

THE GAMING NEWS OF INDIA



Newsletter from the Indian Digital Gaming Society
ISSUE 2 | JULY 2023

IDGS Achieves Global Success with Collaborations, Partnerships

Indian Digital Gaming Society has gained significant momentum in recent months, showcasing remarkable progress and establishing its position on the global gaming stage

The Indian Digital Gaming Society (IDGS) has embarked on a path of international collaborations and partnerships, focusing on strengthening ties with prominent gaming associations in Japan, South Korea and Indonesia.

With the aim of expanding its international linkages, IDGS has initiated discussions to sign Memorandums of Understanding (MoUs) with gaming organizations in Japan, Korea, and Indonesia. These collaborations seek

to foster exchange and cooperation between the Indian gaming industry and its counterparts abroad. The prospective MoUs are expected to facilitate knowledge sharing, technological advancements, and investment opportunities.

Looking beyond national borders, IDGS is exploring the possibility of organizing delegations to prestigious gaming events abroad. In September 2023, IDGS members will have the

opportunity to attend the Tokyo Game Show in Japan, where the society has secured a dedicated IDGS booth within the India Pavilion. Additionally, IDGS is considering taking a delegation to the G-Star Show in Busan, South Korea, scheduled for November 2023. These international events present an avenue for Indian gaming companies to explore global business opportunities and establish valuable connections.

Recognizing the need for a concerted effort to promote

MoU PARTNERSHIP

Counterpart Organization

1. Japan Esports Union
2. Korea Indie Game Society
3. Korea Mobile Game Association (KMGA),
4. Korea Association of Game Industry (KGAMES)
5. Korea Game Developers Association (KGDA)
6. Japan Online Game Association (JOGA)

Continued on page 4

IDGS Driving the Future of Indian Gaming Industry



Chandrajit Banerjee,
Director General, CII

As we celebrate the thriving Indian gaming industry and explore the boundless potential it holds for the future, the Indian Digital Gaming Society (IDGS) emerges as a catalyst, bringing together diverse stakeholders to shape the industry's trajectory.

The gaming landscape in India has witnessed an exponential growth trajectory, fuelled by the ever-increasing passion for gaming and the

advancements in technology. With each passing year, the industry continues to break barriers and redefine the limits of entertainment.

Looking at the present, the Indian gaming industry has already established itself as a force to be reckoned with. The sheer size of the Indian market, coupled with a rapidly expanding gaming community, offers unparalleled opportunities for game developers, publishers, investors, and enthusiasts alike. The recent surge in mobile gaming, esports, and virtual reality has further solidified India's position as a global gaming powerhouse.

However, the true potential of the Indian gaming industry lies in its future.

As technology evolves, we anticipate remarkable advancements in augmented reality, artificial intelligence, and cloud gaming, among other areas. To harness this potential, it is crucial to bring together stakeholders from every corner of the gaming industry. This is where IDGS steps in.

IDGS is planning to organise a six-city Gaming Conclave, which brings together industry professionals, developers, publishers, investors, and other stakeholders to discuss and explore the latest trends, innovations, and opportunities in the gaming industry. The first IDGS Gaming Conclave is scheduled for 14 July 2023 at Bengaluru, and will follow in other

Continued on page 3

Embracing the Power of Gaming Innovation



Rajan Navani

President IDGS &
CEO of JetSynthesys

In today's dynamic digital landscape, the gaming industry stands at the forefront of innovation and transformation. As we witness the rapid evolution of technology and changing consumer preferences, it becomes increasingly clear that gaming has become a powerful force in shaping the way we engage with brands and entertainment. In this column, let's explore the potential of gaming and its unparalleled ability to foster brand engagement and unlock new opportunities for growth.

India, with its vibrant gaming ecosystem, is on the cusp of forging a groundbreaking path in gaming monetization. Traditional media channels like television or newspapers, while still influential, have limitations in reaching the current gaming generation. The key lies in recognizing and tapping into the immense potential of this untapped market through innovative and unparalleled ways of brand engagement. It is here that gaming truly shines, providing a platform for immersive experiences and meaningful interactions with consumers.

At the heart of gaming lies a unique fusion of innovation and creativity. It is this combination that ignites a spark, leaving an indelible mark on players' lives. From groundbreaking technologies like virtual reality (VR), augmented reality (AR), and extended reality (XR) to the ever-evolving landscape of game development, innovation continues to drive the industry forward. As gaming enthusiasts, developers, and industry leaders, we have the privilege of shaping the future of gaming and pushing the boundaries of what is possible, also potentially creating a large number of jobs in the process.

