

THE DIGITAL GAMBLE

How Online Real Money Games Are
Costing India Its Future

August 2025



Foreword

India stands at the cusp of a digital revolution, with its online gaming sector positioned as a key engine of future growth. Driven by a confluence of affordable internet, widespread smartphone penetration, and a tech-savvy youth demographic, the industry has seen a remarkable surge in recent years. Significant investments from domestic and global stakeholders have propelled this growth, particularly in real-money gaming (RMG) platforms like online poker, rummy, and Online Fantasy Sports (OFS). This rapid expansion has cemented India's position as one of the largest and most active gaming markets in the world.

However, beneath this narrative of economic opportunity lies a growing crisis. While RMG and OFS platforms promise entertainment and skill-based competition, their underlying designs are often engineered to maximize user engagement and monetization, frequently blurring the lines with betting and gambling. This has led to a disturbing pattern of monetary characteristics and, more often, devastating losses. The financial distress is not confined to the individual user; it extends to families, with rising reliance on high-interest Buy Now, Pay Later (BNPL) apps that employ aggressive and unethical debt recovery tactics.

The problem is compounded by a significant lack of awareness. Many citizens, particularly young people, are unable to discern between legitimate skill-based games and those that are essentially veiled forms of gambling. This lack of legal and digital literacy leaves them vulnerable to a vicious circle of debt traps, exposure to frauds, and scams. The threat of data loss, financial ruin, and the wastage of precious time is exacerbated by the loopholes and grey areas in current regulatory frameworks. Left unaddressed, these issues will continue to pose severe challenges, hindering the nation's progress and undermining its social and economic resilience. This report aims to provide a comprehensive, data-driven analysis of these challenges and propose a roadmap for a safer, more responsible, and sustainable online gaming ecosystem in India.

This paper aims to bring light and attention towards the social expense incurred by the nation as a whole; and loss of time, resources and mental well-being of an individual which ultimately causes a domino effect in the society, an alarming situation for India.

This will enable the ecosystem in advocating and bringing awareness in the right direction, which is essential for the community, society and nation for the holistic progress (Financial, Emotional, Mental, Physical) needed in the current times. The key results will help in enabling discussions for the essential policy designs for the ecosystem, state wise and nation-wide.

Mr. Bhomik Shah
Founder & CEO
CSRBOX Group

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Acknowledgements

We express our sincere gratitude to the Government of India for its continued focus, policy efforts, and resource allocation towards fostering a safer and more responsible digital ecosystem. The growing challenges associated with online real-money gaming demand evidence-based recommendations and interventions, and this report seeks to contribute meaningfully to that effort.

This study was conceptualized under the visionary leadership of Mr. Bhomik Shah, Founder & CEO of CSRBOX Group, whose timely call for action enabled us to address a pressing societal concern. We extend our deep appreciation for his foresight, trust, and unwavering support in commissioning this research.

We are grateful to Ms. Manasi Diwan, Vice President – Research and Impact Advisory, for her invaluable guidance, patience, constant availability, and for fostering an enabling environment that allowed the team to conduct this complex, multi-layered study with precision and depth.

Our heartfelt thanks also go to the subject-matter experts, policymakers, mental health professionals, educators, and digital ecosystem stakeholders who engaged with us during consultations. Their insights significantly strengthened the design, scope, and contextual understanding of this study.

We also extend our appreciation to the field coordinators and the 150+ enumerators who worked tirelessly across diverse geographies to ensure accurate, transparent, and representative data collection.

Finally, we express our gratitude to every individual, youth, families, and professionals who shared their lived experiences and perspectives, often revisiting sensitive personal challenges associated with online gaming and its impacts. Their willingness to participate reflects a collective commitment to addressing the socio-economic and psychological implications of real-money gaming platforms in India.

This report is dedicated to driving informed dialogue, shaping effective policy frameworks, and catalyzing collaborative action among government, civil society, and industry stakeholders to build a healthier, safer, and more resilient digital ecosystem for India's youth.

List of Abbreviations

Abbreviation	Description/ Full Form
AI	Artificial Intelligence
AML	Anti Money Laundering
BNPL	Buy Now, Pay Later Apps
CAGR	Compound Annual Growth Rate
CEA	Contest Entry Amount
CSR	Corporate Social Responsibility
DBT	Direct Benefit Transfer
DPDP	Digital Personal Data Protection Act
DSM	Diagnostic and Statistical Manual of Mental Disorders
DIGITA	Digital Trust Agency
ED	Enforcement Directorate
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
GGR	Gross Gaming Revenue
GOI	Government of India
GST	Goods and Services Tax
ICD	International Classification of Diseases
IPC	Indian Penal Code
IPL	Indian Premier League
JS	Joint Secretary
KYC	Know Your Customer
MHA	Ministry of Home Affairs
NSS	National Sample Survey
OFSP	Online Fantasy Sports Platform
OGI	Online Gaming Intermediary
OTP	One Time Password
PGA	Problem Gaming Awareness
PGSI	Problem Gambling Severity Index
RBI	Reserve Bank of India
RMG	Real Money Games
SEIG	Socio Economic Impact of Gambling
SRB	Self Regulatory Body
STR	Suspicious Transaction Reports
TDS	Tax Deducted at Source
TRU	Tax Research Unit
UPI	Unified Payments Interface

Executive Summary:

The Digital Trap– A Crisis Hidden in Plain Sight

India's digital economy is set on an exponential growth for the coming years. One of the levers drawing this growth is '**Online Real Money Games (RMGs)**'. They are a type of online game where a user makes a deposit in cash or kind with the expectation of earning winnings on that deposit.¹

The rapid growth of RMGs has transformed the digital landscape, blending entertainment with the promise of financial reward chased by Indian youth. This often takes a toll on an individual arrested with the obsession and need to win, social expenses of which society has to bear. On the other hand, unregulated checks and offshore gaming lead to scams and involvement of foreign nationals, posing country-level concerns².

The World Health Organization, in **International Classification of Diseases, ICD-11**³, officially recognizes **gaming disorder** as a condition marked by **impaired control over gaming**, prioritizing gaming over other daily activities and interests, and persisting despite negative consequences. Similarly, the **Diagnostic and Statistical Manual of Mental Disorders, DSM-5**⁴ has reclassified **Pathological Gambling** as **Gambling Disorder**, shifting it from "Impulse Control Disorders" to the "**Substance-Related and Addictive Disorders**" category. This reflects growing scientific consensus that gambling disorder shares **similar neurobiological mechanisms and behavioral patterns** with substance addictions.

This study investigates the socio-economic impact of online real-money games on Indian youth aged 12-34: a group of about 497 million according to the 2011 Census. By generating robust empirical evidence, it seeks to inform policy decisions, guide CSR interventions, and strengthen mental health services. The study encompasses over **5,794 respondents** across more than **17 states**.

The key findings from our study primarily pertain to the 15-34 age group, while the 12-14 age group was included to examine early exposure and underlying factors contributing to their inclination towards such platforms.

Engagement and Demographics

- **45% Indians aged 12-34** engage in online real-money gaming platforms and games operating in legal grey zones. **48% urban** vs. **33% rural** participation.
- **Is your data secure? 20% users aged 15-34** were contacted by offshore accounts for games and payments and **52%** started receiving scam/loan/credit related calls after downloading the games.

¹The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021
<https://www.meity.gov.in/static/uploads/2024/02/Information-Technology-Intermediary-Guidelines-and-Digital-Media-Ethics-Code-Rules-2021-updated-06.04.2023-.pdf>

²https://enforcementdirector.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

³<https://www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder#:~:text=Gaming>

⁴<https://www.ncbi.nlm.nih.gov/books/NBK519704/table/ch3.t39/>

Economic and Time Losses

- **GST Collection:** India projected to receive **₹20,557 crores** in **GST⁵** from RMG platforms for FY 2025-26.
- **Economic Losses:** **RMGs downloaded** through **unknown and illegal sources** (12-34 age data) cause **₹48,631 crores** of **GST losses** and **₹38,673 crores** in **tax losses⁶** annually (2025-26 projection). Cumulatively, this **amounts to 3.5 times** the **budget of River Development and Ganga Rejuvenation**; **1.2 times** the **budget of Drinking Water and Sanitation**; **1.7 times** the **budget of Higher Education**; **1.1 times** the **budget of School Education and Literacy**; **0.9 times** the **budget of Health and Family Welfare** and **22 times** the **budget** allocated for **Health Research in India for year 2025-26⁷**.
- **41%**, user of the 15-34 age group never received customer service for their issues; **29%** often are assisted by third parties/middlemen.
- An individual loses about **56 working days annually⁸**, which could have been utilised for upskilling and training, resulting in economic growth.
- **Daily time displacement** of a user engaged with real money games and associated games:
 - **1.21 hours of family time.**
 - **1.23 hours of job/study time.**
 - **1.41 hours of outdoor time.**

Social and Behavioral Impact

- **45%** of the 15-34 age group **reduce/stop outdoor social activities** to engage with these games.
- **49% reduce/stop hobby**-related activities. **50%** admit their daily routine has been changed alluding to their online gaming engagement.
- **10%** sell belongings (laptops, mobiles, jewelry, land) to cover losses or debts.

Awareness and Perception

- **75% of children aged 12-14** and **64% of active gamers cannot** distinguish legal vs. illegal games.
- **48% of the 15-34 age group fail** to differentiate between legal vs. illegal games; **54%** unaware of gaming laws. **42% cannot** distinguish gambling vs. gaming platforms.
- Only **30% aged 15-34** are aware of celebrity endorsement guidelines; which becomes crucial as **28%** of total users **view money deposited** in games as **investments**; and **67%** see it as **gambling** an alarming trend indicating towards the mindset of a user.

⁵<https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2115414>

⁶<https://incometaxindia.gov.in/Documents/income-tax-act-1961-as-amended-by-finance-act-2025.pdf>

⁷<https://www.indiabudget.gov.in/>

⁸https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C001

Influence of Celebrity Endorsements

- **66%** of users **find** platforms **trustworthy due to celebrity endorsements**. **51%** started playing due to **celebrity trust**. **71%** of users are **unaware of laws governing endorsements**.
- **62% percent** of respondents indicated that they would **refrain** from playing a game **if** its **promotion** was undertaken by a **non-celebrity**, non-sportsperson, or non-influencer.

Support and Mental Health

- **72% consider** platforms to be **addictive**; **42% report** that they are **addicted** to these games.
- **46%** of users report mental health issues (**depression, anxiety, sleep problems, stress**).
- **71%** of users are **interested** in **digital/financial literacy programs**.
- **77% seek help** through **free upskilling training** for **employment**.
- **49%** of users **seek help** with **responsible gaming** and **mental health**.

Actionable Steps Towards a Healthy Digital India

Policy Dimension	Scope and Actionable Step
Awareness & Financial Literacy Programs	Launch targeted youth-centric campaigns on responsible gaming, digital financing, online scams, and cybersecurity. Integrate digital literacy and risk-awareness programs through schools, colleges, and community platforms.
Consumer Protection & Legal Safeguards	Formulate clear central regulations defining platform obligations, user rights, and compliance frameworks under the Consumer Protection Act to safeguard users from exploitative practices.
Recognition of Gaming & Gambling Disorders	Formally recognize “gaming disorder” and “gambling disorder” under RPwD Act 2016 list of 21 elements, aligning with WHO and DSM-5 guidelines to enable policy-driven interventions and treatment support.
Public Health Messaging & De-Stigmatization	Launch nationwide campaigns to normalize conversations around gaming-related addiction and mental health. Co-create messaging with schools, colleges, influencers, and digital platforms to increase acceptance and help-seeking behavior.
Community-Based Interventions	Partner with local NGOs, health workers, and panchayats to deliver awareness and self-recognition programs, especially in rural and tier-2/3 regions. Build capacity for frontline workers to identify at-risk individuals early.
Corporate & CSR-Led Risk Mitigation	Convergence of Efforts and Last Mile Delivery: Promote convergence between corporates, NGOs, and government for public campaigns highlighting online gaming risks. Encourage CSR programs for debt management, rehabilitation, and vocational training for affected youth.
In-App Behavioral Nudges & Risk Flagging	Mandate platforms to embed session time alerts, spending warnings, emotion check-ins, and auto-lockouts. Enforce AI/ML-driven analytics to detect risky gameplay and issue timely alerts or restrictions.
Stricter Digital Payment & KYC Controls	Strengthen KYC and age-verification mechanisms to restrict under-18 participation and payment related restrictions to be enforced with stricter mandates. Mandate platform security certifications (e.g., ISO/IEC 27001:2013, SHIELD) and enforce strict compliance for digital transactions.

Policy Dimension	Scope and Actionable Step
Addiction Screening & Integrated Support	Deploy standardized screening tools on gaming and payment platforms to identify early signs of addiction. Integrate digital helplines and referral systems for timely interventions.
Advertising and Celebrity Endorsements	Blanket ban for advertisement is essential to restrict incoming users with monetary aspirations but minimal awareness. Stricter non-compliances need to be enforced in order to close the loopholes and the scope of citation of lack of awareness among the agencies and celebrities.
Cross-Sector Collaboration & Governance	Establish an inter-ministerial task force with representatives from Health, IT, Education, Women & Child Development, and Law to coordinate regulatory, health, and cybersecurity strategies. Enable robust data-sharing mechanisms.
Mandatory Health Warnings & Wellbeing Tools	Make health warnings and behavioral nudges mandatory on apps. Introduce features like emotion tracking, personalized spending alerts, and auto-logouts after prolonged gaming sessions.
Mental Health Sensitization & Literacy	Integrate mental health awareness into school curricula and digital campaigns to promote healthy coping mechanisms and de-stigmatize treatment for gaming-related issues.
AI-Enabled Helpline & Crisis Response	Introduce AI-powered chatbots and pop-up alerts for users showing signs of stress or risky gameplay. Integrate the 1930 helpline with banks and payment gateways to ensure rapid response and coordinated crisis management.
Cybersecurity & User Protection	Strengthen online gaming security frameworks. Make the Indian Cyber Crime Coordination Centre (I4C) publicly accessible to facilitate reporting and redressal of gaming-related cyber frauds.

Table 1: Actionable Steps Towards Responsible Gaming for Healthy Digital India

1. Introduction

India's digital economy is projected to grow from USD 85 billion in 2020 to USD 800 billion by 2030⁹, driven by affordable broadband and widespread smartphone adoption, enabling millions across age groups to engage online. This digital transformation has fueled exponential growth in online gaming.

1.1 The Online Real Gaming Market: Growth Drivers and Economic Potential

A significant factor fueling the growth of India's gaming industry is the emergence of Online Real Money Gaming(RMG) platforms, which offer engaging contests or games that involve transaction of money. A big part is fantasy sports, where users assemble virtual teams of real athletes competing in prominent leagues, such as the Indian Premier League (IPL). Participants act as team managers, accumulating points through a weighted system that converts real-life player performances into fantasy scores.

Alongside fantasy sports, real-money gaming platforms feature games under card based or non card based games like Online Rummy, Poker, Roulette, Ludo and other games which further bolster the sector's expansion. A section of these games run under the legal grey zone in the majority of Indian states.

Online Real Money Games Categories



Fig 1: Online Real Money Games Categories in India

More than 15.5 crore Indians engaged with RMGs in 2024, and 17.9 crores engaged with transaction based games¹⁰. Among RMGs, with 13 crore users, fantasy sports alone have a market size of 1,65,000 crore in FY2025¹¹.

⁹Business Standard

https://www.business-standard.com/article/economy-policy/digital-economy-to-see-exponential-growth-to-800-bn-by-2030-fm-122031101141_1.html

¹⁰EY FICCI Report

<https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/insights/media-entertainment/documents/ey-shape-the-future-indian-media-and-entertainment-is-scripting-a-new-story.pdf>

¹¹FIFS Deloitte Report <https://fifs.in/wp-content/uploads/2022/03/Fantasy-Sports-Industry-Report.pdf>

Fueled by widespread internet access and mobile technology, this industry has surged, offering economic potential through job creation, tax revenue, and technological innovation. Yet, beneath this veneer of opportunity lies a complex web of socio-economic challenges, exacerbated by betting and gambling activities tied to these games.

Many RMG platforms operate in regulatory grey zones or under minimal oversight to evade GST regulations, amplifying risks to individuals, families, and society. This report sheds light on these multifaceted impacts and underscores the pressing need for robust regulation and programs to address the vulnerabilities created by this burgeoning sector.

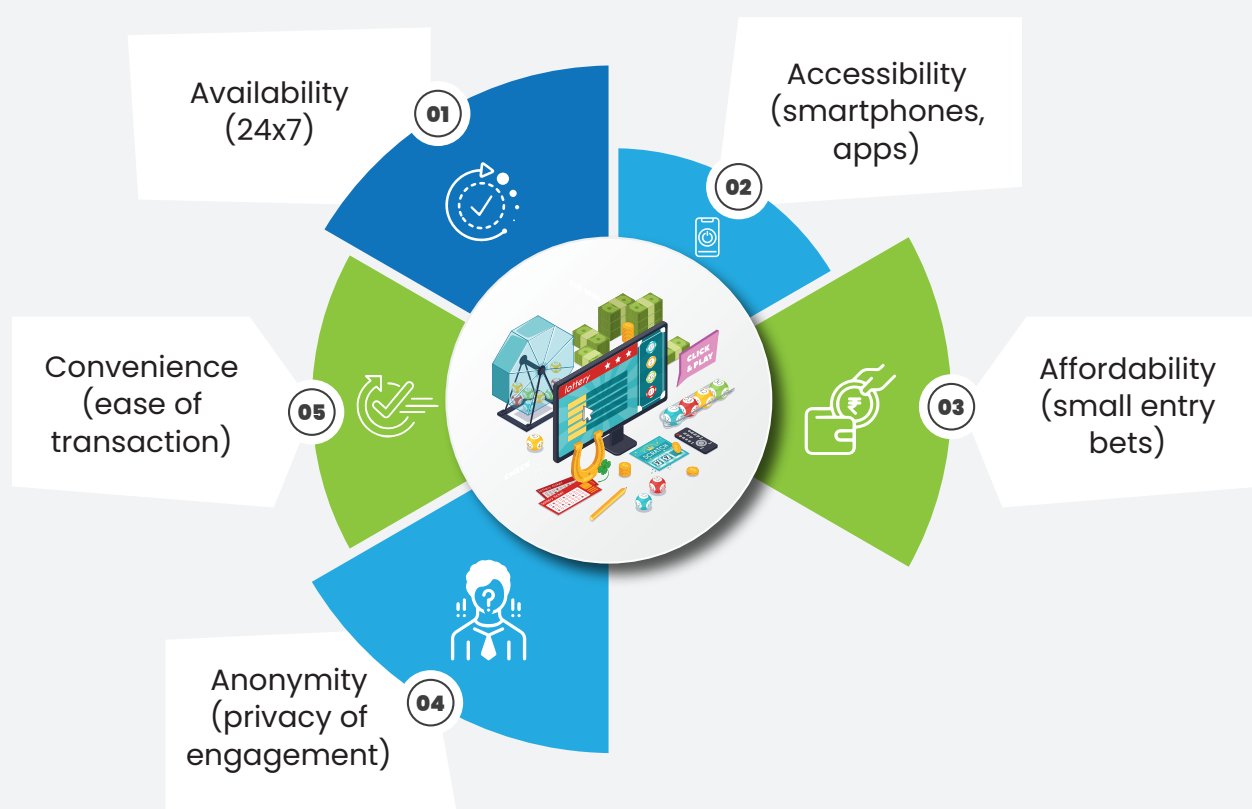


Fig 2: Reasons Behind Increasing User Base and Addiction of Online RMGs Platforms

1.2 Scope and Objectives of the Study

The issues, which are a result of constant engagement with online real money gaming platforms, and gambling and betting apps, most of which run and promote the platform under legal grey zone can be categorised as the costs levied upon the nation and society as social expenses. Effects of which are visible in the present, subject to become severe as we step into the future with pressing demand for upskilling for technological revolution and mental health well being. These social expenses can be termed as:

- Displacement of time.
- Displacement of tangible and intangible resources.
- Addiction and related disorders.
- National security: Involvement of Foreign entities.

