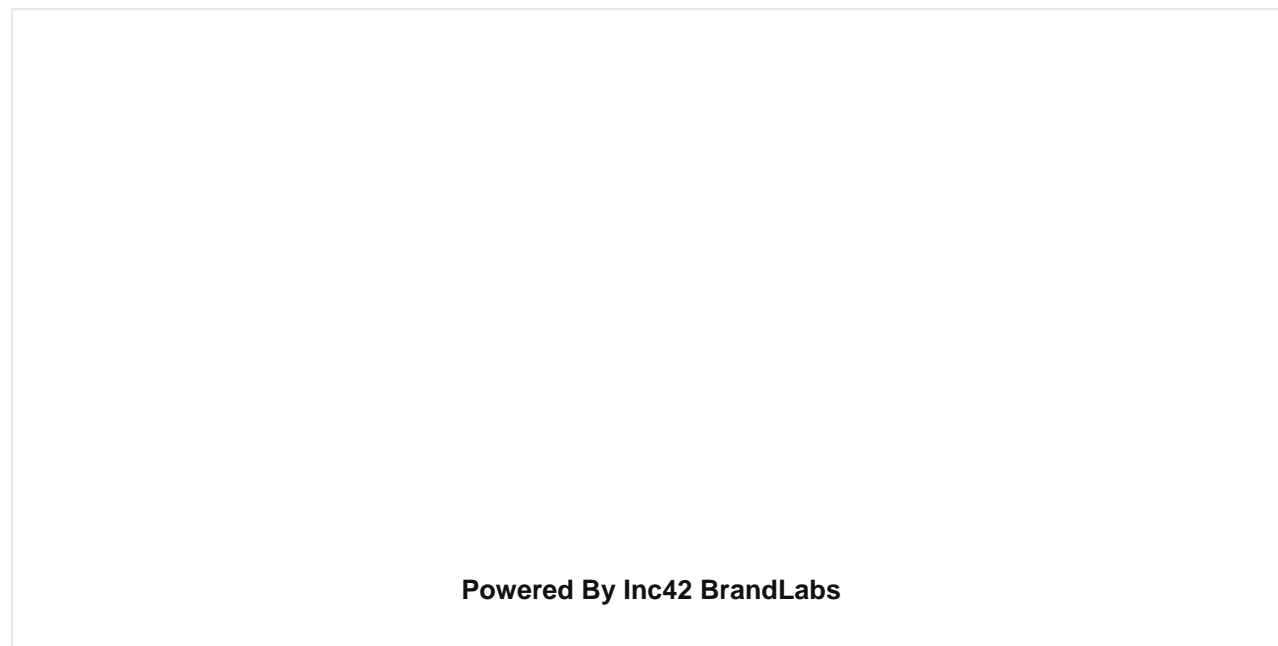
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Some of the other players in the gaming industry includes Smaaash, Passion Gaming etc.

In November 2017, Passion Gaming, which owns and operates online gaming startup RummyPassion, raised \$3.75 Mn funding in an all-cash deal from UK-based Stride Gaming.



At the same time, Sachin Tendulkar backed virtual reality gaming and entertainment company Smaaash raised \$3.8 Mn (INR 25 Cr) from Mumbai-based consumer-centric VC firm, Sixth Sense Ventures.

Earlier in July'17, Bengaluru-based online gaming startup Hypernova Interactive raised an undisclosed amount in Seed funding from Kae Capital. In June 2017, Baadshah Gaming raised an undisclosed amount from Casino Pride, against a 30% stake in the startup.

In April 2017, mobile gaming platform Mech Mocha raised \$5 Mn in

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The reports show that India accounts for **around 13% of the world's online mobile gaming population**. Also, **a report by Flurry Analytics** revealed that India currently ranks among the top five countries in the world for online and mobile gaming. **A report by Frost and Sullivan** also revealed that the number of Indian gaming startups jumped from **20 five years ago to over 250 in 2017**.

A **Google KPMG report** released in May 2017 expects that the online gaming industry in India is poised to reach **\$1 Bn by 2021**.

With the wide gaming possibilities in India, interests of major players like Paytm, Alibaba and Tencent in the gaming industry is bound to amp up the competition in the market.

[The development was **reported** by ET.]

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