Looking ahead, the Indian gaming industry stands at a pivotal moment. With the inclusion of esports as a multi-sport under the Ministry of Youth Affairs & Sports, the government's recognition of gaming as a legitimate

sporting activity sets the stage for a new era. This milestone not only brings more recognition to professional gamers but also opens doors to enhanced infrastructure, support, and access to finance and sponsorships. We are witnessing the gradual dismantling of barriers, and gaming is fast becoming an integral part of major sporting events.

Furthermore, the government's focus on the gaming industry is evident through various initiatives. The Ministry of Information and Broadcasting's support, the establishment of the AVGC task force, and the formation of the Indian Digital Gaming Society (IDGS) demonstrate a collective effort to propel the industry's growth. These measures aim to converge all gaming industry stakeholders, foster self-regulation, and create an ecosystem conducive to innovation and responsible gaming practices.

Join us at IDGS as we embrace the future of gaming in India. Together, we can shape the destiny of the Indian gaming industry and unlock its full potential.

**FROM
GROUNDBREAKING
TECHNOLOGIES LIKE
VIRTUAL REALITY
(VR), AUGMENTED
REALITY (AR),
AND EXTENDED
REALITY (XR) TO
THE EVER-EVOLVING
LANDSCAPE OF GAME
DEVELOPMENT,
INNOVATION
CONTINUES TO
DRIVE THE INDUSTRY
FORWARD.**

FOR MORE DETAILS

INDIAN DIGITAL GAMING SOCIETY

Plot No. 249-F, Sector 18,
Udyog Vihar, Phase IV Gurugram
122015, Haryana, INDIA

**IDGS
Contact**

Madhurima Maniyara
madhurima.maniyara@cii.in
+91 976 400 1342

**India Gaming Show
Contact**

Neelam Bhagat
neelam.bhagat@cii.in
+91 124 4014060-65
+91 9891722264

cities like Chennai, Hyderabad, Delhi, Kolkata, and Mumbai, in the next six months.

The society is also involved in the organization of the India Gaming Show (IGS) 2024 in Pune, in March 2024 - an event that showcases gaming products, technologies, and experiences. It serves as a platform for gamers, enthusiasts, and industry professionals to connect and engage with the latest offerings in the gaming world.

Indian Gaming Show (IGS) 2023 that was held in Delhi, and hosted by IDGS, serves as a premier gaming exhibition and conference, highlighting the achievements, potential, and growth of the Indian gaming industry to a wider global audience.

Recently, IDGS also engaged in an incredibly fruitful conversation with Japan on the topic of "Uniting Gaming

Realms - From India to Japan and Beyond!" at the Take-off Tokyo event. This insightful dialogue delved into the exciting opportunities for collaboration and the pivotal role we can play in shaping the global gaming landscape. The potential for synergies between India and Japan in gaming is immense, and we are poised to leverage these partnerships to drive innovation and create experiences that captivate players worldwide.

IDGS serves as a platform that transcends boundaries, connecting game developers, publishers, investors, hardware manufacturers, service providers, and policymakers. By fostering collaboration and knowledge exchange, IDGS fuels innovation, inspires creativity, and provides insights into emerging trends and market dynamics. By providing a unified voice for the gaming community, IDGS empowers stakeholders to address

challenges, seize opportunities, and influence policy decisions that foster growth and sustainability.

As we move ahead, IDGS, a brainchild of Confederation of Indian Industry (CII), remains committed to fostering an inclusive environment where diversity thrives, ensuring that all segments of society can participate and benefit from the gaming ecosystem. By promoting diversity and inclusivity, we unlock new perspectives, ideas, and talent, fuelling innovation and ensuring that the Indian gaming industry remains at the forefront of global trends.

Together, let us embrace the future of gaming in India. Join us at IDGS and be a part of this exhilarating journey as we shape the destiny of the Indian gaming industry.

Chandrajit Banerjee
Director General, CII

IDGS Welcomes its New Members!

By embracing a diverse community of gaming stakeholders, IDGS creates an environment where collaboration and knowledge-sharing flourish, paving the way for a vibrant and thriving gaming industry in India

In line with its mission to engage stakeholders continuously, IDGS has successfully added 18 new members. Moreover, the society has received eight additional membership applications, which are currently undergoing clearance. This surge in membership is a testament to the growing recognition and appeal of IDGS within the gaming community. To further promote collaboration and knowledge sharing, regular working group meetings have been established across various verticals. These groups serve as platforms for stakeholders to discuss and work towards common objectives. Under the leadership of industry experts, the working groups are actively involved in shaping the future of the gaming industry in India. As the Indian gaming industry continues to evolve, IDGS stands as a catalyst for innovation, collaboration, and sustainable growth. By fostering a diverse and inclusive community, IDGS strives to shape the gaming landscape, drive economic prosperity, and establish India as a prominent