This study puts light on the above aspects by offering empirical insights into the lived experiences, financial consequences, behavioral impacts, and governance challenges posed by digital gambling apps. The findings are critical for designing policy and programs for intervention, CSR programs design, and targeted health, awareness and upskilling interventions.

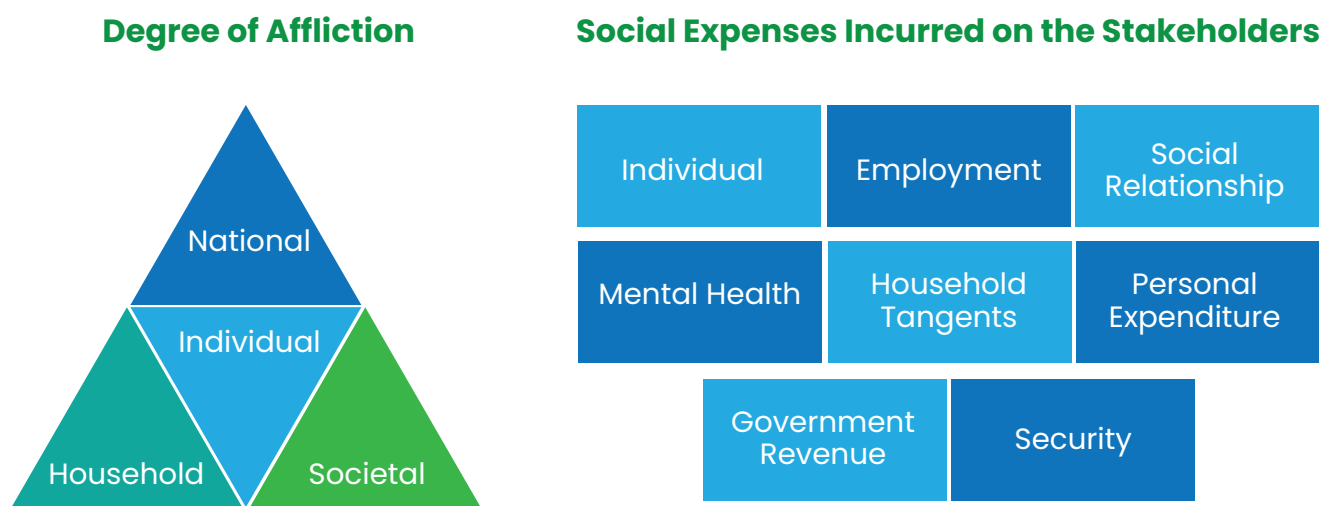


Fig 3: Framework for analysing the Socio-Economic Impact of Online Gaming and Gambling

On ground, the issue remains under-researched, with limited empirical evidence on how online gaming and fantasy sports platforms influence youth behavior, mental health, financial well-being, and family dynamics, particularly in the context of influencer marketing and digital payment systems. Given the complexity, novelty, and evolving regulatory landscape of online gaming and betting, especially in relation to Indian youth, this study adopts an exploratory mixed-methods design.

This enables an open-ended inquiry, flexibility in identifying emergent patterns, and inductive theory-building, an approach well-suited to a sector still in its formative stage. Focusing on the evolving landscape of online gambling, betting, and real-money games in India, the research seeks to develop a holistic understanding of behavioral patterns, socio-economic consequences, and potential policy interventions within the digital gaming ecosystem. Specifically, it examines participant demographics, motivations for engagement, and the influence of digital systems on user experiences.

The key objectives guiding this investigation are outlined below:

1.3 Research Objectives, Hypotheses and Philosophy of the study

This study is grounded in a **pragmatic philosophy**, enabling the integration of quantitative analysis and qualitative narratives to generate both rigorous and actionable insights. The **ontological stance** blends **pragmatism with critical realism**, recognising multiple coexisting realities **shaped by** both **individual agency** and **systemic structures** such as platform design, financial systems, and regulation. **Epistemologically**, the study adopts **methodological pluralism**, valuing **statistical evidence** and **lived experiences alike**, with knowledge assessed by its practical utility in addressing real-world policy and intervention needs.

This design strengthens validity and triangulation by combining measurable trends with lived experiences and macro-level context.

Objective 1: To assess how gaming habits and characteristics (duration, frequency, spending, associated temporal characteristics) affect mental health well being of a user.

Hypothesis 1 (Mental Health Linkage with a Gamer's Characteristics)

- **H_{0,1} (Null Hypothesis):** The months of use, frequency of play, money spent, and distinct time trade-offs do not predict the presence of worsening mental health symptoms among RMG users.
- **H_{1,1} (Alternative Hypothesis):** At least one of these behavioral factors of the RMG user significantly predicts the presence of worsening mental health symptoms among RMG users.

Objective 2: To investigate the influence of celebrity endorsements on spending patterns in games downloaded through unknown sources.

Hypothesis 2 (Celebrity Promotion and Spending Patterns on games through unknown sources)

- **H_{0,2} (Null Hypothesis):** There is no difference in average money spent through unknown sources between RMG users who have seen a famous person promote online gaming and those who have not.
- **H_{1,2} (Alternative Hypothesis):** RMG users who have seen a famous person promote online gaming report significantly higher average money spent through unknown sources compared to those who have not.

Research Methodology	
Setting the Context	
Research Questions	Research Objectives
Literature Review	
Data figures & current state	Study of the Ecosystem
State Prioritisation	
Determining Indicators	Normalisation Calculation
Questionnaire for Data Collection	
Field Data Collection	Interviews
Data Analysis	
Data Cleaning	Data Interpretation

Fig 4: Research Methodology of the study

Socio Economic Impact of Gambling (SEIG) Framework for Variables, Indicators and Tools for the research¹²

Impact Area Variables	Indicators	Unit of Analysis
Health and Well Being	Mental health, Social relationships, Problem gambling prevalence	Individual
Addiction	Time spent, screen time, game vs hobby, loss in quality of time spent/life	Individual
Societal	Loss of social Cohesion(sense of Community)	Individual
Interpersonal distress	Domestic conflict, social withdrawal, neglect of dependents	Household
Economic and Financial vulnerability	Personal Gambling expenditures, Gaming Industry Benefit, Source of money (UPI, credit, BNPL apps, parents), loan size, repayment issues, debt,	Household
Employment	Labor productivity loss due to absenteeism, time loss, skill erosion from excessive gambling engagement; data security risks impacting workforce trust.	Individual, national level
Platform responsibility	Type of celebrity used in ads, messaging tone, age targeting	Platform level
Government revenue	GST loss from illegal apps, gambling vs welfare expenditure, money invested in education and skill development,	National level

Table 2: Socio Economic Impact of Gambling (SEIG) Framework for Variables, Indicators and Tools for the research

¹²<https://ageconsearch.umn.edu/record/234554?ln=en&v=pdf>

1.4 Sample Size of the Study

This study employed a sample of **5794 respondents**, comprising Indian youth aged 12 to 34 years, focusing on understanding their engagement with online gaming platforms.

To achieve national representativeness and enable detailed disaggregation across demographic segments, the sample was designed to meet a **95% confidence level** with a **±2% margin of error**. Based on a conservative population proportion ($p = 0.5$), the minimum required sample size was approximately 2,401. The final sample of 5794 substantially exceeds this benchmark, thereby enhancing the reliability, robustness, and validity of analyses at both national and subnational levels.

The states were chosen using a normalisation criteria based on state level data of:

- State wise Youth population aged 12–34 in respect to Indian population aged 12–34, as per Census 2011.
- Percentage of people aged above 15 who are able to perform online banking transactions by UPI/Net Banking as per NSS 80th Round data.
- CSR spent across Education and Livelihood, as per National CSR Portal data.

Inclusion of Adolescents (12–14 years)

Although the core focus was on the 15–34 age group, a targeted exploratory sub-sample (~8%) was included for the 12–14 age bracket. This decision was based on preliminary indications of early exposure to gaming via smartphones and advertisements. Including this cohort enables the study to capture early behavioral cues, media influences, and vulnerabilities relevant to

1.5 Results

Hypothesis 1: App Usage Predicting Negative Effects in context of Mental Health

A binary logistic regression examined whether gaming behaviors predicted the presence of any mental health symptoms. The model is statistically significant, $\chi^2(6, N = 2422) = 35.12, p = .00002$, indicating the predictors, as a set, improved fit over the intercept-only model. Overall fit was modest (McFadden's $R^2 = .048$). Calibration was adequate (Hosmer-Lemeshow $\chi^2(8) = 7.64, p = .47$). Classification accuracy was 71.3%, and discrimination was $AUC = .74$. At the predictor level, months of use, plays per week, money spent per session, time instead of going out, and time instead of studies/jobs were significant ($ps < .05$), whereas family time replaced was not ($p = .465$). ($\alpha = .05$ for all tests).

- **Each extra month of app use = +2% risk towards worsening mental health symptoms.**
- **Each extra play per week = +2% risk towards worsening mental health symptoms.**
- **Spending ₹500 per session = +10% risk towards worsening mental health symptoms.**
- **Each 10 hours per week of missed outdoor time = +2% risk towards worsening mental health symptoms.**
- **Each 10 hours per week of missed study/job time = +2.4% risk towards worsening mental health symptoms.**

Logistic Regression equation:

$$\ln(p/1-p) = 0.872 + 0.018(\text{months_spent}) + 0.024(\text{plays_per_week}) + 0.00021(\text{money_spent}) + 0.0021(\text{time_out}) + 0.0024(\text{time_study_job}) + 0.0008(\text{family_time_replaced})$$

Time Out, Time Study, and Family Time displaced are measured in minutes, and money spent is INR per session.

- **months_spent** = months using gaming apps
- **plays_per_week** = average number of game sessions per week
- **money_spent** = average money spent per gaming session
- **time_out** = minutes spent playing instead of going out
- **time_study_job** = minutes spent playing instead of studies or job tasks
- **family_time_replaced** = minutes spent playing instead of spending with family

Predictor	β (SE)	Wald χ^2	df	p	Odds Ratio (95% CI)
Months of use	0.018 (0.007)	6.61	1	0.01	1.02 [1.00, 1.03]
Plays per week	0.024 (0.009)	7.13	1	0.008	1.02 [1.01, 1.04]
Money spent / session	0.00021 (0.00007)	9	1	0.003	1.00 [1.00, 1.00]
Time instead of going out	0.0021 (0.0009)	5.43	1	0.02	1.00 [1.00, 1.00]
Time instead of study/job	0.0024 (0.0010)	5.76	1	0.016	1.00 [1.00, 1.00]
Family time replaced	0.0008 (0.0011)	0.53	1	0.465	1.00 [0.99, 1.00]
Constant	-0.872 (0.120)	52.88	1	<.001	1.00 [0.99, 1.00]

Table 3: Predictor Level Statistics

Hypothesis 2 (Celebrity endorsements and spending patterns on unknown gaming platforms):

An independent-samples Welch's t-test indicates that respondents who had seen a famous person promote online gaming reported significantly higher spending through unknown sources ($M = 6,272.16$, $SD = 12,963.02$, $n = 2,193$) compared to those who had not ($M = 2,446.68$, $SD = 8,088.89$, $n = 89$), $t(107.25) = 4.25$, $p < .001$ (0.000023, one-tailed), Cohen's $d = 0.35$, 95% CI for the mean difference [2038.66, 5612.30].

Users exposed to celebrity promotions spent between ₹2,039 and ₹5,612 more on games downloaded through unknown sources than those who had not. People who had seen a celebrity promotion spent about ₹6,272, while those who had not spent about ₹2,447. This means that, on average, the first group spent nearly ₹3,800 more.

The analysis shows it is **highly unlikely that the results happened randomly** (probability less than **1 in 43,000**).

Component	Value
Test type	Independent Samples Welch's t-test
Tail	One-tailed
Group 1 (Seen celebrity promotion)	M = 6,272.16, SD = 12,963.02, n = 2,193
Group 2 (Not seen celebrity promotion)	M = 2,446.68, SD = 8,088.89, n = 89
T-statistic	4.25
Degrees of freedom (Welch)	107.25
Mean difference (ΔM)	3,825.48
95% CI for ΔM (2-tailed)	[2,038.66, 5,612.30]
Exact one-tailed p-value	0.000023 ($\approx 2.32 \times 10^{-5}$)
Effect size (Cohen's d)	0.35 (small-to-moderate effect)
Decision rule	Reject H_0 : RMG users who saw celebrity promotion spent significantly more through unknown sources

Table 4: Statistical Summary for one-tailed t-test

These findings support the research objectives by demonstrating two key dynamics in the online gaming ecosystem. Higher levels of gaming activity, especially when displacing offline social, educational, and family engagements are directly linked to an increase in reported negative effects in context of mental health well being of the user. Celebrity endorsements appear to be a significant driver of spending behavior, suggesting that marketing tactics leveraging celebrity influence can amplify financial engagement on gaming platforms available through unknown sources. These patterns highlight the combined behavioral and commercial mechanisms that may contribute to potential socio-economic risks among users.

2. Real-Money Gaming Among the 15–34 Age Group

More than 22 crore Indians aged 12–34, engage with online real money games and associated games, which include aspects of betting and gambling running under legal grey zone.

2.1 Engagement and Demographics

Online real money gaming (RMG) platforms are capitalizing on a critical transition period in young people's lives; when they're stepping into adulthood, gaining spending autonomy, and engaging more deeply with digital ecosystems.

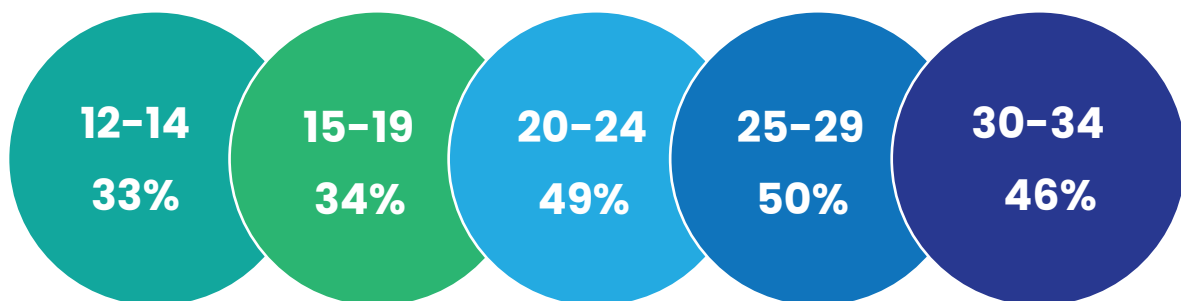


Fig 5: Age group wise participation rate in RMGs

Online RMGs Engagement for age 12–34

The sharp rise in engagement from late teens to early 20s suggests that platforms might be strategically or inadvertently targeting users during this vulnerable window of financial exploration and risk-taking. It also implies that exposure to marketing, peer influence, and the allure of quick monetary gains may be especially impactful when individuals first begin to earn or access disposable income.

Participation Rate (Age 12–34) engaged in Online RMGs and Associated Games (n=5794)

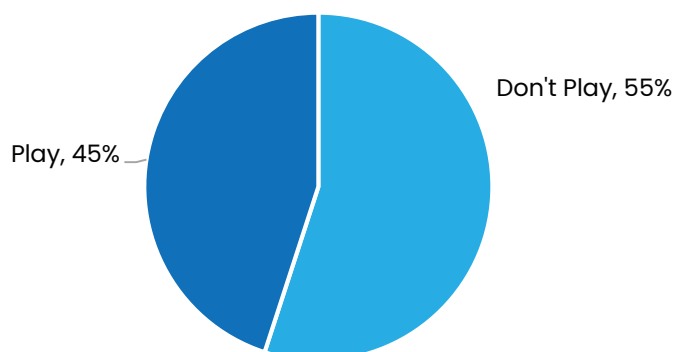


Fig 6: Data on Indians aged 12–34 engaged with RMGs and Similar Games

Interestingly, the peak in the mid-20s could reflect a mix of factors: greater confidence in navigating digital platforms, increased time spent online, and perhaps even a normalization of RMG use in social circles. But it also flags a critical concern, this is an age when habits form, and financial behavior patterns developed here could have long-term consequences.

2.1.1 Participation rates in urban vs. rural areas

Online real money gaming (RMG) platforms are thriving in urban areas, capitalizing on robust digital infrastructure and widespread smartphone penetration. The lower engagement in rural regions hints at a digital divide, implying that limited access to technology and online exposure might be holding back participation. It also suggests an opportunity for targeted initiatives to bring rural users into the fold, possibly through affordable and accessible programs or improved connectivity.

The contrast between urban and rural adoption underscores a potential shift in marketing focus, implying that platforms might prioritize urban markets while developing strategies to gradually penetrate rural areas. This could lead to a broader conversation about equitable access and the role of policy in protecting vulnerable populations as RMG use expands.



Fig 7: Urban vs Rural engagement in RMGs

The overall trend of higher total engagement points to a growing acceptance of RMG across demographics, indicating that platforms could be shaping a new cultural norm around digital gaming. However, this also raises concerns about the need for safeguards, as increased participation might expose more users to financial risks or addictive behaviors.

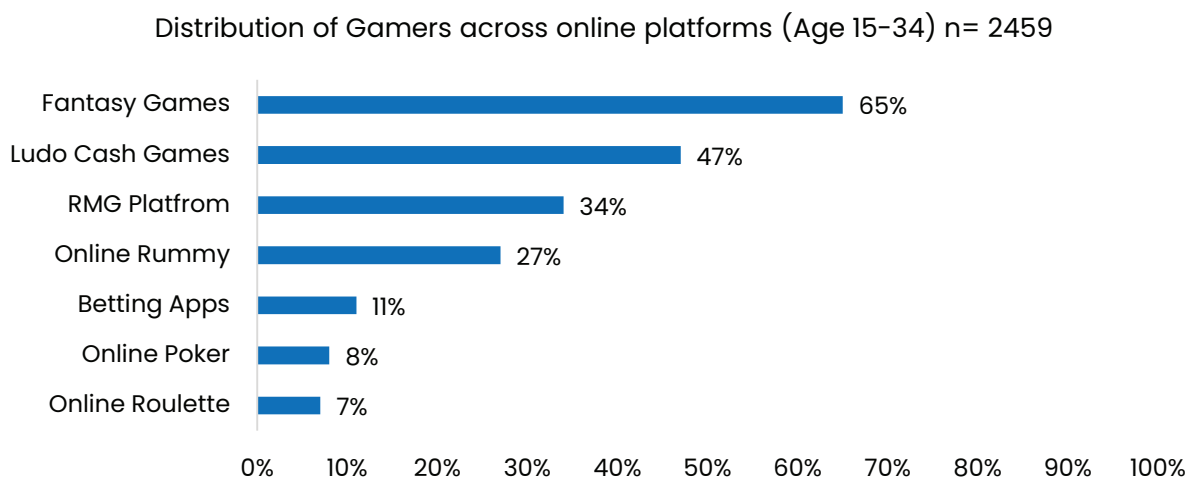


Fig 8: Respondents' distribution according to the type of Online Games

Online real-money gaming (RMG) platforms are witnessing rapid growth among young users aged 15-34, driven by the popularity of gamified formats such as fantasy sports and Ludo-based cash games. This trend reflects a convergence of entertainment, social interaction, and a sense of perceived control, contributing to the emergence of a new digital leisure culture. At the same time, the visible promotion of betting apps on social media, sometimes using culturally sensitive imagery, such as depictions of deities or celebrities, underscores gaps in oversight and user protection. This highlights an urgent need for targeted educational campaigns to raise awareness of risks and safeguard young participants.

The sustained popularity of OFSPs suggests growing acceptance of skill-based gaming, offering platforms scope to enhance competitive features and skill-building elements to strengthen user retention. However, the persistence of betting and gambling games despite legal ambiguities signals unregulated growth, underscoring the need for clearer policies and enforcement mechanisms.

2.1.2 Sources of Money

Online real money gaming (RMG) platforms are increasingly drawing on personal income, hinting at gaming becoming a routine expense for the financially independent. This suggests platforms may be shaping a lifestyle where gaming fits comfortably into budgets. Parental money usage points to younger or less secure players relying on family, implying a potential strain on household funds meant for essentials. It's a cue that platforms might need to address family impacts.

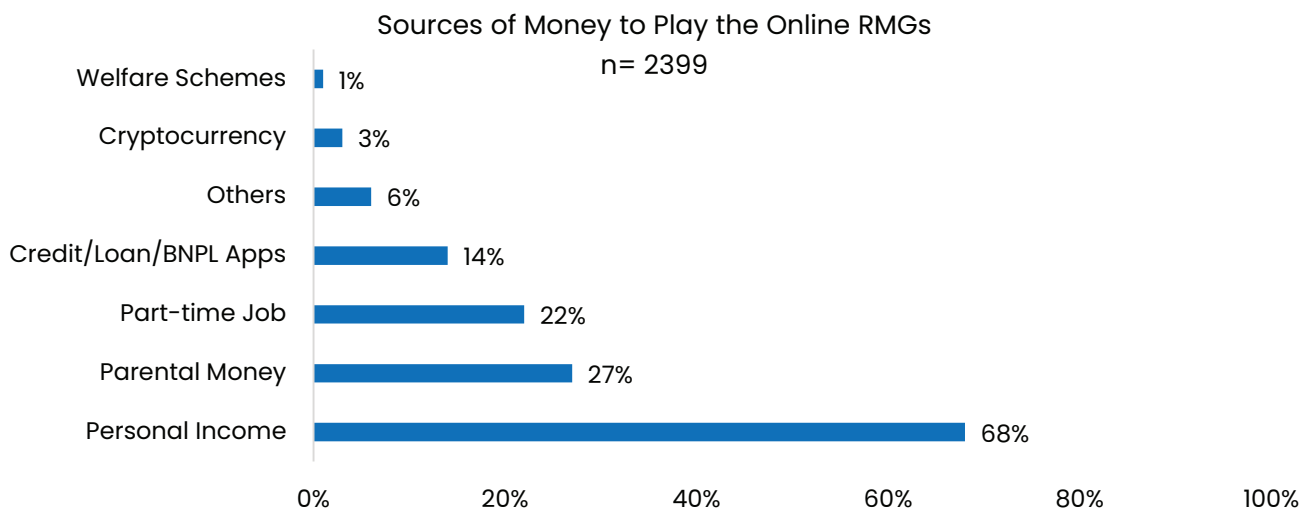


Fig 9: Sources of Users' Money to play Real Money Games

Credit and loan applications as funding sources indicate a concerning phenomenon where individuals may be incurring debt to finance gaming activities, potentially diverting emergency funds and thereby increasing financial vulnerability. Reports of harassment and financial distress linked to the inability to repay high-interest loans obtained through these applications underscore the risks involved. Furthermore, earnings from part-time employment, typically allocated to essential living expenses or family support, are increasingly being redirected toward real-money gaming (RMG), signaling a precarious shift in financial priorities that could undermine long-term fiscal stability.

"Empty Chair, Heavy Silence"

"That vacant chair is a constant reminder of him. Once the most cheerful colleague in our office always ready with a joke or to help, he gradually changed. He began arriving late, missing work without notice, and spending most of his time on his phone, appearing anxious and withdrawn.

Soon, he started asking for small loans, which became frequent. Rumors spread about his gambling on mobile apps. Wins would lift his mood; losses would leave him shattered. His work performance declined, he avoided meetings, and he distanced himself from everyone.

One Monday, he stopped showing up. Calls and messages went unanswered, and even HR couldn't reach him. Concerned, we visited his home, where his brother told us he hadn't returned for seven days. We later learned he had amassed huge debts from online gambling borrowing from friends, lending apps, and even unregistered lenders. Loan recovery agents began calling relentlessly and appearing at his home and our office, humiliating him.

Once, he confided, "Main har din haar raha hoon... khudse bhi aur zindagi se bhi" ("Every day I'm losing... to myself and to life").

Then he disappeared: no resignation, no goodbye. His family is still searching for him. Gambling didn't just cost him money; it stole his peace, job, relationships, and perhaps his future."

The use of cryptocurrency within this context suggests that a subset of users may be accessing their volatile savings or investments to fund gaming expenditures. Despite the lack of regulatory oversight, approximately 17% of individuals have engaged with cryptocurrency in this manner in the past. The allocation of welfare scheme funds, though generally modest, raises significant concerns about the misappropriation of critical survival resources, highlighting the urgent need for protective measures to safeguard vulnerable populations.

This pattern of financial behavior warrants careful attention, as it represents a multidimensional risk to personal financial health and socioeconomic well-being, necessitating both policy intervention and consumer education to mitigate adverse outcomes associated with gaming-related indebtedness and asset depletion.

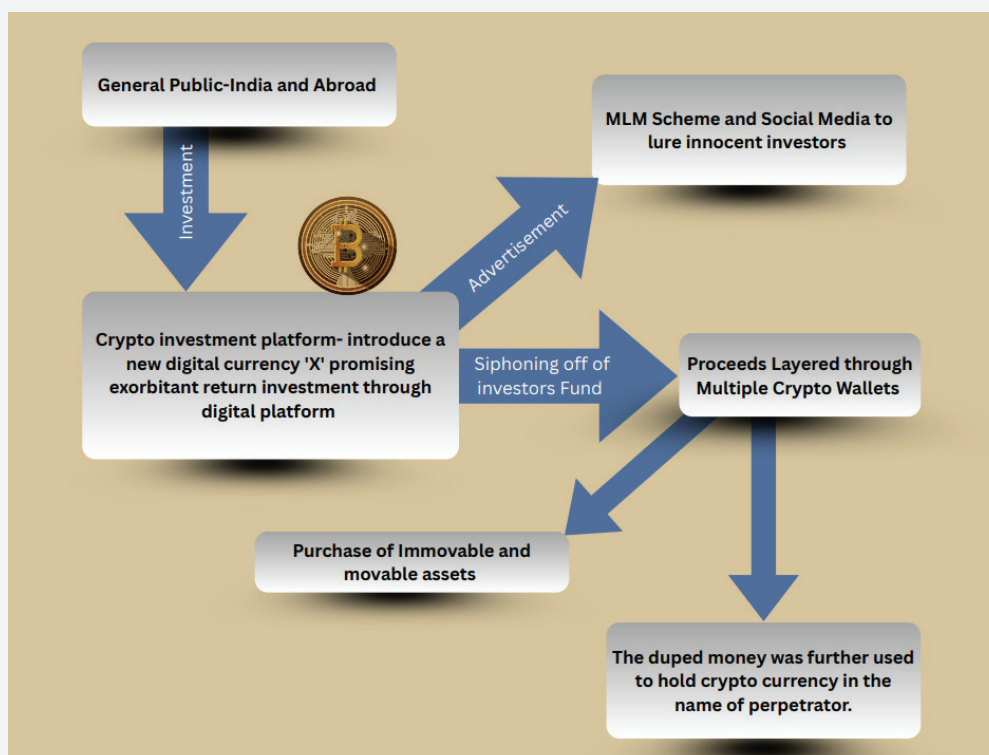


Fig 10: Modes of scams through Cryptocurrency¹³

These patterns imply a need for platforms to promote responsible spending and for regulators to enforce policies safeguarding users' financial stability and essential support systems.

2.2 Economic and Time Losses

Entering into the real money gaming ecosystem provides 3 pathways to your money: You deposit the money to enter and to play, and either you win or lose.

2.2.1 Measuring Scale of Monetary Involvement

For many users, what starts as entertainment could gradually lead to consistent financial drain, especially if losses are chased with fresh deposits. The pattern raises red flags for long-term financial wellbeing. On average, users deposit ₹3,785 per session, win ₹6,845, but lose ₹10,630: indicating a net negative cash flow for a user in the RMG ecosystem.

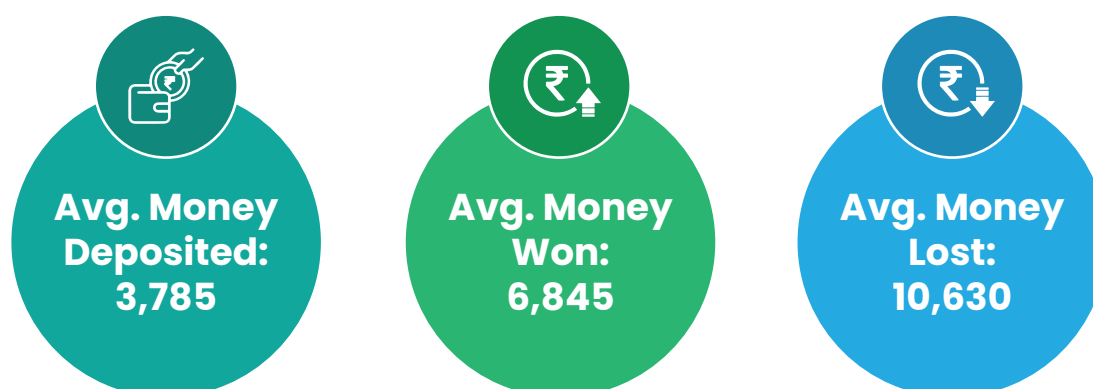


Fig 11: Average Cash Flow Dynamics for a User (15-34) of RMG

¹³https://enforcementdirector.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

The numbers tell a clear story: while players may win big occasionally, they're losing even more over time. With average losses outpacing both deposits and wins, this points to a system where the house predictably wins.

2.2.2 Money Lost due to Game Related Scam

A 23-year-old employee of a financial services company in Bengaluru was charged with misusing approximately ₹7 crore from Swiggy, a food delivery company, to invest in an online betting platform, **BetinExchange247.com**.¹⁴ Scams are not just limited to individuals with limited financial awareness.

You receive a call, or text for that matter. The moment you enter the OTP, your money is lost or the access to your account is lost. Online scams in India have evolved, and involve fraudulent schemes designed to illegally obtain money or valuables through deception. These internet-based frauds, particularly in banking, have surged, with a notable increase during the Covid-19 pandemic due to heightened online activity¹⁵.

The proliferation of online scams, particularly in banking, underscores the need for robust enforcement of these legal provisions to protect individuals and curb fraudulent practices in India's digital landscape. The data tells a very concerning story: Over half of the users getting scam or loan calls is a big red flag, it suggests a real risk of data misuse once users enter the online gaming space. And while fewer users report being contacted by foreigners, even 1 in 5 is significant when scaled up. Together, these trends raise serious concerns about privacy breaches, fraud risks, and potential exploitation through cross-border payment channels, money laundering and even funding of anti-national activities. The money lost is never circulated back to the audience.

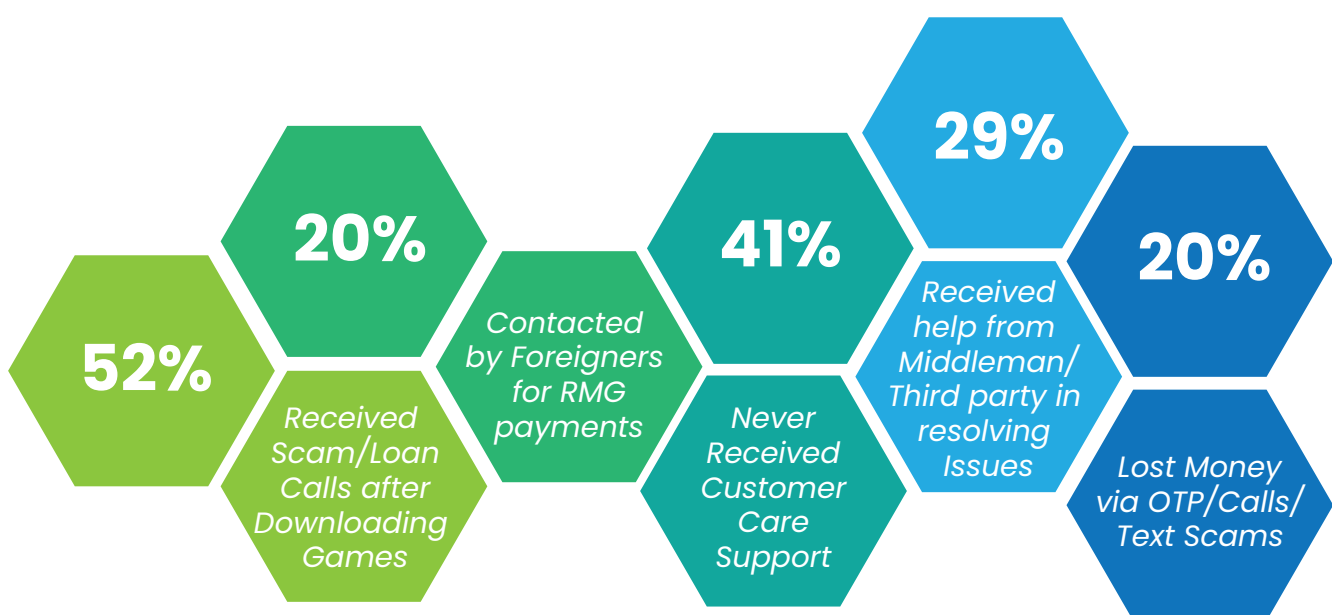


Fig 12: Statistics depicting a user's profile in relation to scams

¹⁴<https://www.thehindu.com/news/cities/bangalore/7-crore-belonging-to-food-delivery-company-allegedly-misused-for-online-betting/article69147501.ece>

¹⁵S.S Rana & CO.- Online Scams in India - Legal Action

The failure of customer care to assist a significant portion of users can lead to a lack of trust, financial distress, and a sense of helplessness, particularly in cases involving financial losses or fraudulent activities. This underscores a significant gap between legal requirements and actual industry practice, impacting consumer rights and financial security within the real money gaming space.