BY OPENING ITS DOORS TO A WIDE RANGE OF GAMING STAKEHOLDERS, IDGS AIMS TO CREATE A THRIVING ECOSYSTEM WHERE COLLABORATION AND KNOWLEDGE-SHARING CAN FLOURISH.

player in the global gaming arena. By opening its doors to a wide range of gaming stakeholders, IDGS aims to create a thriving ecosystem where collaboration and knowledge-sharing can flourish. The society recognizes that the gaming industry's growth relies on the collective efforts and diverse perspectives of its members. Through active participation and engagement, members of IDGS can

S No Name of the Organization

1. Hypernova Interactive Technology Pvt Ltd
2. Psypher Interactive
3. Someshwara Software Pvt Ltd
4. Holy Cow Productions India Pvt Ltd
5. Edulink Private Limited
6. XRC Studios Pvt Ltd
7. Jet Skyesports Gaming Private Limited
8. Unipin (India) Private Limited
9. Upsports Vision Private Limited
10. Vincent Pallotti College of Engineering and Technology, Nagpur
11. Gamestack
12. Metaphy Labs
13. Winzo Games
14. Let's Game Now
15. Golive Games
16. Upthrust Esports

shape the future of the Indian gaming industry, drive innovation, and propel the sector to new heights.

SIX-CITY GAMING CONCLAVE A GAME CHANGER

In an exciting development, IDGS is planning a six-city Gaming Conclave, scheduled to take place from July 2023 to March 2024. The inaugural conclave, slated for July 14, 2023, at Bengaluru, sets the tone for an exciting journey of collaboration and growth.

This event aims to bring together gaming enthusiasts, professionals, and industry leaders to foster innovation, responsible gaming practices, and the growth of e-sports.

The upcoming six-city Gaming Conclave organized by IDGS promises to be a significant milestone in the Indian gaming landscape, laying the groundwork for the development of cutting-edge technologies and groundbreaking gaming experiences.

By bringing together stakeholders from different parts of the country, IDGS aims to facilitate knowledge sharing, networking, and partnerships that will contribute to the overall growth and maturation of the gaming ecosystem in India.

Moreover, the Gaming Conclave will emphasize the importance of responsible gaming practices. Workshops, panel discussions, and interactive sessions will be conducted during the conclave to raise awareness and provide guidance on responsible gaming practices.

Furthermore, the Gaming Conclave will be a catalyst for the growth of esports in India. By organizing tournaments, showcasing esports talent, and engaging with esports organizations, the Gaming Conclave seeks to propel India's esports industry to new heights.

IDGS AIMS TO FACILITATE KNOWLEDGE SHARING, NETWORKING, AND PARTNERSHIPS THAT WILL CONTRIBUTE TO THE OVERALL GROWTH AND MATURATION OF THE GAMING ECOSYSTEM IN INDIA



IDGS Gaming Conclave Concept and Series: Indian Digital Gaming Society's initiative to promote gaming for good and shape the future of gaming in India through a 6-city program leading up to the India Gaming Show 2024.

DATE	CITY
14th July 2023	Bangalore
24th Aug 2023	Delhi
29th Sep 2023	Hyderabad
27th Oct 2023	Chennai
27th Nov 2023	Kolkata
19th Jan 2024	Mumbai

For any queries: Email: madhurima.maniyara@cii.in | M:+91 9764001342

Continued from page 1

IDGS Achieves Global Success with Collaborations, Partnerships

India as a global gaming destination, IDGS President, Mr. Rajan Navani, is initiating dialogue with industry members to explore a collaboration with the prestigious Game Developers Conference (GDC). This collaboration aims to organize the event in India, coinciding with the Indian Gaming Show (IGS) 2024, scheduled to be held in Pune in March 2024. The support and participation of IDGS members are vital in realizing this

ambitious endeavor.

With a series of achievements and plans for the future, IDGS is set to revolutionize the Indian gaming industry. The society's commitment to international collaborations, industry engagement, and member support will undoubtedly elevate India's standing as a prominent player in the global gaming landscape.



THREE TYPES OF GAMES TO BE BANNED: MEITY

In response to concerns regarding online gaming addiction, Union Minister Rajeev Chandrasekhar has announced that India will ban three types of games. Mr. Chandrasekhar revealed that the government has already devised a blueprint for the new regulations, although he did not provide specific parameters for categorizing games within the prohibited types.

The three types of games that will be banned in India, as stated by the minister, include games

involving betting, games that can be harmful to users, and games with addictive elements. Chandrasekhar emphasized the government's commitment to addressing online gaming-related issues and protecting the well-being of Indian citizens.