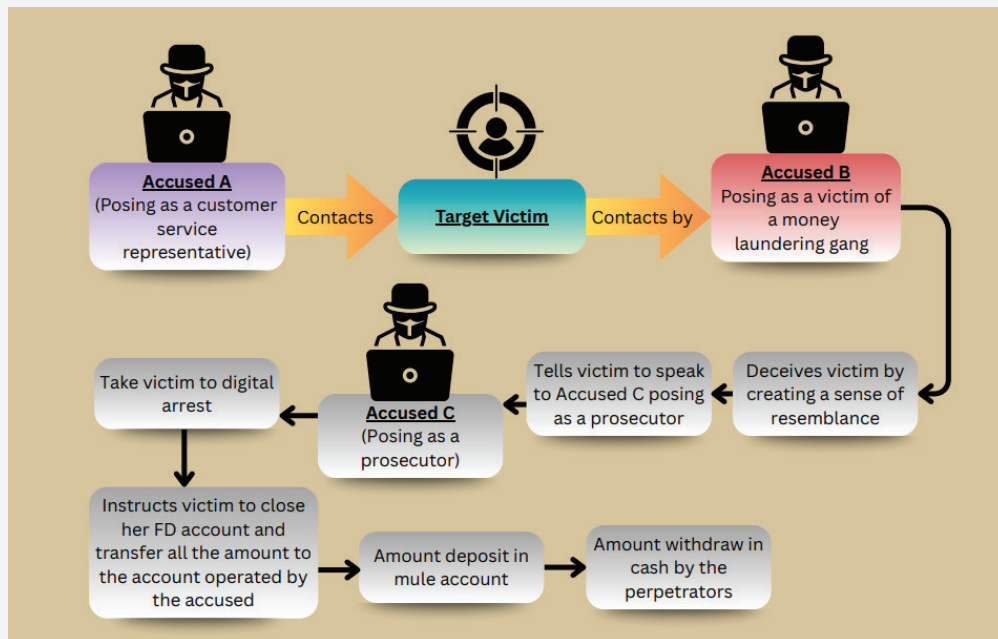


Fig 13: Modes of Cyber Crimes and Scams¹⁶

The fact that a substantial 41% of the population did not receive any help through the application's customer care is a direct contradiction of the legal requirement. This high percentage of unresolved issues points to a potential failure within the online gaming industry to comply with consumer protection laws. It suggests that despite a legal obligation, a large segment of the user base is not receiving the redressal they are entitled to, nor they are aware of the same. The reliance on external and unregulated third parties for payment issues not only exposes users to further scams but also highlights a lack of trust and a potential absence of a legitimate and reliable support system within these platforms. Social media advertisements often serve as the entry point for online gaming scams, promising significant rewards for completing game levels. These ads attract unsuspecting users, who are then targeted through various deceptive methods:

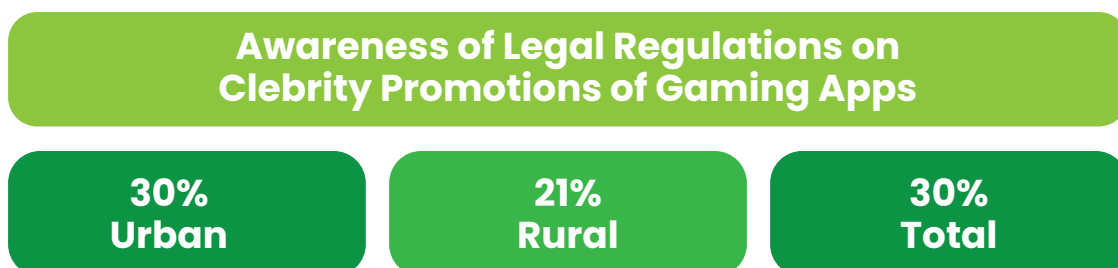


Fig 14: Urban vs Rural engagement in RMGs

¹⁶https://enforcementdirector.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

- **Fake Payout Schemes to Encourage Larger Deposits:** Fraudulent gaming apps allow small initial withdrawals to build trust, only to halt payouts after users deposit larger amounts, with scammers subsequently disappearing.
- **Scams Promising Free Rewards or In-Game Currency:** Players are prompted to share bank details in exchange for free in-game items or supposed earnings, which scammers exploit for financial theft.
- **Malicious Game Apps Stealing Sensitive Data:** Scammers create fake apps resembling popular games, promoted via ads. Downloading these apps through provided links allows scammers to access devices and steal sensitive information.
- **Phishing Emails Leading to Fake Websites:** Phishing emails redirect users to fraudulent websites that collect personal details, enabling scammers to gain unauthorized access to victims' bank accounts.

Money lost to scams report an initial rapid financial acceleration as individuals transition from adolescence into early adulthood and professional life. The older the user, the more they're losing to scams. It's not that younger gamers aren't targeted, they just don't lose as much, probably because they have less money to begin with. Average money lost to scams rises sharply with age.

A typical modus operandi of the entire process has been explained by the ED¹⁷ as:

- **Unregulated Betting Platforms & Laundering Tactics:** Scammers develop unlicensed betting apps and websites, often hosted overseas, and market them through platforms like Telegram and WhatsApp under the guise of "online gaming." These platforms typically use rigged algorithms to ensure user losses after initial small wins that build trust.
- **Money Funnel via Mule Accounts:** Users are asked to deposit funds via UPI or IMPS into bank accounts not registered under the company's name. These "mule accounts," owned by individuals or shell entities, collect user funds and are often integrated with payment aggregators like RazorPay or PayU, obscuring the financial trail.
- **Layered Domestic Transfers:** Once collected, funds are rapidly moved across multiple accounts to avoid detection. For instance, in the Fairplay case, hundreds of mule accounts were used to circulate money before it was consolidated into a few shell firms; some posing as legitimate businesses like pharmaceutical companies.
- **Siphoning Money Abroad:** These shell companies then transfer funds overseas through cryptocurrency or fake import-export deals.
- **Reintegration of Illicit Funds:** Laundered money is eventually reintroduced into the Indian economy as seemingly legitimate capital; often through real estate, luxury purchases, or as

¹⁷https://enforcementdirectorate.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

bogus FDI in businesses controlled by the criminals. In cases like OctaFX, funds were routed back via overseas shell companies as investment in startups, disguising illicit earnings as legitimate profits.

As users move into their 20s and early 30s, losses increase steeply, likely tied to higher incomes and deeper engagement in high-stakes platforms. This growing financial hit points to a serious trust gap in the online gaming space and underlines the need for stronger fraud protection, especially for financially active young adults.

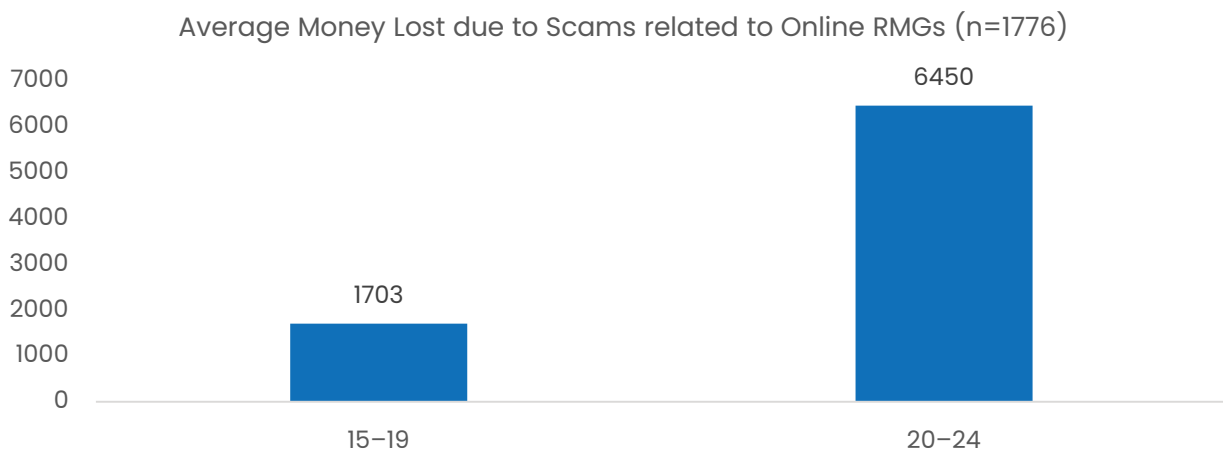


Fig 14: Money Lost to Online RMG related Scams: A comparison of 15-19 vs 20-24 age group

2.2.3 Tax and GST revenue losses

According to the Income Tax Act¹⁸, the income-tax is prescribed at the rate of thirty per cent. Section 115BBJ¹⁹ applies to winnings from online games; and Section 115BB²⁰ is applicable to income which includes winnings from any lottery, crossword puzzle, or race, including a horse race or card game and other games of any sort or from gambling or betting of any form. Additionally, TDS at the rate of 30% applies to such winnings, as per Sections 194B/194BA/194BB of the Income Tax Act if the winnings amount exceeds Rs 10,000 per transaction. The limit of Rs. 10,000 only applies in case of Section 194B²¹ and 194BB, as no threshold limit is applicable in case of Section 194BA²² w.r.t. winnings from online games. The act defines "online games" as a game that is offered on the internet and is accessible by a user through a computer resource including any telecommunication device.

Provisions on Online Gaming²³

Effective 1st October 2023, the Government introduced 28% GST on online money gaming. Key provisions include:

- **Mandatory Registration:** Online gaming platforms, including offshore ones, must register under the Simplified Registration Scheme per the Integrated GST (IGST) Act, 2017.

¹⁸<https://incometaxindia.gov.in/Documents/income-tax-act-1961-as-amended-by-finance-act-2025.pdf>

¹⁹Income tax section 115BBJ

²⁰Income tax section 115BB

²¹Income tax section 194B

²²Income tax section 194BA

²³<https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2115414>

- The Directorate General of GST Intelligence is empowered under both the IT Act and IGST Act to instruct intermediaries to block unregistered or non-compliant platforms, including foreign-based ones, violating GST provisions.

JS, TRU-I during 54th GST council meeting reported on online gaming revenue, noting that before the amendment, cash revenue was Rs. 1,349 crores, which rose to Rs. 6,909 crores post-amendment, marking a 412% increase. For casinos, revenue increased from Rs. 164 crores pre-amendment to Rs. 214 crores post-amendment, a 30% rise. The Secretary clarified that the Rs. 6,909 crores from online gaming was for a six-month period, projecting an annual revenue of approximately Rs. 14,000 crores.²⁴

S. No	Item Name	Money Figure
1	GST and Tax revenue loss from unknown gaming sources	INR 87,304 cr
2	DBT 2025-26 cont. (Cash) ²⁵	INR 87,673 cr
3	Department of Health & Family Welfare ²⁶	INR 95,958 cr
4	Department of Health Research ²⁷	INR 3,911 cr
5	Department of School Education & Literacy ²⁸	INR 78,572 cr
6	Department of Higher Education ²⁹	INR 50,078 cr
7	Department of Water resources, River development and Ganga rejuvenation ³⁰	INR 42,732 cr
8	Department of Drinking water and sanitation ³¹	INR 74,226 cr

Table 5: Monetary Loss from RMGs Played via Unknown Sources vs. Budget Allocations

The prevalent use of unofficial download sources and VPNs underscores the regulatory challenges posed by offshore gaming companies. These channels are frequently employed to access platforms operating beyond India's legal and taxation frameworks, enabling potential evasion of GST and other statutory levies. A significant proportion of users obtain games through APK files, unverified links, or VPN-enabled access, circumventing official app store safety checks and compliance protocols. Much of this distribution occurs via closed networks such as WhatsApp and Telegram, making detection and enforcement particularly difficult.

²⁴https://gstcouncil.gov.in/sites/default/files/Minutes/54th_meeting_minutes_conv.pdf

²⁵<https://dbtbharat.gov.in/>

²⁶<https://www.indiabudget.gov.in/doc/eb/sbe46.pdf>

²⁷<https://www.indiabudget.gov.in/doc/eb/sbe47.pdf>

²⁸<https://www.indiabudget.gov.in/doc/eb/sbe25.pdf>

²⁹<https://www.indiabudget.gov.in/doc/eb/sbe26.pdf>

³⁰<https://www.indiabudget.gov.in/doc/eb/sbe62.pdf>

³¹<https://www.indiabudget.gov.in/doc/eb/sbe63.pdf>

This pattern reflects an ecosystem functioning in regulatory grey zones, presenting material risks to user safety, data privacy, and protection against fraud, while complicating efforts to ensure fair market practices and effective consumer safeguards. One group promoted .apk files for online games, enticing users to register and deposit money into digital wallets with promises of high returns, amassing over ₹400 crores in illicit profits.³² It reveals a clear and concerning pattern: a significant majority of games are downloaded via links shared on social media and messaging platforms. The primary channels are social networking sites, indicating a strong reliance on peer-to-peer and group-based sharing.

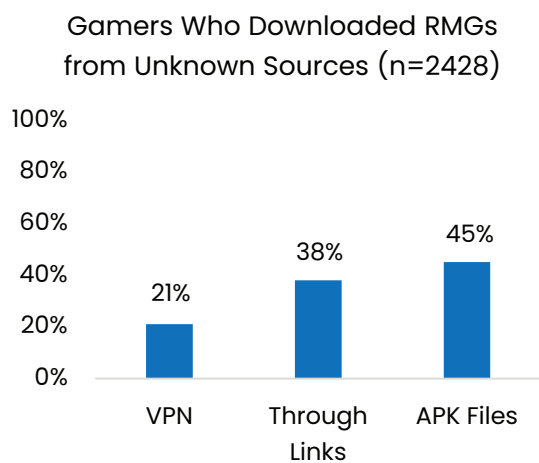


Fig 15: Unknown-Source RMG Downloads Among users: VPN vs links vs. APK Files through unknown sources

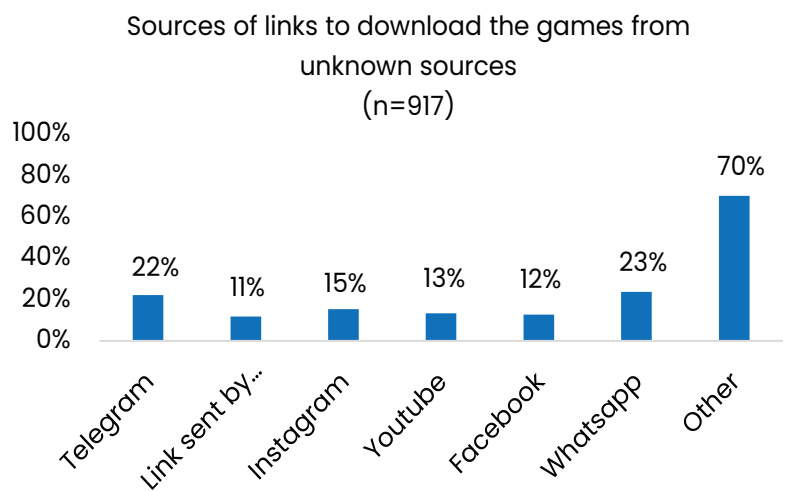


Fig 16: Distribution of Sources of links to download the Real Money Games

Social media platforms like Instagram, YouTube and Facebook are also major sources, which constantly put out advertisements and links on their platform and on a user's feed.

A significant share of gaming applications and platforms are distributed through unofficial channels, circumventing legitimate app stores and, in many cases, evading GST and other tax obligations. These unregulated pathways create heightened risks for users, including exposure to scams where accounts are locked after deposits or where intermediaries disappear following initial contact. One recurring pattern is the "win-loss" cycle: an initial win entices players, followed by sustained losses that drive some users to borrow funds or resort to "buy now, pay later" (BNPL) schemes to continue participation. Platforms accessed via these unofficial sources often operate without regulatory oversight, compromising transparency, fairness, and user protection. This environment not only facilitates financial exploitation but also amplifies the socio-economic vulnerability of Indian youth, leaving them with limited avenues for redress.

The most critical takeaway from the data is the massive net financial loss. While the absolute values may appear modest at first glance, the pattern they reveal is deeply concerning. The average yearly amount deposited by users and the amount lost nearly match this, indicating that most of the deposited funds are not recovered. Moreover, the average amount won is significantly lower than both the deposits and losses.

³²ED Annual Report 2024-25 https://enforcementdirectorate.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

What this data points to is a **consistent net financial drain**, even at smaller transaction levels. The fact that losses nearly mirror deposits suggests that players are caught in a loop of spending with very limited returns.

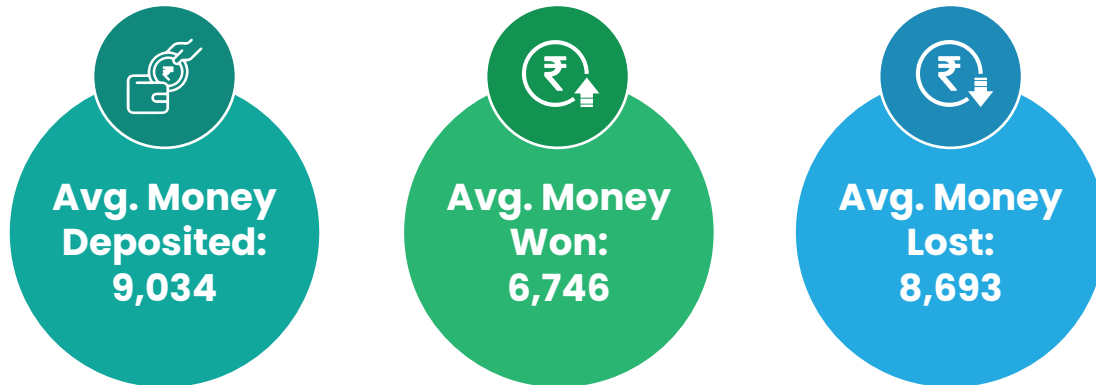


Fig 17: Cash Flow Dynamics For Gaming Users (15-34) when downloaded from Unknown Sources

While the monetary values are not extreme in isolation, the pattern reflects a potentially harmful behavioral trend, especially when scaled across millions of users and repeated engagement cycles. These platforms may lack consumer safeguards, regulatory compliance, and grievance redressal mechanisms, leaving users exposed to unfair odds, opaque algorithms, and possible fraud. The cumulative financial impact, when scaled across the population, could contribute to personal debt, financial stress, and economic vulnerability, especially among youth with limited income or savings.

However, there are more ways through which Indian companies incur losses. The Fairplay app illegally streamed IPL cricket matches to enable betting, resulting in significant financial losses for the official broadcaster, Star India³³. Hundreds of mule accounts were involved, with funds being transferred in circuitous patterns. Eventually, large sums accumulate in a few shell companies (some even masquerading as legitimate businesses, such as a shell pharmaceutical company in Mumbai).



Fig 18: Advertisements of betting sites in Newspapers^{34,35}

³³https://enforcementdirector.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

³⁴<https://g2g.news/online-gaming-laws/banned-betting-sites-betway-fairplay-continue-to-prominently-advertise-in-print-media-during-ipl-2023/>

³⁵<https://g2g.news/online-gaming-laws/with-ipl-days-away-illegal-betting-sites-on-marketing-spree-as-cops-turn-blind-eye/>

2.2.4 Loss of employable hours and daily time displacement

RMG platforms are increasingly integrated into the average Indian's day, reflecting growing acceptance as a leisure activity. This integration appears to encroach upon rest periods, suggesting a potential trade-off with personal well-being. Despite this, productive work hours remain consistent, indicating that users often balance gaming alongside employment, underscoring the importance of respecting work-life boundaries.

The fallout from RMG extends beyond the individual, placing significant strain on families. Financial losses from unregulated or grey-zone platforms can drain household resources, disrupt stability, and saddle relatives with the burden of debt repayment. Emotional tolls, such as shame and fractured trust, often accompany these economic hardships, weakening familial bonds. In the long run, caregivers may find themselves stretched thin, supporting loved ones grappling with addiction or its aftermath, while the intergenerational impact threatens long-term security and cohesion within households.