"For the first time, we have prepared a framework regarding online gaming, in which we will not allow three types of games in the country," said the minister. He further added, "Games that involve betting or can be harmful to the user and that involve a

factor of addiction will be banned in the country."

This decision will have an impact on major application stores such as Google's Play Store and Apple's App Store, that are widely used platforms for accessing and downloading games in India. The move aims to regulate and mitigate the potential negative effects associated with certain types of online games, ensuring the safety and well-being of individuals engaging in gaming activities.

"GAMES THAT INVOLVE BETTING OR CAN BE HARMFUL TO THE USER AND THAT INVOLVE A FACTOR OF ADDICTION WILL BE BANNED IN THE COUNTRY."

GST Council Imposes 28% GST on Online Gaming

The Goods and Services Tax Council made a significant decision during its 50th meeting in New Delhi, announcing a 28% tax on online gaming, horse racing, and casinos. This tax will be applicable to the full value of bets placed, without any differentiation between games of skill and games of chance.

Industry experts and representatives have expressed their concerns about the implications of this decision. They believe that the 28% GST will heavily impact online gaming companies and act as a major setback for the industry. The experts also pointed out that this move will not only hinder the development of new games and technologies but also undermine the competitiveness of online gaming platforms in the market.

Representatives from top online gaming firms had previously urged the Central Board of Indirect Taxes & Customs (CBIC) not to impose a 28% GST rate, citing its detrimental effects on the survival of the industry.

The gaming industry is now expected to challenge these amendments to the GST laws in court on constitutional grounds, experts said. They anticipate legal battles and the industry would seek interim relief from the courts when the law is implemented.

Finance Minister Nirmala Sitharaman clarified that the decision is solely related to taxation, but hinted at aligning the tax policy with forthcoming regulations being formulated by the Ministry of Electronics and Information Technology.

Industry executives are concerned that the heavy tax burden on gaming companies' turnover will strain their cash flows, hinder innovation and expansion, and likely lead to the closure of many startups in the sector. The decision not to differentiate between games of skill and chance has disappointed the industry.

THE GOODS AND SERVICES TAX COUNCIL MADE A SIGNIFICANT DECISION DURING ITS 50TH MEETING IN NEW DELHI, ANNOUNCING A 28% TAX ON ONLINE GAMING, HORSE RACING, AND CASINOS.



INDOMITABLE SPIRIT OF ESPORTS IN INDIA HAILED

In a recent statement, Shiva Nandy, the Founder and CEO of Skyesports, expressed his jubilation as BGMI (Battlegrounds Mobile India) reaffirmed its position as the undisputed king of esports in India. With an astounding 131,000+ concurrent viewers on YouTube and an impressive viewership of over 100,000 on Loco, including Watch Party, along with a staggering 30+ million views, BGMI's reign in the Indian esports scene remains unchallenged. Nandy shared that this extraordinary feat fills their hearts with immense pride and joy.

Nandy also extended heartfelt congratulations to Team Blind

and SOUL Esports, who exhibited unparalleled skills and determination throughout the Skyesports Champions Series, emerging as the Champions and Runners-up of the highly competitive tournament. Animesh Agarwal (THUG) and Lokesh "Goldy" Jain were highlighted as key players in their respective teams' success.

The Skyesports CEO further expressed his appreciation for the entire Skyesports team, acknowledging their tireless efforts and commitment to delivering a remarkable experience to fans and viewers, especially considering the challenging circumstances they

faced. Nandy emphasized that their dedication is truly commendable.

This remarkable achievement serves as a testament to the indomitable spirit of the esports community and the unwavering support of passionate fans. Shiva Nandy stated that it is an honor for Skyesports to be a part of this remarkable journey and expressed anticipation for the continued growth and success of both BGMI and Skyesports. KRAFTON India, along with partners TECNO Mobile India, Loco, AMD, Flipkart and Zebronic were also acknowledged for their support in making this achievement possible.

GST Council to Define Online Gaming

In an effort to establish clear taxation regulations, the Goods and Services Tax (GST) Council is set to discuss the Group of Ministers' (GoM) report on online gaming at its upcoming meeting. A senior government official revealed that the council is likely to suggest defining online gaming, casinos, and horse racing to bring transparency to their taxation processes.

The GST Council's next meeting is expected to take place in the last week of June or early July. The senior government official emphasized the importance of defining online gaming, stating that a clarification in the tax law is necessary for determining its taxability. The official highlighted the need for distinguishing between online gaming, games of chance, and games of skill, as this distinction is crucial when laying down appropriate definitions.

The GoM, led by Meghalaya Chief Minister Conrad Sangma, encountered difficulties in reaching a consensus when it submitted its report in December. The group maintained its stance on applying a 28 percent tax rate on the full value, including winnings.