An Average Indian's Day (24 Hours)		
Activity	Hours	Time Displaced due to RMGs
Employment and Learning	4.5 hr	1.23 hr
Unpaid Household Services (domestic, caregiving)	5.9 hr	1.21 hr
Socialising, Community and Religion	2.08 hr	1.41 hr

Table 6: Time Spent Data (Aged above 6) and time displaced due to RMG engagement³⁶

The study aligns with data from MOSPI, offering a detailed overview of how an average Indian allocates daily time. This baseline is essential to assess how emerging activities, such as real money gaming (RMG), are reshaping daily routines. Time dedicated to unpaid household tasks and caregiving may be reduced, raising concerns about potential impacts on family responsibilities. Similarly, activities related to socializing, culture, education, and sports seem to compete with gaming for leisure time, signaling a shift that could diminish traditional engagements. This study highlights these evolving patterns in daily life.

Family time is crucial for each person, for their emotional and mental well being; and it also provides a symbiotic bridge between people from different generations, creating a series of learning and engagements. This graph provides a powerful and concerning insight into the social impact of online gaming. It directly measures the degree to which gaming is displacing time with family, a cornerstone of social life.

³⁶Time Use Survey (MOSPI 2024)

https://www.mospi.gov.in/sites/default/files/publication_reports/TUS_Report_2024_28.03.2025F.pdf

This sustained displacement of over an hour of family time suggests that as individuals become more deeply engaged with online games, they are systematically withdrawing from direct, face-to-face interaction with their families. This presents a significant concern for the long-term health of family relationships and communication dynamics within the household. RMG platforms are not just a form of entertainment but are becoming a factor with the potential to directly impede academic performance and professional development for millions. This presents a substantial socio-economic concern, as it points to a trade-off where leisure activity comes at the cost of personal and career growth.

The pervasive habit of checking gaming apps during work or study breaks points to a potential for addiction and a constant cognitive load related to gaming. This underscores a behavioral aspect of online gaming that can have a significant socio-economic impact by blurring the lines between work/study and leisure, and potentially leading to a decline in professional and academic performance.

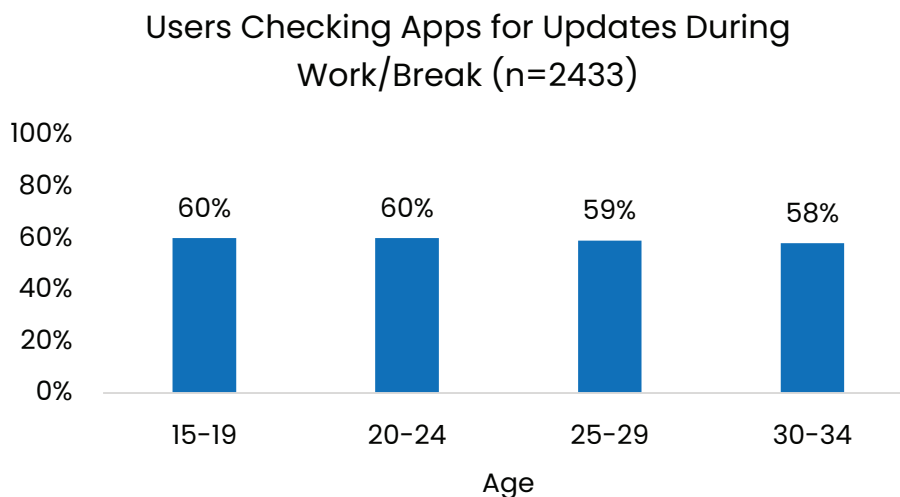


Fig 19: Percentage of users checking/opening RMG apps during work and break

For a significant portion of the youth and young adult population, engagement in online gaming comes at a direct cost to their real-world social and physical activities. This presents a major socio-economic concern, as it points to a pattern of social isolation and reduced physical activity that can have profound implications for long-term health, community engagement, and overall well-being.

2.3 Influence of Advertisements and Celebrity Endorsements

In the digital age of increased consumption and less attention span, citizens are susceptible to be influenced by the advertisements and content they view. The elements of advertisements are designed in a way to influence the viewer to buy or use the product, to the extent that the viewer doesn't conduct background checks and sticks to the appealing information most easily available.

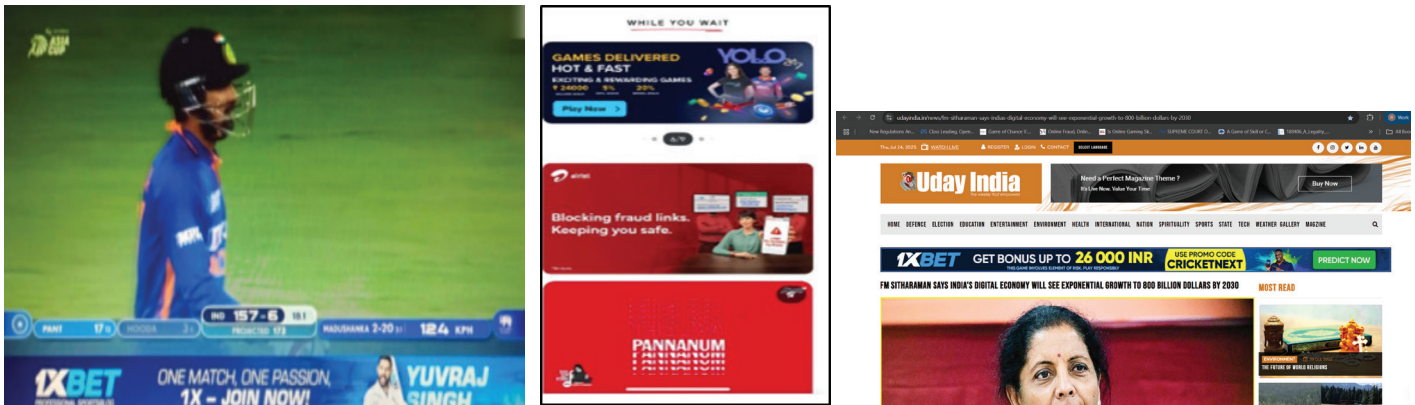


Fig 20: Effect of Advertisements and Endorsements on Citizens Uday India³⁷

Brand ambassadors often have been misunderstood as the users of the product that they endorse, which has caused significant impact and damage upon individuals and India has witnessed cases and guidelines regarding the same. Some advertisements use visuals for gods (Ganesha depicted below) for gaming previews and ads.

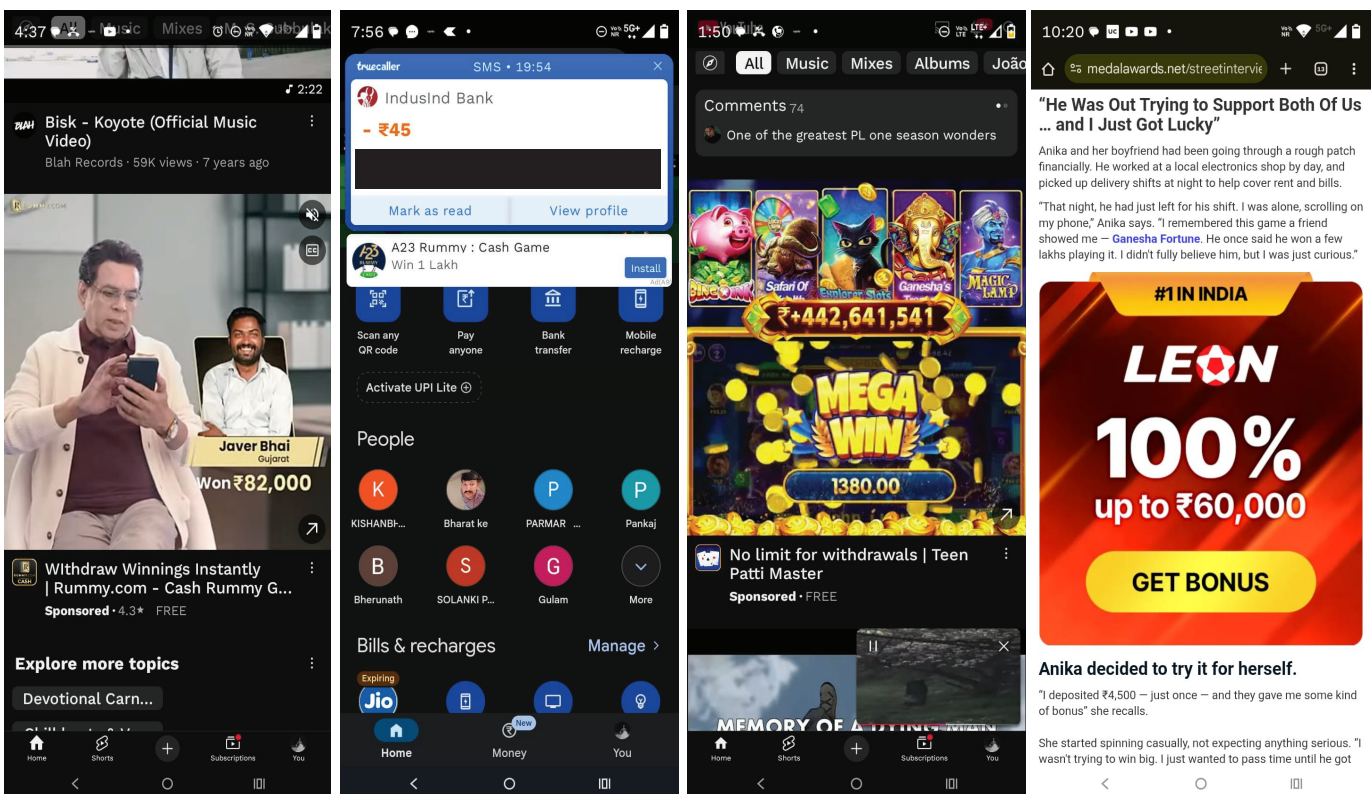


Fig 21: Prevalence of Advertisements and Promotions related to Online RMGs

About 95% of the gamers have watched a celebrity promoting an online game on a social media platform or on television. Sports athletes and film stars are seen promoting the games on a regular basis.

³⁷<https://www.udayindia.in/news/fm-sitharaman-says-indias-digital-economy-will-see-exponential-growth-to-800-billion-dollars-by-2030>

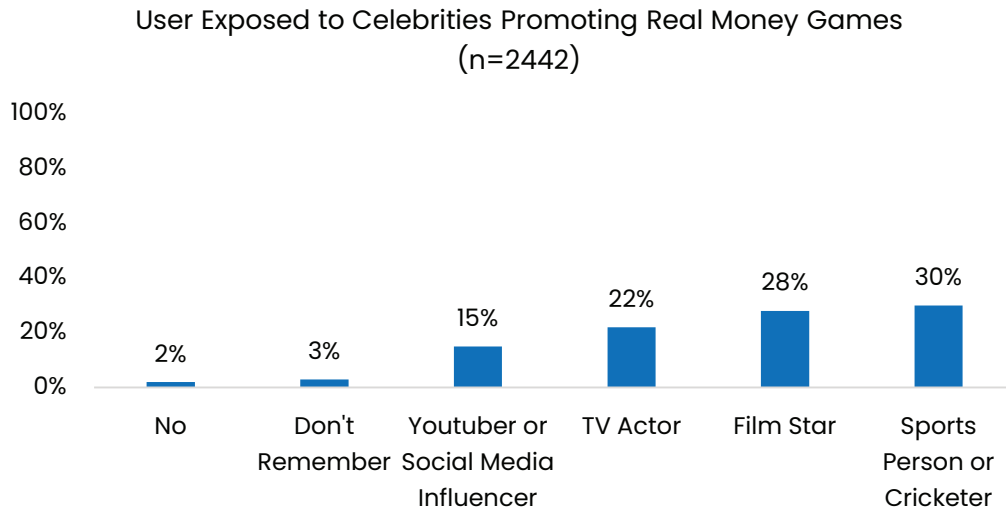


Fig 22: Share of respondents who recall celebrity promotion across different channels

Generally when a viewer watches the advertisement, the person most commonly tends to believe that the person, in this case their ideal or hero/celebrity also plays the game and has achieved success in winning the amount by playing the game. The trustworthiness of the celebrity because of their innate work and ethic is translated to having belief in the legitimacy, authenticity and winning probability of the games. This has caused significant monetary impact to our citizens.

IPL-Driven Advertising Surge

Fantasy sports advertising in India has seen substantial growth, driven by cricket's popularity and the Indian Premier League (IPL). Platforms like Dream11 and My11Circle have capitalized on the IPL's massive audience to boost brand visibility and user engagement. The 18th IPL edition in 2025 achieved a record-breaking viewership of over one billion across TV and digital platforms, with a cumulative watch-time of 840 billion minutes, as reported by JioStar. The streaming platform recorded 23.1 billion views and 384.6 billion minutes, with connected TV consumption surging by 49%. Star Sports contributed 456 billion minutes of TV watch-time, leading in ratings across demographics³⁸.

Digital Consumer Trends

The IPL's 18 to 35 year demographic aligns with a growing mobile-first, digital consumption trend, amplifying the effectiveness of fantasy sports advertising. Fantasy sports ad volumes grew by 6% during IPL 2025 compared to 2024, with Dream11 and My11Circle dominating the market. Dream11 invested INR 1,730 crores in advertising, achieving a 37.7% brand recall rate³⁹, and held ad market shares of 10% and 7% in IPL 16 and 17⁴⁰, respectively.

2.3.1 Effect of Celebrity Endorsement upon Viewers' Actions

General trends about reasons which influenced a person to try the app after watching a celebrity promoting the app reveal that a celebrity promoting the app increases the trust in the platform, and often money associated with the ad is appealing enough for one to download the game.

³⁸<https://www.socialsamosa.com/marketing-shorts/tam-anshu-yardi-on-consumer-trends-ipl-2025-future-of-marketing-9438744>

³⁹<https://www.campaignindia.in/article/fantasy-sports-ai-models-extend-beyond-gaming-whitepaper/502300>

⁴⁰<https://tamindia.com/tam-sports-commercial-advertising-report-ipl-17/>

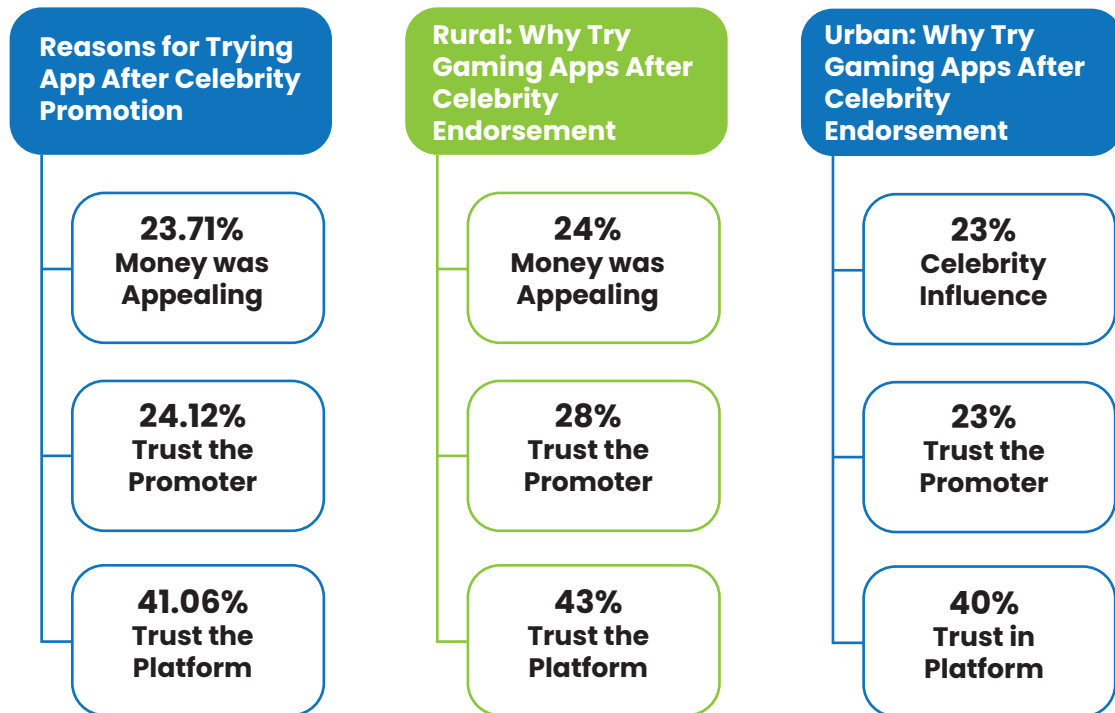


Fig 23: Motivations among users for trying RMG platforms Celebrity-Promoted Apps

The **leading reason** users go ahead with trying these apps is not just money, **it's trust in the platform**, followed by **belief in the promoter or the face of the campaign**. Whether rural or urban, users interpret celebrity promotion as a stamp of legitimacy, almost replacing due diligence or informed decision-making with a sense of social proof. That shift where perception trumps platform policy opens up a concerning space for **misplaced trust and under-informed engagement**.

This reliance on celebrity influence, coupled with user admission that they wouldn't otherwise engage with indicates that **marketing is often the tipping point between resistance and risk**. It also puts a spotlight on the responsibility of influencers and the urgent need for regulatory oversight on advertising practices in the gaming space.

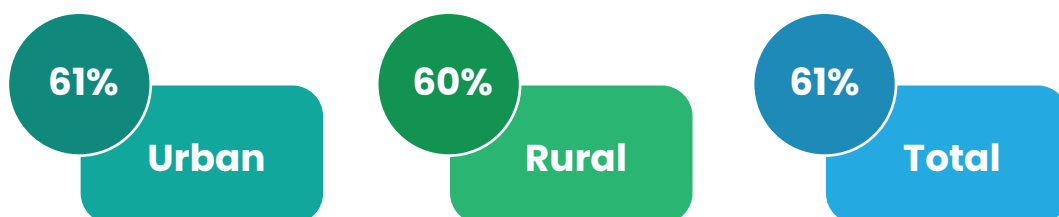


Fig 24: Users not using RMG platform if a non-celebrity were to promote the app

This has major implications for how we think about ethical advertising, user protection, and the lines between marketing appeal and informed consent and awareness against misleading or incomplete knowledge/presentation of a feature. This isn't about the game itself, it's about the credibility and emotional reassurance people attach to a public figure's involvement. Celebrity presence seems to act as a psychological filter, reducing skepticism and increasing users' willingness to try the platform.