The senior government official explained that the tax rate itself is not a contentious issue. Rather, the

question revolves around whether online gaming should be defined as an actionable claim or a supply of service. Defining it as an actionable claim would categorize it as "goods," subjecting the entire value, including winnings, to GST. On the other hand, defining it as a supply of service would entail taxing only the face value, excluding winnings.

According to the GST Act, an actionable claim refers to a claim to any debt. The official acknowledged the complexity of the legal problem at hand and stressed the need to define online gaming as a supply of service to exempt winnings from GST. The official stated that the Supreme Court has already determined it as an actionable claim, which is also included in the GoM report to be presented to the GST Council.

The official further commented on the challenges faced by the industry if online gaming is classified as actionable goods. Given that winnings are derived from entry fees, defining it accurately becomes imperative. Currently, players participate in many online games by paying small amounts, which collectively form a prize pool from which the gaming platform earns a commission. Presently, 18 percent GST is paid on the commission, while the GoM report

proposes treating the prize pool as an actionable claim and levying GST on it.

The legal positions on gambling and the gaming industry vary across different countries. While certain nations, such as Qatar, have banned gambling entirely, India's legal landscape differs from state to state. States like Sikkim, Nagaland, and Meghalaya have gaming laws and licensing regimes, while Goa and the Union Territory of Daman and Diu regulate casino games.

Only a few states have officially recognized gambling as legitimate, and in states where it remains illegal, some suggest taxing the winnings as well. Currently, online gaming platforms in India pay 18 percent GST on entry fees but not on the full value, including prize money. Casino earnings and horse racing are subject to a flat 28 percent GST rate.

ONLINE GAMING PLATFORMS IN INDIA PAY 18 PERCENT GST ON ENTRY FEES BUT NOT ON THE FULL VALUE, INCLUDING PRIZE MONEY.

INDIAN USERS DENIED ACCESS TO STEAM COMMUNITY, MARKET

Numerous users in India have recently experienced difficulties accessing the Steam Community and Steam Community Market.

While the Steam Community and Steam Community Market face accessibility issues in India, it is important to note that the Steam client itself, along with the games available on the platform, can still be accessed by users affected by this situation.

The reports of Steam being blocked currently originate from Alliance Broadband Pvt. Ltd., a prominent ISP in West Bengal. A representative from one of the local offices of Alliance Broadband stated, "We received a request to block multiple websites, and Steam was one of them."

However, it is worth mentioning that not all subscribers of Alliance Broadband Pvt. Ltd.

in West Bengal have encountered these restrictions. According to the information collected thus far, other ISPs in West Bengal have not yet implemented the block. When asked why other providers have not adhered to the block, the representative from Alliance Broadband mentioned that they are unaware of the reasons behind the other ISPs' non-compliance.

IDGS MEMBER CORNER

Nodwin Gaming raises \$28mn

NODWIN Gaming, a subsidiary of Nazara Technologies, has secured \$28 million in funding from new and existing investors, according to an announcement by the company. The funds will primarily be utilized to enhance NODWIN's gaming and esports ecosystem by expanding and incubating new intellectual properties (IPs), expanding its presence in emerging markets, and making strategic acquisitions to add value to the network. All current investors of NODWIN Gaming, including Nazara, KRAFTON, Inc., and JetSynthesys, will participate in this funding round alongside new investors.

Frameplay ties with Gamestack

Frameplay, an in-gaming advertising facilitator, and Gamestack, a gaming marketing company, have joined forces to provide intrinsic in-game advertising solutions in the rapidly expanding Indian gaming market. This collaboration will enable brands to engage with large and enthusiastic gaming communities in India through immersive in-game advertising experiences. The partnership between Frameplay and Gamestack arrives at a crucial moment, as brands seek to target the Indian gaming audience.

Skyesports Partners with Zebronics

In a recent social media post, Shiva Nandy, the Founder & CEO of Skyesports, shared his excitement and gratitude for the partnership between Skyesports and Zebronics, an Indian brand. Welcoming Zebronics onboard, Nandy expressed his appreciation for their partnership with Skyesports Masters, India's premier esports IP. With this collaboration, Skyesports, India's largest esports intellectual property (IP), aims to enhance the presence of Indian brands in the esports realm and contribute to the continued growth of the industry in the country. Nandy highlighted the need to bring Indian brands into esports on a larger scale, recognizing the potential and growth of the industry in India.

Nazara sees 75% Increase in Revenue

Nazara Technologies, a leading Indian gaming and sports media company, has released its financial results for FY23. Nitish Mittersain, the CEO and Joint MD of Nazara Technologies, proudly announced that the company has achieved a significant milestone by surpassing the 1000 crore revenue mark this year. The company experienced robust growth with a remarkable 75% increase in revenue, reaching INR 1091 crore. Additionally, Nazara Technologies posted a healthy positive EBITDA (earnings before interest, taxes, depreciation, and amortization) of INR 109.7 crore.