2.4 Awareness and Perception

As per MHA, there is a significant gap in user awareness regarding cyberattacks. As already the **top ten districts** in the country contribute to **81%** of all reported **cybercrimes**, making them key hotspots.⁴¹

2.4.1 Awareness at different levels in RMG ecosystem

Young users engaging with real money gaming (RMG) platforms often lack a clear understanding of the legal frameworks governing these activities. This knowledge deficit represents not only a gap in awareness but also a significant regulatory blind spot. Insufficient understanding of relevant laws can result in inadvertent non-compliance, increased exposure to unregulated platforms, and heightened vulnerability to scams and financial risks.

A lack of legal awareness impedes users' understanding of their rights, platform obligations, and the potential legal consequences associated with RMG. Given the substantial financial stakes involved, this gap poses serious risks of financial loss and fraud. Such legal illiteracy is particularly concerning in a landscape marked by regulatory ambiguity, where users struggle to distinguish between compliant gaming platforms and illegal gambling apps. This vulnerability facilitates exploitation and undermines the efficacy of existing regulatory measures designed to safeguard users.



Fig 25: Awareness of different aspects of gaming and regulations among RMG users

This signals a pressing need for targeted digital literacy campaigns, better labelling and certification of legal platforms, and platform accountability to educate users upfront. Without these safeguards, we risk exposing an entire generation to legally murky environments that look like games but function more like financial traps.

The data highlights an urgent need for targeted interventions to improve legal literacy, thereby fostering a safer and more responsible online gaming ecosystem. The most worrying part? This isn't just about fringe players or niche apps, this is happening at scale within the mainstream user base. And if users can't tell what's allowed and what's not, it blurs the lines between gaming, gambling, and outright illegality.

⁴¹https://sansad.in/getFile/lsscommittee/Finance/17_Finance_59.pdf?source=loksabhadocs

2.4.3. Perception About Online Gaming as Investment vs. Gambling

The blend of **misperception and financial risk-taking** makes RMG platforms a tricky space, especially for youth. When users are unsure whether they're playing a game, gambling, or making an investment, they're more likely to make unsound financial choices. This blurring of lines is where **financial vulnerability begins**.

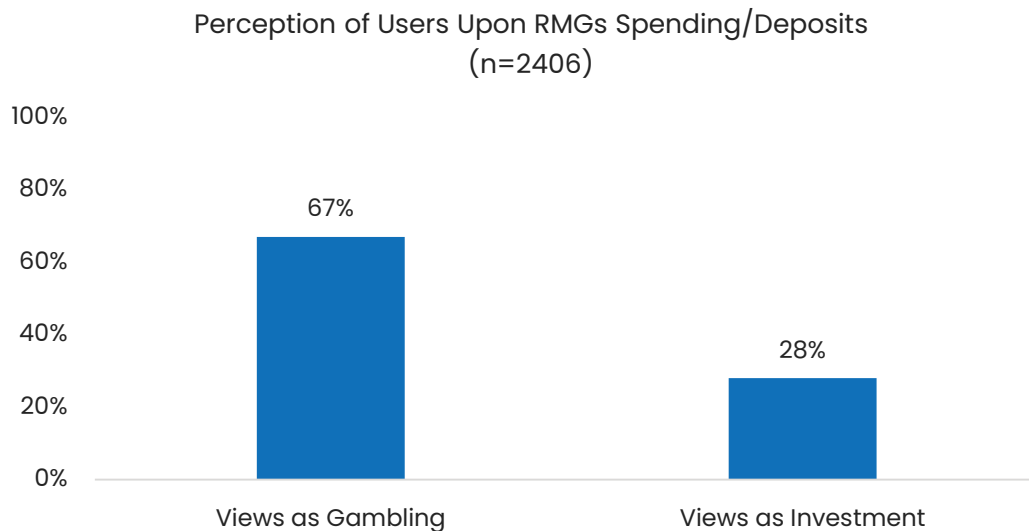


Fig 26: User Perception of RMG Spending: Gambling vs. Investment

The data sends a strong signal. The coexistence of misperception and financial risk-taking within the real money gaming (RMG) ecosystem creates significant challenges, particularly for young users. When the distinction between gaming, gambling, and investment becomes unclear, users are prone to making imprudent financial decisions. This ambiguity contributes directly to heightened financial vulnerability.

The implications are substantial: blurred perceptions can lead to an underestimation of risk, encouraging behavior that may result in financial loss. Moreover, this uncertainty complicates the ability of regulatory frameworks to effectively protect consumers, as users' misunderstanding of the nature of RMG activities undermines informed decision-making. Addressing these perceptual gaps is therefore critical to mitigating financial harm and fostering responsible engagement in the sector.

Without safeguards, we risk seeing more users fall into cycles of over-spending, unrealistic expectations, and debt, especially when platforms nudge them toward "winning back" their losses or treating deposits as portfolio plays.

2.5 Personal, Social and Behavioral Impact

Let's look at a critical social trend: the trade-off between virtual engagement and real-world activities. We directly measure how many gamers are reducing or stopping their outdoor and social pursuits due to these games.

Online real money gaming (RMG) platforms might be shaping the leisure preferences of younger gamers. On a societal level, this shift might imply a cultural move toward digital over outdoor engagement, potentially weakening community bonds and traditional social structures. It could also suggest economic opportunities through gaming industries, but with a risk of widening social divides if access or awareness varies.

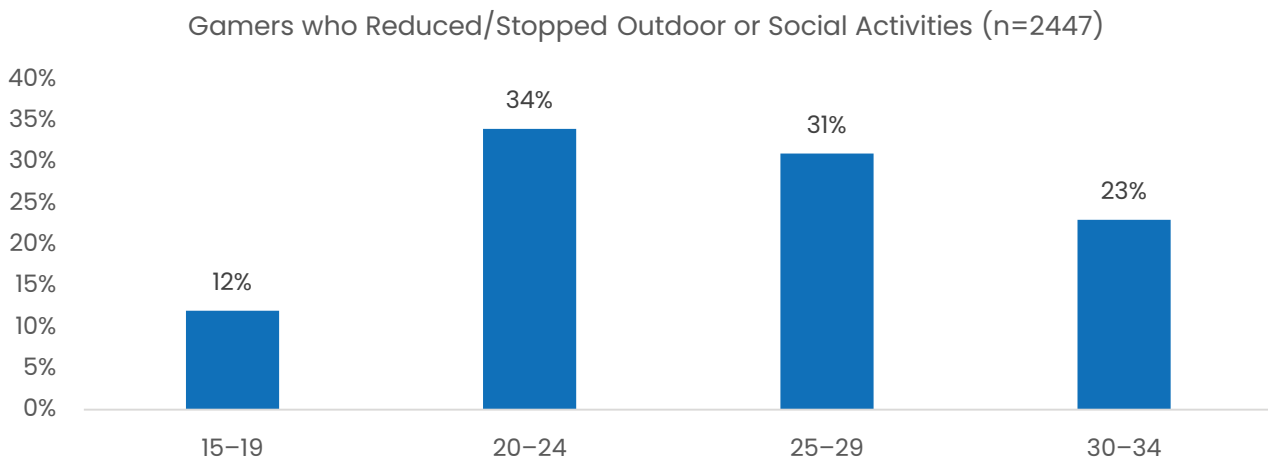


Fig 27: Age-Based Trends in Reducing Outdoor or Social Activities due to RMG platforms

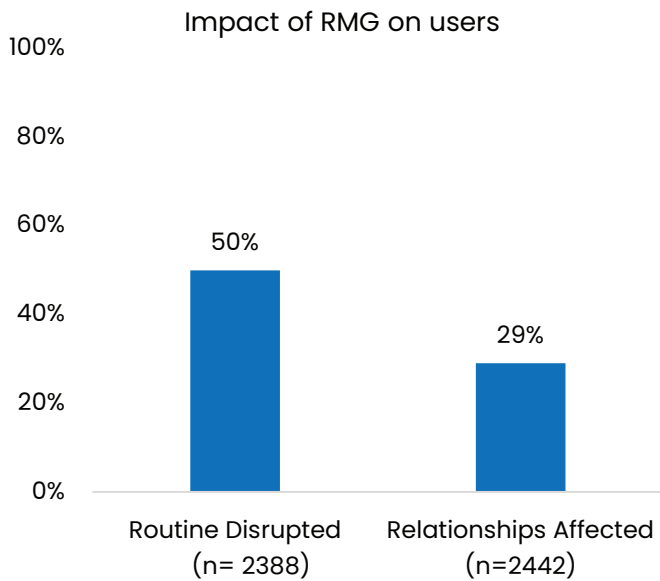
The overall trend might hint at a call for societal norms or policies to promote balanced lifestyles, ensuring gaming enhances rather than disrupts community and individual health. For a significant portion of the youth and young adult population, engagement in online gaming comes at a direct cost to their real-world social and physical activities. This presents a major socio-economic concern, as it points to a pattern of social isolation and reduced physical activity that can have profound implications for long-term health, community engagement, and overall well-being.

2.5.1 Reduction and Disruption at Personal Level

"I Almost Lost My Marriage"

One night at two in the morning, my wife discovered me gambling on my phone. I informed her that it was merely a game. She was correct when she said she didn't believe me. I began by playing fantasy cricket, and before long, I was placing bets on every game. Every victory made me feel better, and every setback made me feel worse. I grew agitated and emotionally detached even skipping my son's school function to watch a game and bet.

She decided she couldn't handle it any longer one evening and packed her things. I was shaken by that. I turned to see what I had become: a husband who prioritized his phone over his family. I deleted every app that evening. I'm working on rehabilitation. I want my family back, even though it's not easy."



RMGs have started to shape daily life and personal wellbeing for many young users. When half of the respondents in the 15–34 age group report that their routines are being disrupted, it suggests a deeper behavioral hold: linked to compulsion, habit-forming design, or the need for constant engagement. This level of interference in daily functioning is a sign that RMG use may be encroaching on time meant for work, study, rest, or social interactions.

Fig 28: Users on RMGs affecting their personal life aspects

Even more concerning is the impact on personal relationships. When nearly a third of users acknowledge that their engagement with these platforms is affecting their relationships, it implies a growing emotional and interpersonal cost. Whether it's time taken away from loved ones, conflict over money, or secrecy about usage, the strain on social bonds is real and growing.

Together, these patterns point to a larger, less visible consequence of RMG proliferation: **a breakdown in life balance**. It's no longer just about what users spend or lose, it's about what they're displacing in the process. This underscores the need to view RMG not just through a financial or regulatory lens, but also through the lens of **public mental health, digital wellbeing, and social cohesion**.

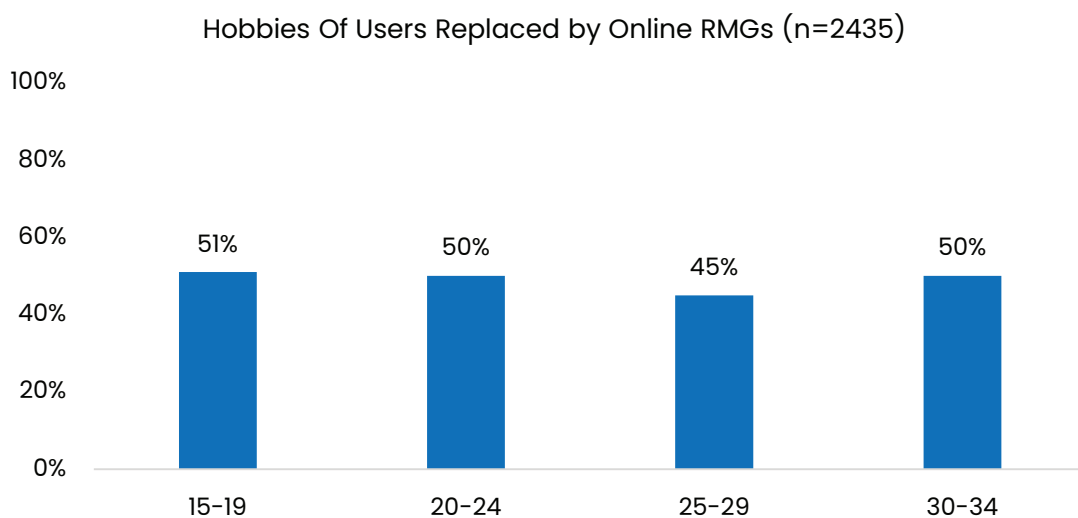


Fig 29: Age-Based Trends on Hobbies replaced by Real Money Games

As online real money gaming (RMG) becomes more embedded in everyday life, it's increasingly crowding out traditional hobbies and creative outlets. The steep drop in hobbies among users in their 20s suggests that this is the stage of life when gaming begins to dominate discretionary time; possibly replacing activities like reading, sports, music, or even socializing.

What's especially worrying is that these aren't just casual swaps. Hobbies often serve as emotional anchors; they build skills, offer stress relief, and contribute to mental wellbeing. When they're displaced by high-stimulation, high-risk digital engagement like RMGs, there's a real risk of **eroding personal balance, long-term interests, and psychological health**. This trend also signals a design issue: many RMG platforms are engineered to maximize user retention and engagement, which can make them time-consuming and habit-forming. The fact that so many young adults are giving up enriching activities in favor of these platforms suggests that RMGs may be **reshaping youth culture in subtle but serious ways**. It raises a critical question for policymakers, educators, and public health stakeholders: if the digital economy is becoming the new playground, who's ensuring it's a healthy one?

2.5.2 Extreme Behaviors to cover losses or debts

Age-Specific Financial Risk and Spending Patterns

A striking number of users, even after experiencing losses, feel compelled to **play again to recover their money**. This "chasing losses" behavior reported by nearly three out of four users is one of the most well-documented early signs of gambling harm. Many users are caught in a cycle where the financial stakes are driving compulsive play.

Financial involvement is acting as a psychological anchor. What's more troubling is the **disconnect between intent and action**.

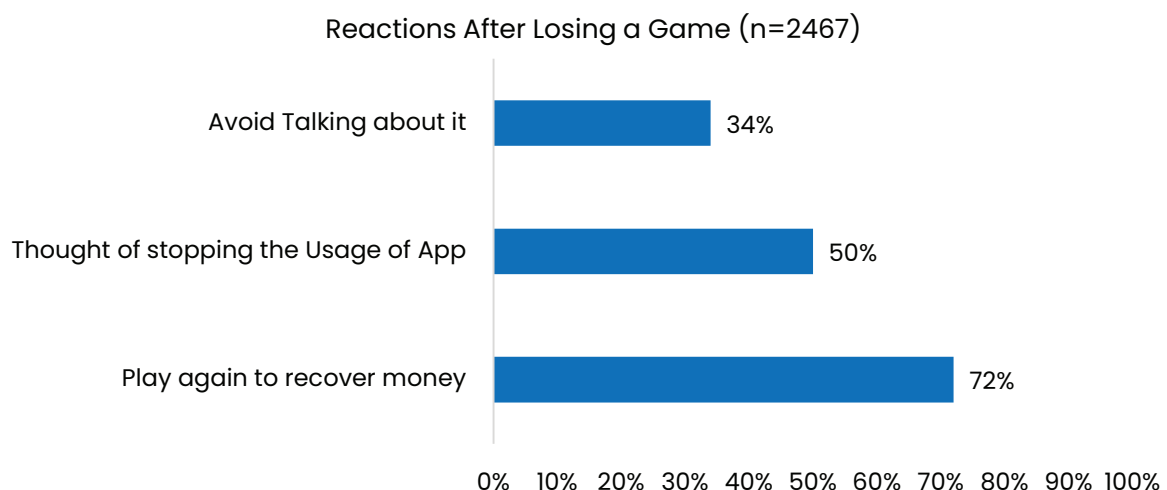


Fig 30: RMG Users Reactions After Losing a Game: Thoughts, Avoidance, and Money Recovery Motives

Half of the respondents say they've considered quitting the app but clearly, many don't. The money already lost becomes a justification to continue, even when users are aware of the harm. The idea of "recovering" what's been lost creates a false sense of control, pushing them deeper into risk. The silent cost manifests as **stigma and emotional isolation**. This avoidance suggests that users may feel shame, regret, or embarrassment; emotions that, when left unaddressed, can worsen stress and increase dependence on the very platforms causing the distress.

These patterns reflect a cycle of **financial loss, emotional suppression, and addictive behavior** particularly dangerous in the absence of regulation or support. For policymakers and mental health professionals, this should be a wake-up call. These platforms aren't just games, they're environments where high-risk behavior is normalized, and where vulnerable users are left without safeguards, guidance, or exit options.

Perception on Put In a Limit After Losing Money in Games (n=2419)

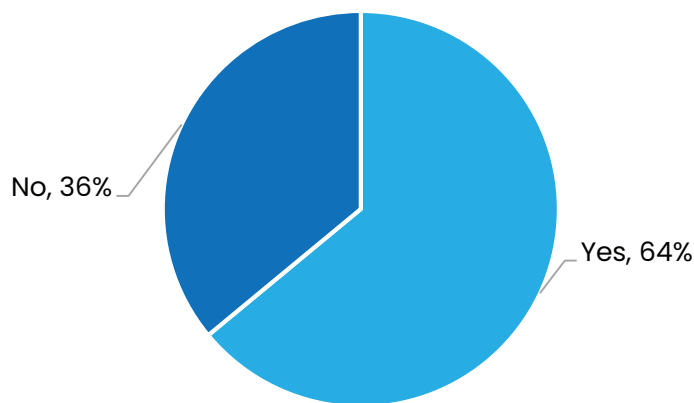


Fig 31: RMG users' opinions on imposing loss limit in games

Users are asking for protection from the very platforms they engage with.

This sentiment reflects more than a desire for financial limits, it signals lived experiences of distress. When people lose control over how much they spend, the consequences aren't abstract. They're personal: savings lost, debts incurred, families affected. And for many, the absence of a cap feels like an open invitation to spiraling losses.

There's also a deeper message here about fairness. Most platforms already limit how much a user can win or withdraw but **rarely place meaningful limits on how much one can lose**. This imbalance makes the ecosystem feel rigged in favor of constant inflows, with minimal accountability for user harm. So when 64% say "yes" to loss limits, they're also saying "enough" to a system that doesn't yet protect them.