Mayanagari Gets Big Graphical Update

Mayanagari, India's first Hindi open-world mobile game developed by Hypernova Interactive, has received the biggest graphical update in its history. This update introduces a range of enhancements, including redesigned textures in high definition (HD), an HDR skybox, new lighting and shadows, unique designs for each area, and realistic details on textures. These graphical improvements elevate the visual quality of Mayanagari to new heights, immersing players in a captivating and lifelike world. With its stunning visuals and revolutionary gameplay, this game promises to deliver an unforgettable gaming experience.

Router Raises \$25mn in Series A Funding

Game streaming and e-sports platform Router has successfully raised \$25 million (Rs 185 crore) in a Series A funding round, according to a statement released by the company. The funding round was led by Lightbox, March Gaming, and Duane Park Ventures. In addition to the lead investors, the round also saw participation from 9Unicorns, ADvantage Sports Tech Fund, Capital-A, and Goal Ventures. Furthermore, existing investors leAD Sports & Health Tech Partners also contributed to the funding. Notably, this investment marks the entry of US-based March Gaming into the Indian market. Router plans to utilize the fresh capital to expand its user base and grow its game-streaming community.

UNLEASHING OF GAMING

As India's gaming industry witnesses remarkable growth, fuelled by AR, VR, cloud gaming, and other cutting-edge technologies, a new era of gaming experiences is dawning.



Exploring the Thriving Gaming Industry and Its Transformative Technologies

In the enchanting realm of India, the gaming industry is experiencing an unprecedented surge, with experts projecting a remarkable compound annual growth rate (CAGR) of 12% over the next 5-6 years. The driving force behind this rapid expansion lies in the convergence of groundbreaking technologies such as augmented reality (AR), virtual reality (VR), and cloud gaming. As high-speed internet connectivity becomes ubiquitous with the advent of 5G networks, traditional

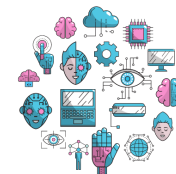
gaming is making way for a new era of gaming experiences in the cloud. Additionally, advancements in hardware, software, artificial intelligence (AI), and the emergence of metaverse environments are enhancing the in-game experience like never before. Moreover, the rise of Web 3.0 games, the role of Non-Fungible Tokens (NFTs), and the utilization of blockchain technology are further revolutionizing the landscape of gaming in India.



Cloud Gaming: A Gateway to Limitless Possibilities:

With the proliferation of high-speed

internet access, traditional gaming consoles and physical game copies are being supplanted by cloud gaming in India. By harnessing the power of the cloud, gamers can stream their favourite titles directly from remote servers, eliminating the need for expensive hardware upgrades and unlocking gaming experiences on a multitude of devices. This paradigm shift not only offers unprecedented convenience but also opens doors for gamers from all walks of life to participate in the immersive world of gaming.



AI and Metaverse: Elevating the In-Game Experience:

As technology continues to

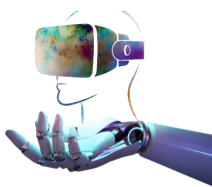
advance, AI is transforming the way games are played. Intelligent algorithms enable dynamic and adaptive gameplay experiences, where NPCs (non-player characters) exhibit realistic behaviour and adapt to the actions of players. Furthermore, the concept of the Metaverse, a virtual universe where users can



THE FUTURE



interact with a computer-generated environment and other players, is gaining momentum. Metaverse environments, powered by AI, provide players with boundless opportunities for socialization, exploration, and immersive gameplay.

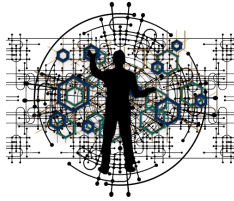


Web 3.0 Games: A New Frontier of Gaming:

Web 3.0 games, built on decentralized protocols,

present a paradigm shift in the gaming industry. These games offer players true ownership of in-game assets and enable seamless cross-platform interactions. By leveraging blockchain technology, Web 3.0 games allow players to trade, sell,

and collect Non-Fungible Tokens (NFTs) - unique digital assets that hold value. This transformative technology not only brings about a sense of ownership and rarity but also creates new avenues for monetization and collaboration within the gaming ecosystem.



Blockchain: Pioneering Trust and Security:

The integration of blockchain technology has far-reaching

implications for the gaming industry. By leveraging the transparency and immutability offered by blockchain, game developers can ensure fairness, security, and trust in various aspects of gaming, including decentralized marketplaces, anti-

cheat systems, and provably fair gameplay mechanics. Furthermore, blockchain-based solutions enable secure and frictionless cross-border transactions, enhancing the accessibility and inclusivity of the gaming ecosystem.

The convergence of these advancements has paved the way for immersive and inclusive gameplay, where players can explore vast metaverse environments, engage in Web 3.0 games with true ownership, and experience the convenience of cloud gaming. Furthermore, the integration of AI, NFTs, and blockchain technology holds the promise of transforming the gaming landscape, bringing unprecedented levels of interactivity, trust, and security. As India embraces this technological revolution, the future of gaming shines brightly, inviting gamers to embark on extraordinary adventures

THE POWER OF GAMING STARTUPS: KEY INSIGHTS

Securing Venture Capital Funding: The key considerations venture capitalists have when evaluating gaming startups for funding

In recent years, the gaming industry has witnessed exponential growth, attracting both passionate gamers and astute investors alike. With the global market expanding rapidly, gaming startups are on the rise, seeking funding to fuel their ambitions. Venture capitalists (VCs) play a crucial role in identifying and supporting promising gaming ventures. However, securing funding requires a comprehensive understanding of what VCs seek in potential investments.

Grasping Market Dynamics:

Founders must recognize that success in the gaming industry extends beyond a local focus. Understanding global market dynamics is crucial. VCs seek startups with the vision to tap into both local and international opportunities, demonstrating the ability to adapt their strategies accordingly.

Spotlight on Growth Potential:

Investors are naturally drawn to startups that exhibit significant growth potential. Gaming entrepreneurs must present a compelling case for achieving substantial user acquisition and capturing a sizeable market share. By showcasing their strategies for growth, startups can capture the attention of venture capitalists seeking promising investments.

Capitalizing on India's Growth Rate:

India's gaming market boasts a remarkable growth rate, providing an attractive investment landscape. Startups can leverage this advantage by highlighting the potential for increased spending and user acquisition. Demonstrating an understanding of India's market dynamics and its potential for growth can be a compelling argument for VCs looking to invest in gaming startups.

Evading the Acquisition Trap:

One common pitfall for gaming studios is excessively prioritizing user acquisition while neglecting other crucial factors such as monetization and game quality. Startups should avoid this acquisition trap by emphasizing a holistic approach that focuses on all aspects of a successful gaming business. Venture capitalists appreciate a well-rounded strategy that ensures sustainable growth.



Building a Talented Team:

Gaming is a knowledge-driven industry that thrives on innovation and creativity. Investors place immense value on startups that prioritize building a talented team. By assembling a pool of skilled individuals and fostering a collaborative environment, startups can maximize growth potential and create high-quality games that resonate with players.

Differentiating with Original IP:

Creating original intellectual property (IP) can provide a competitive advantage over commoditized games. Startups that can develop unique and compelling game concepts have a greater chance of success. Original IP offers a lower starting cost and a slower decay rate for user acquisition, positioning the startup for long-term growth and profitability.

Targeting Underserved Markets:

While established developers often focus on mature markets, startups

can find opportunities in underserved regions. India, for instance, offers immense potential due to its specific market needs and preferences. By tailoring their offerings to these markets, startups can captivate both investors and players, leveraging the untapped potential that lies within these underserved regions.

Embracing the Knowledge Gap:

The relative scarcity of experienced developers building games for certain markets presents a unique advantage for startups. By embracing this knowledge gap, aspiring entrepreneurs can seize the opportunity to enter and succeed in these markets. Investors are eager to support startups that demonstrate the ability to fill this void, catering to the needs of specific player demographics.

Analyzing Cost per Install versus Lifetime Value:

Understanding the economics of the gaming business model is essential. Startups should carefully evaluate the cost per install and the lifetime value of acquired users. This analysis helps refine user acquisition strategies and ensures a sustainable and profitable business model. VCs appreciate startups that demonstrate a thorough understanding of these metrics.

Agility and Strategic Adaptation:

The gaming industry is dynamic and ever-evolving. Startups that exhibit agility and adaptability in response to market realities have a higher chance of attracting venture capital funding. Overall, startups should focus on sustainable growth, talent acquisition, differentiation through original IP, and leveraging market opportunities to succeed in the gaming industry, particularly in underserved markets like India.

DECODING GOVERNMENT'S STANCE ON ONLINE REAL MONEY GAMES AND WAGERING

In a bid to clarify the legal landscape surrounding online real money games, the Indian government has introduced new rules that aim to distinguish between games of skill and games of chance. Additional Solicitor General N Venkataraman recently shed light on the issue, stating that putting money on uncertain events amounts to wagering, and any business based on wagering falls outside the realm of commerce and is thus illegal in India.