This isn't just a data point, it's a call to action. It shows that the public is ready for a shift toward **responsible design, consumer protection, and systemic guardrails** that prioritize user wellbeing over unchecked profits.

2.6 Platform Addictiveness and Personal Addiction

The Final Bet !

Bareilly boy trapped in online game debt vanished after Apology Video!

A young boy from Bareilly got into online gambling through a friend. After initial losses, the same friend gave him ₹50,000 to try again. But he lost it too. When he couldn't repay, threats followed. He continued to play in the hopes of regaining it in spite of everyone's warnings. However, the pressure got to be too great. He expressed his regret to his family in a heartfelt video. afterwards consumed poison. He lost his life on the bet, which happened to be his last bet.

The harm is visible to people, but the ability to act on it is not yet widespread. That's where policy, education, and ethical platform design must intervene. **Awareness is not enough**, especially when people understand the risks, they may not seek help or regulate their own behavior. This is a classic sign of **emerging public health risks**, where acknowledgment does not necessarily lead to action or support-seeking.

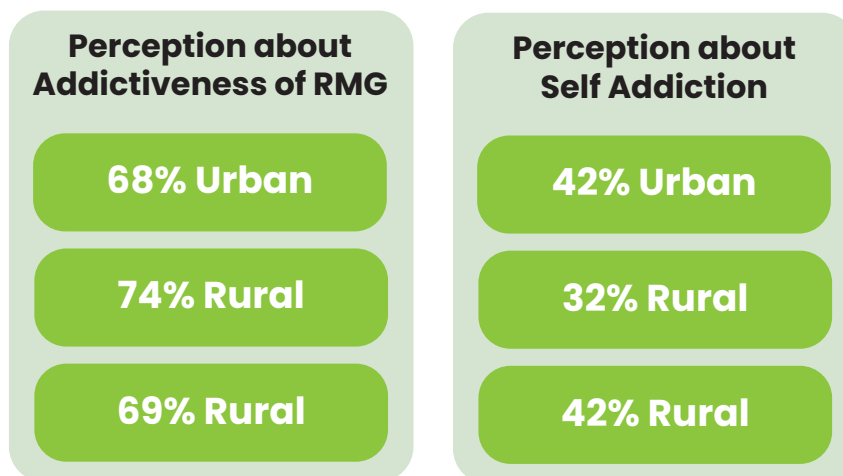


Fig 32: Urban vs. Rural users' Perception of Addictiveness in RMG and Self-Addiction

A clear majority of people view real money games (RMG) as addictive. That's a critical insight. It shows that public perception across both urban and especially rural areas recognizes the psychological risks these platforms pose. In other words, users aren't naïve about what these games can do, they see the potential for problematic use.

The gap between perceived addictiveness and self-reported addiction, especially stark in rural areas suggests cognitive dissonance or underreporting, possibly due to stigma, shame, or simply not recognizing one's own problematic behavior. Urban users, by contrast, seem slightly more self-aware or willing to admit harm.

2.6.1 Mental health challenges

Diagnostic and Statistical Manual of Mental Disorders, DSM-V⁴² saw introduction of a new category of “Substance-Related and Addictive Disorders” for non-substance or “behavioral” addictions, under which only Gambling disorder⁴³ has been placed for now. Earlier, it was categorised under DSM-IV under the name of “Pathological Gambling”. It has been reclassified from impulse control disorders to the substance-related and addictive disorders class. This change reflects the increasing and consistent evidence that some behaviors, such as gambling, activate the brain reward system with effects similar to those of drugs of abuse. Gambling disorder has become a serious issue which is increasing its coverage among the Indian youth. With the ease of buying smartphones and internet access, Gaming Disorder has also started making its presence known among the Indian population, effects of which are both acute and chronic. “Gaming disorder is defined in the 11th Revision of the International Classification of Diseases (ICD-11) as a pattern of gaming behavior (“digital-gaming” or “video-gaming”) characterized by impaired control over gaming, increasing priority given to gaming over other activities to the extent that gaming takes precedence over other interests and daily activities, and continuation or escalation of gaming despite the occurrence of negative consequences⁴⁴.”

“Paise toh gaye hi, par zindagi bhi dheere dheere haathon se nikalne lagi”

The Real Price of Online Gaming.

While conducting the survey in Pune, I came across many schoolchildren. Most of them were very hesitant to talk openly about their gaming habits. It was clear they were scared, mostly because they didn’t want their parents to find out. But after spending some time building trust, one girl finally opened up. What she shared stayed with me long after the conversation ended. She told me about her elder brother. Once a regular college-going boy, who got involved in a real money gaming app called the Diamond App. It wasn’t just any game; it worked through bookies. A middleman would activate the link, and then users could play by converting points into cash. Like her brother, most of the people using the app were either students looking to earn some quick money or daily wage workers from the informal sector.

What began as a few games slowly became a dangerous routine. Her brother initially lost ₹1 lakh, but he didn’t stop. “Socha tha agle game mein sab vasool ho jayega,” she said. But instead of recovering, he kept losing. Eventually, he lost a total of ₹30 lakhs. But the damage didn’t stop at the money. The constant stress, fear, and guilt pushed him toward drugs. Gambling was the gateway and drugs became his escape. “Paise toh gaye hi, par zindagi bhi dheere dheere haathon se nikalne lagi,” she said softly. Her brother became addicted, mentally exhausted, and emotionally broken. Now, he’s in a rehabilitation center, trying to fight both his addictions, gambling and substance abuse. There was pain in her voice when she spoke, but also a quiet strength. She told me, “If sharing his story can stop even one person from falling into the same trap, it’s worth it.”

⁴²<https://www.ncbi.nlm.nih.gov/books/NBK519704/table/ch3.t39/>

⁴³<https://pmc.ncbi.nlm.nih.gov/articles/PMC4458066/>

⁴⁴<https://www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder#:~:text=Gaming>

The array of negative mental health outcomes provides a stark consequence that resonates with the initial public perception of these games as gambling and the reasons some choose to avoid personal engagement, underscoring the serious socio-emotional risks despite individual players' perceptions or choices.

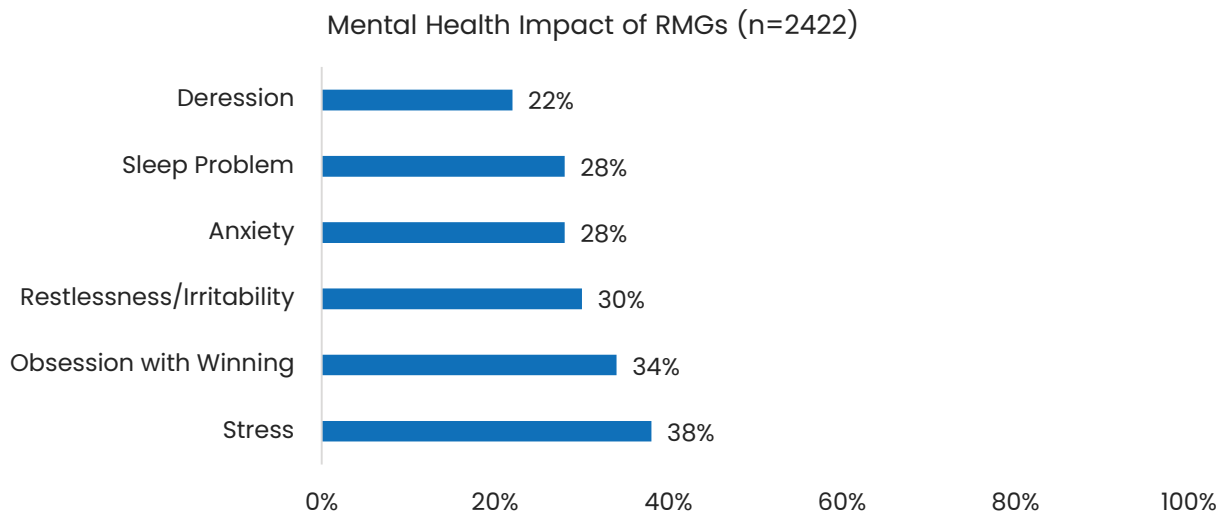


Fig 33: Symptoms of worsening mental health reported by RMG users

Usually the conversation about RMG platforms often revolves around addiction and financial harm. But what's becoming harder to ignore is the psychological wear and tear, especially among young people. It's not just a fringe issue anymore. We're looking at a situation where emotional dysregulation in the form of stress, restlessness, even sleep and depression is becoming a routine consequence of these platforms.

There's something deeper happening here. These aren't just isolated experiences; they hint at a behavioral pattern where the constant cycle of playing, hoping to win, and facing loss is taking a toll. It starts subtly; maybe disrupted sleep, minor irritability but it stacks up fast. And when obsession creeps in, it doesn't just affect the player. It seeps into relationships, work performance, and even decision-making outside the game.

What's worrying is that many of these platforms are designed to keep users engaged for long stretches, amplifying these effects. We're seeing signs that gaming isn't just entertainment for many young users, it's a high-stakes emotional rollercoaster. And in the absence of regulatory safeguards, the burden of coping falls entirely on the individual.

2.6.2 Support and Mental Health

Psychological Vulnerability and Addiction Risk

For some, gaming might start as a hobby or coping mechanism, but when it leads to such severe financial distress, it transforms into a significant problem that negatively impacts their real-world well-being. The data paints a sobering picture of financial distress among a segment of gamers, where the pursuit of their passion might, in some cases, be leading to extreme measures to manage mounting debt.

The very fact that gamers are resorting to selling personal belongings, not just taking on more loans, indicates that the debt levels they're facing are quite severe. This isn't just about a missed payment; it's about deeply entrenched financial hardship.

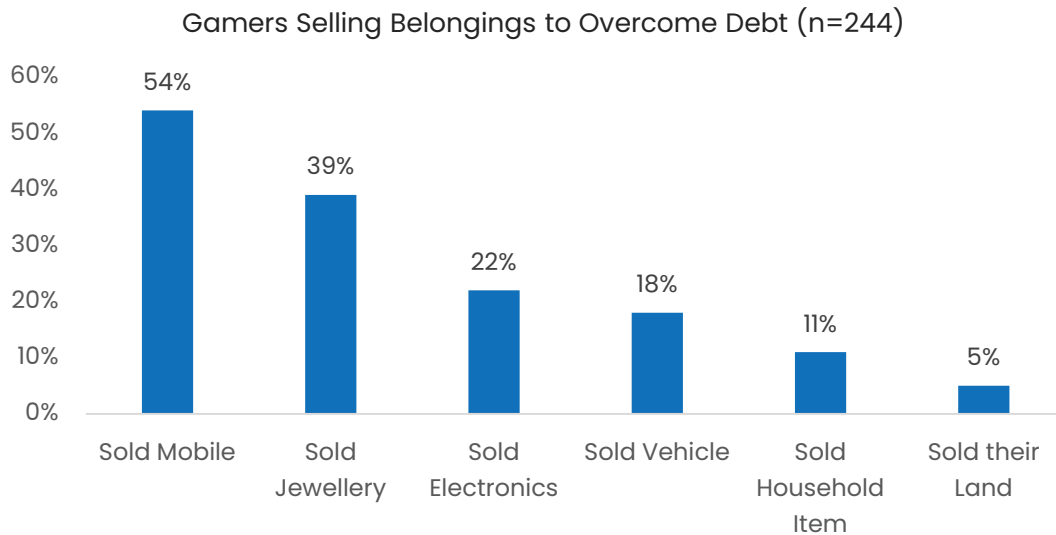


Fig 34: Distribution of Sold Items by RMG Users Trying to Overcome Debt

The order of items sold follows a logic of value vs. necessity which also points to a potential link to Gaming Addiction/Overspending. Selling a phone, a car, or even household items can severely impact an individual's daily life, communication, mobility, and living conditions. This isn't just about financial loss; it's about a diminished quality of life.

This highlights a potential need for better financial literacy within the gaming community, and accessible support systems for those struggling with gaming-related debt. It's a call to action for awareness about responsible gaming and spending habits.

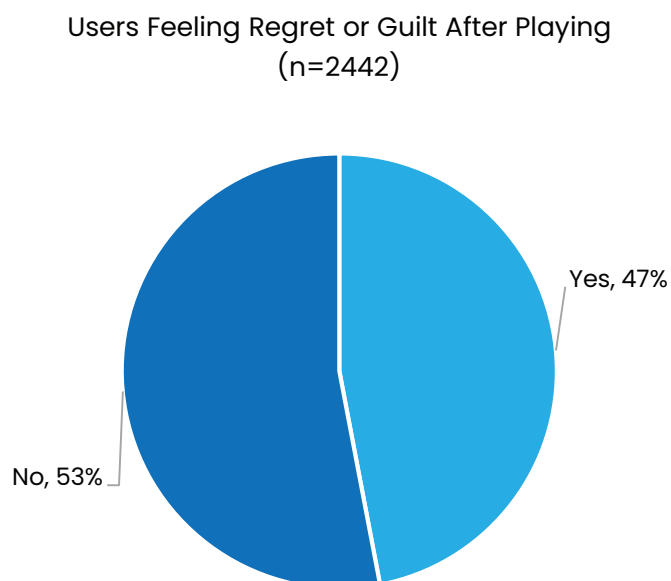


Fig 35: Share of RMG Users Experiencing Regret or Guilt After Playing

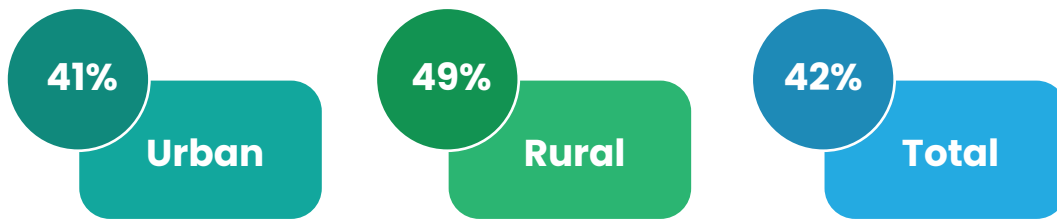


Fig 36: Share of RMG users actively trying to stop using the platform

It's pretty clear that almost half of the younger crowd can't shake off that feeling of regret or guilt after they've played these real money games. It tells us that there's a strong emotional side to their engagement, it's not just about the thrill or the money, but also about how they feel afterward. That kind of emotional weight could really influence whether they come back or step away next time.

And then when you look at how many are actually trying to cut back on their usage, it's interesting that those in rural areas seem a little more likely to make an effort to reduce their play compared to urban users. This points to the importance of resources and differences in access, lifestyle, or social pressures between these environments. Putting it together, it feels like there's a real opportunity here: whether it's through better support, education, or resources; to help these users manage their play more thoughtfully and comfortably. Understanding the emotional toll and the context of their environment is key to making that happen.

What keeps people from quitting real money games varies a bit depending on where they live. In urban areas, not knowing enough about the risks or ways to quit implies there's more information overload or less targeted awareness in cities. Meanwhile, rural users might just not be reached by awareness campaigns as effectively, or they might underestimate the risks altogether.

Factors Preventing Users from Quitting RMGs		
	Urban	Rural
Lack of Awareness	40%	31%
The Excitement	34%	31%
Money Involved	47%	55%

Table 7: Reasons Users Struggle to Quit RMGs: Urban-Rural Insights

The thrill or excitement that comes from playing seems to have a similar pull across both urban and rural settings. This suggests that the games are designed in ways that appeal universally, tapping into that rush everyone likes to chase, regardless of where they're from.

Money appears to be the biggest anchor, especially in rural areas. It looks like the financial incentives or the hope of a big win can be even more persuasive there than in cities. Maybe economic factors or fewer entertainment alternatives in rural regions make the financial component stand out more strongly.

The takeaway? If you want to help people step away from these games, you'd need strategies tailored to their environment. Raising awareness should look different in cities and villages, and one cannot ignore how excitement and financial stakes keep people hooked. Tapping into these nuances could make support efforts much more effective.

RMGs Reported Impact on Work and Studies

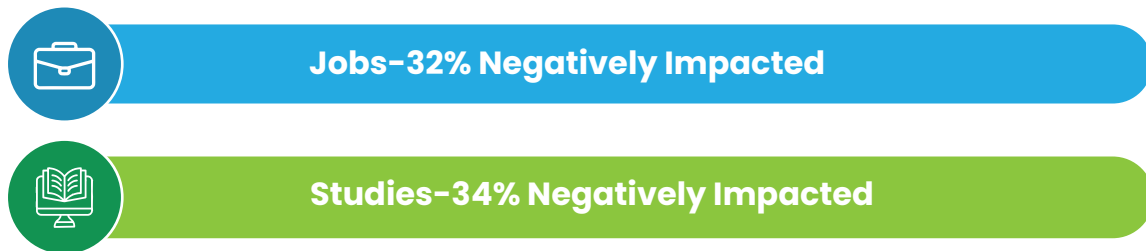


Fig 37: RMG users reporting impact on work and studies

Diversion of focus, time and mental energy, these figures aren't just statistics; they represent lost potential and compromised futures. RMGs, for these individuals, aren't just entertainment; they're becoming a liability that directly impacts their ability to build and sustain a successful professional and academic life.

For nearly a third of players, their jobs are suffering. This isn't just about losing a few rupees here and there; it's about potentially compromising their income, their professional reputation, and their career progression. That's a significant erosion of economic stability, all stemming from their gaming habits.

This isn't about a bad day at work; it suggests consequences ranging from reduced productivity to potentially more serious issues like warnings, missed opportunities, or even job loss. It really hits home that gaming habits can directly threaten one's livelihood. For students, this impact is particularly worrying as it can have long-term consequences on their future career prospects and overall development. This could mean falling grades, missed assignments, decreased focus in class, or even dropping out.

2.7 Demand for digital and financial literacy programs

2.7.1 Tailored Intervention Needs for Different Age Segments

When we look at how people feel about getting support for responsible habits and their overall mental well-being, a very significant portion, regardless of whether they live in a bustling city or a quieter rural setting, are clearly raising their hands for help. There's a strong, widespread sentiment that guidance in these areas would be truly beneficial. It really highlights a broad, acknowledged need for resources and understanding when it comes to navigating responsible choices and maintaining mental health, underscoring that these aren't niche concerns but deeply felt needs across the board.