The new rules, issued under the Information Technology (IT) Act, unequivocally prohibit online real money games that declare winners based on the prediction or speculation of unknown outcomes. The objective of these rules is to ensure that all online games involving prizes are registered with Self Regulatory Organisations (SROs) composed of experts from various fields. If any game involves wagering, it will not be registered by the SROs and cannot be hosted on the internet. Furthermore, the new rules strictly forbid any form of advertisement related to such online games.

Amid the implementation of these regulations, certain industry players have attempted to mask wagering as games of skill. However, Venkataraman emphasized that states should not be focusing on differentiating between games of skill and games of chance in the context of wagering. Instead, they should examine the rules based on the country's Constitution, statutory provisions, and Supreme Court judgments.

Venkataraman pointed out the fallacy of predicting outcomes in games. Whether it is foreseeing the number of runs in cricket or the performance of a chosen player, uncertainty prevails. Placing stakes on these uncertainties, hoping for predictions to come true, demonstrates the essence of wagering. The Additional Solicitor



General also highlighted the decisions of the Supreme Court, spanning from 1957 to 1995, which have defined wagering as illegal and rejected the notion that experts can accurately predict outcomes based on data sets. While acknowledging that certain games, like horse racing, may be considered games of skill, Venkataraman emphasized that staking money on the uncertain outcome of a game remains betting and is, therefore, illegal. Participating in a tournament or match by paying a fee is legal, but throwing money into predicting winners and expecting higher returns is not.

Addressing the rules introduced by some states that exempt specific real money games claiming to be skill-based, Venkataraman reiterated that states must align their laws with those laid down by the Supreme Court. Attempting to differentiate between skill and chance in the context of wagering contradicts the law as defined by the apex court. Irrespective of the nature of the game, when stakes are placed on unknown and uncertain outcomes, it constitutes wagering, rendering skill or chance irrelevant.

These businesses operate beyond the purview of Indian regulatory and tax systems, posing a threat to the country's fiscal structure. Venkataraman highlighted instances

where platforms based outside India showed turnovers of billions of rupees, with no taxes paid in India.

The senior law officer stressed that the controversy surrounding online games goes beyond legality, encompassing deep-rooted social issues. The government is genuinely concerned about addiction among the youth, the loss of hard-earned money, and the potential for money laundering and other forms of crime and abuse.

With the new rules firmly in place, the Indian government aims to regulate the online gaming industry effectively, safeguarding citizens and preserving the integrity of the fiscal system. By drawing a clear line between games of skill and games of chance, the government seeks to maintain a fair and transparent.

PARTICIPATING IN A TOURNAMENT OR MATCH BY PAYING A FEE IS LEGAL, BUT THROWING MONEY INTO PREDICTING WINNERS AND EXPECTING HIGHER RETURNS IS NOT.

DPDP Bill: Balancing Protection and Growth

The Draft Data Protection Bill (DPDP), which has received the cabinet's approval and is expected to be presented in the upcoming Monsoon session of Parliament, is poised to play a critical role in the growth plans of gaming startups, albeit with some considerations.

One of the key prerequisites of the bill is for startups to invest in the necessary data infrastructure, audit processes, and data storage systems to ensure compliance. While this may impact overhead expenses, it ultimately strengthens the gaming industry's data protection measures, paving the way for sustainable growth.

Moreover, the DPDP bill is set to have a significant impact on the monetization models employed by gaming developers. With the bill stipulating a legal age of 18 years, targeted advertising and personalized in-app purchase promotions used by developers will need to evolve. Businesses often

rely on personalized advertising and communication on digital channels, but the DPDP bill will require adjustments, affecting avenues for monetization on a larger scale.

An important aspect of the bill is the protection of children's rights. The provision that data of individuals below 18 years should not be stored ensures greater legitimacy for the gaming industry, safeguarding the privacy of young gamers. Additionally, the shift from criminal provisions to a penalty model, along with the inclusion of voluntary disclosure, provides organizations with a clean way to address any breaches, promoting transparency and accountability.

The gaming sector in India holds

significant potential, with projections indicating that India will transition from being the 5th to the 3rd largest economy in the world, driven by a young population entering the workforce. Consequently, the Indian Digital Gaming Society fully supports the government's commitment to protecting data privacy for Indian citizens, as it also retains the valuation of Indian customers within the country.

While supporting the bill's objectives, the industry emphasizes the need for safeguards to ensure that the implementation does not become burdensome or prone to litigation. It is crucial to maintain the focus on the bill's intended goals without getting mired in unnecessary processes.

HIGHLIGHTS FROM INDIA GAMING SHOW 2023



Honorable President of India, Droupadi Murmu graced the India Gaming Show 2023 inauguration of the exhibition



Women gamers dominated the show