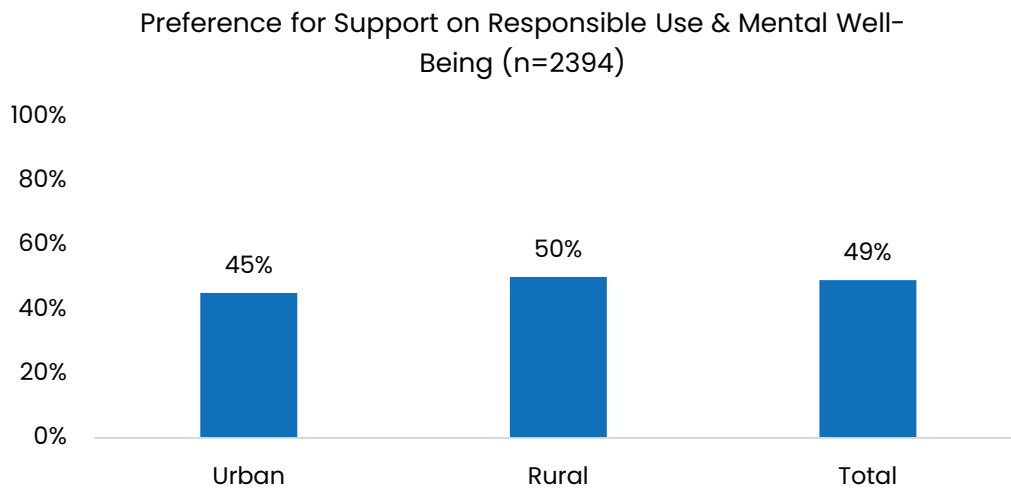


Fig 38: Preference for Support on Responsible Use and Mental Well being among RMG users

This is quite striking in rural areas, suggesting that despite potentially fewer resources or different societal norms, half of the rural population is recognizing a need for support in these critical areas.

A substantial majority of respondents show interest in financial and digital literacy initiatives. It's quite evident there's a substantial appetite among people for learning more about how to manage their money and navigate the digital world effectively. This isn't just a faint whisper; it's a clear and expressed demand, particularly noticeable whether you're in the city or the countryside.

There is a clear and expressed demand from a significant portion of the population for both direct support in managing their gaming habits and for foundational education in financial and digital literacy. This suggests that passive warnings alone are insufficient. What is needed is a multi-pronged approach that provides accessible support mechanisms for those struggling with responsible usage and mental health, while simultaneously implementing robust financial and digital literacy programs. It underscores the urgent need for comprehensive programs that don't just warn, but genuinely equip individuals with the foundational skills they need for a more secure and responsible engagement with both their money and technology.

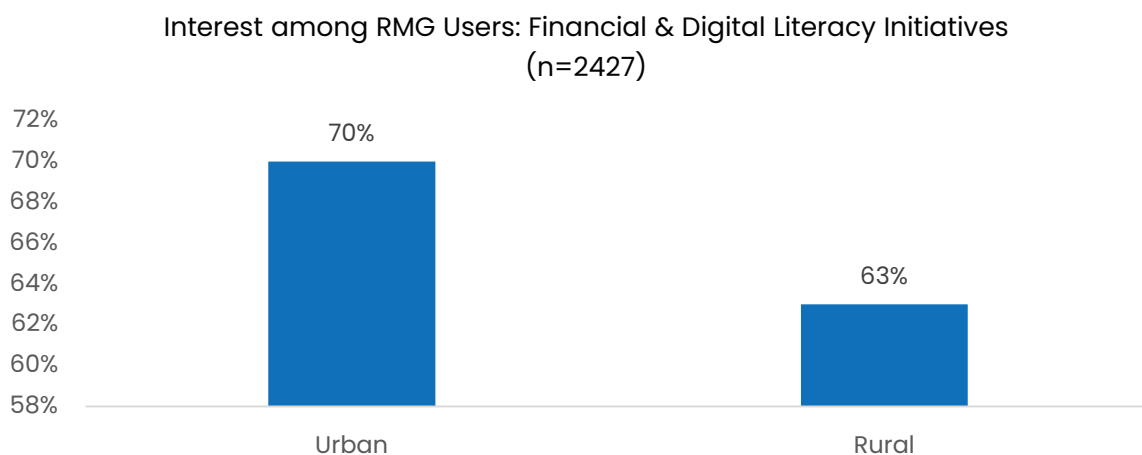


Fig 39: Preference for Support on Financial & Digital Literacy among RMG users

2.7.2 Need for upskilling training and responsible gaming support

We observe a remarkably high and consistent desire among individuals to engage in skill development and career training. The data clearly indicates a widespread and substantial interest in initiatives focused on skill development and career training. This desire to enhance professional capabilities and adapt to evolving job markets is evident across various demographics.

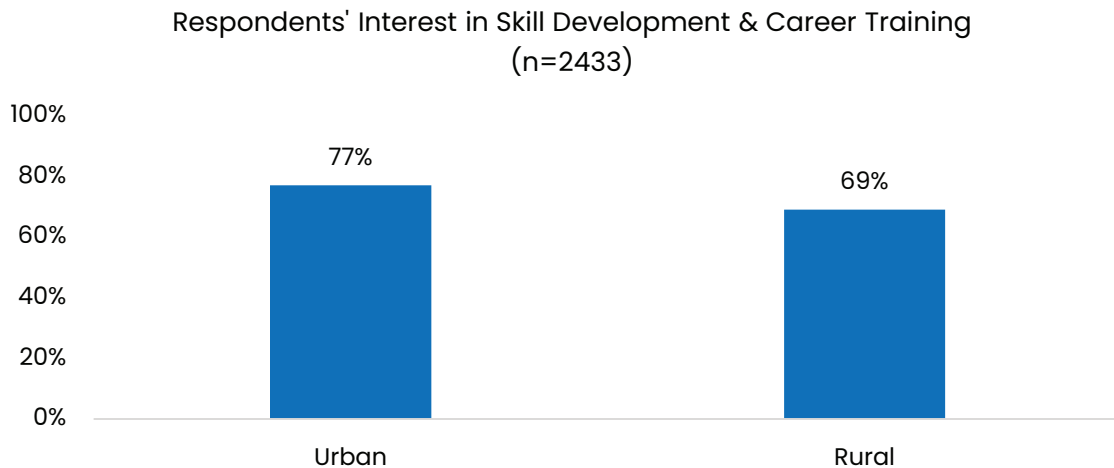


Fig 40: Preference for Support on Skill Development & Career Training among RMG users

There is a significant, unmet demand for accessible and relevant training programs. This widespread interest suggests that individuals are actively seeking pathways to enhance their employability, improve their income potential, and adapt to evolving economic landscapes. It implies that investments in such initiatives would likely be met with high uptake and could lead to tangible improvements in workforce capabilities and individual economic well-being.

While foundational educational programs might be seen as less critical or perhaps already somewhat accessible, there's a pronounced, unaddressed need for targeted support in responsible gaming and financial literacy, especially in rural communities. The strong demand for such programs indicates a fertile ground for interventions that can equip people with tangible skills, potentially offering attractive alternatives or complements to engaging in activities like real money games by providing more sustainable pathways to personal and financial betterment.

This suggests that the negative impacts of gaming and financial mismanagement might be more acutely felt or recognized in rural settings, leading to a stronger desire for direct intervention in these specific areas. For urban areas, while the need exists, it might be less urgent or perhaps offset by alternative coping mechanisms or existing informal support.

The collective inference highlights a universal demand for support that directly addresses the core challenges associated with real money games: financial management and responsible play. The higher emphasis on financial awareness in rural areas suggests a greater vulnerability or a more immediate impact of monetary losses.

Aspects of Support Desired By RMG Users

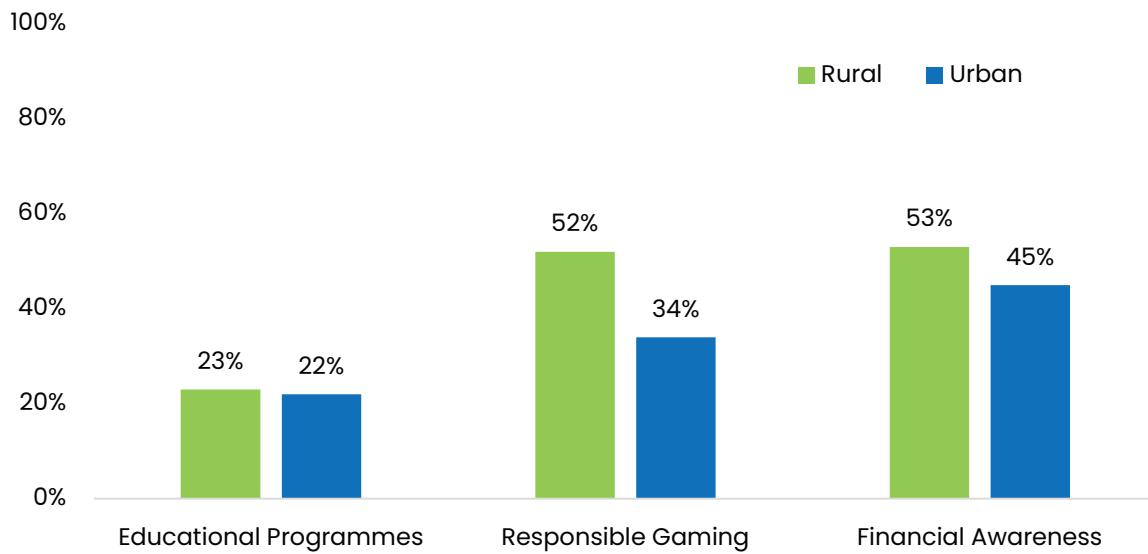


Fig 4i: Different Aspects of Support reported among RMG users



3. Real-Money Gaming Among the 12-14 Age Group

The documented participation of children aged 12–14 in high-stakes real money gaming (RMG) formats, such as fantasy sports, online rummy, crash games, and dedicated betting platforms signals an urgent public policy and child protection crisis. Early involvement in such activities exposes minors to severe socio-economic risks: substantial financial losses at a formative age, accelerated development of problematic gambling behaviors, and heightened vulnerability to unregulated or predatory online environments. These risks necessitate immediate measures, including stringent age verification systems, enhanced parental control tools, and comprehensive regulatory oversight to shield vulnerable children from lasting harm.

The core appeal of RMG lies in the promise of instant financial gain, yet this attraction can rapidly spiral into addiction and emotional distress. Compulsive betting behaviors erode personal savings, generate unsustainable debt, and precipitate serious mental health consequences, including anxiety, depression, and social withdrawal. Weak regulatory safeguards compounded by legal ambiguities enable platforms to employ aggressive marketing and frictionless access, disproportionately harming younger users and individuals with limited financial literacy. Left unchecked, these dynamics can destabilize households, undermine economic security, and push individuals toward financial collapse.

3.1 Participation Rate in Games

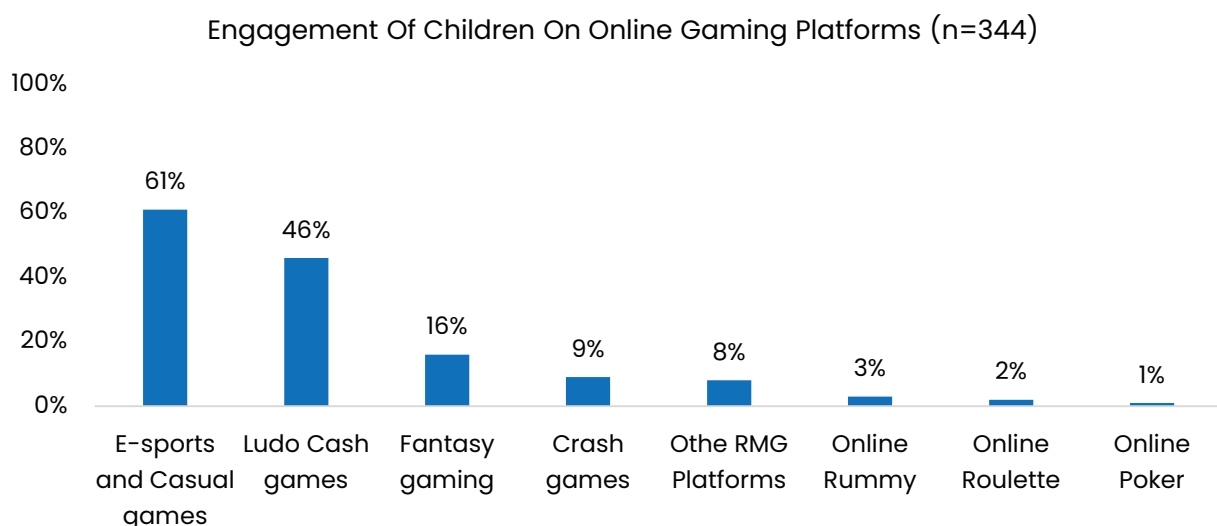


Fig 42: Reported Participation of Children (12-14) on different Online gaming platforms

We observe that children in the 12-14 age group are overwhelmingly engaged with E-sports and Casual games, which dominate their online platform usage. However, a concerning portion of these children are also participating in games that involve transaction of money. The core implication here is a serious vulnerability within the online gaming ecosystem that allows underage individuals to access platforms designed for adults, particularly those involving real money or gambling mechanics.

This engagement points to potential exposure to significant financial risks, the development of problematic gaming habits at a very young age, and psychological distress associated with wins and losses. It also implies a potential failure of age verification systems (Know Your Customer/KYC) or insufficient parental oversight, allowing children to bypass safeguards or use adult accounts and devices. This engagement with gambling-like content could normalize such activities, potentially leading to future gambling issues.

3.2 Motivation and Payments for Gaming

The discrepancy between the money won and money lost highlights a critical issue. On an average, a child is **losing 2 times** the average money deposited to play the game. The average amount lost surpasses both the money spent and the money won. This clearly indicates a net financial loss for this age group from their gaming activities.

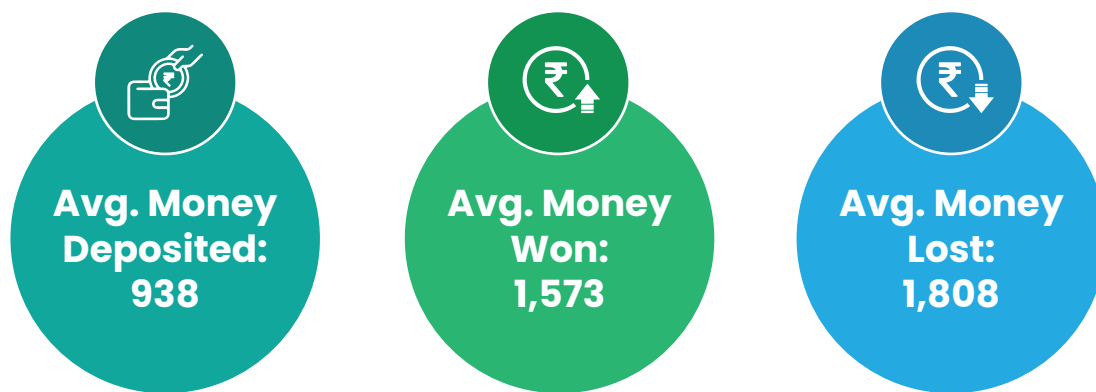


Fig 43: Cash Flow Dynamics of Users (12-14) of RMG platforms

This trend is highly concerning as it suggests that despite the high stakes and potential for winnings, these games result in a significant financial drain for young users.

Many RMGs use psychological triggers like "near misses" and variable reward schedules to encourage continued play. Young users, being more susceptible to these manipulative techniques, may keep depositing money in the hope of a big win, leading to mounting losses.

The fact that an average 12-14 year old is losing money to these games points to a high-risk environment and raises serious questions about the predatory nature of these platforms and the financial vulnerability of this demographic. The data underscores the urgent need to address the socio-economic impact of online gaming, particularly the potential for developing gambling-like behaviors and incurring substantial financial losses at a very young age.

3.2.1 Motivations for engaging with gaming platforms

The reasons why 12-14 year-olds engage with these games reveal a blend of social influence, recreational pursuit, and emotional drivers. Concerningly, a smaller but present portion of users report playing to avoid boredom or stress if they don't play, while trying it once or seeing an ad are minor factors. The primary implication is that for this young age group, engagement with

RMGs often begins under the guise of innocent entertainment and social connection. It suggests that children are likely introduced to these games through their peer groups, perceiving them as just another form of digital leisure. The inherent thrill and potential for reward (even if leading to net losses as seen previously) quickly become significant hooks.

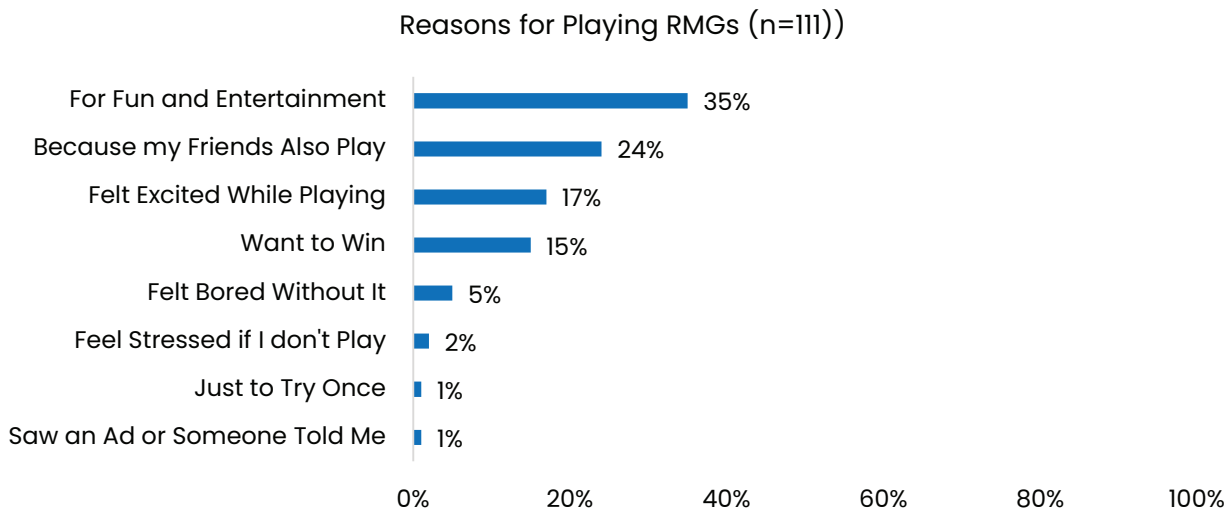


Fig 44: Reasons cited by Children to engage with RMG platforms

The existence of reasons like "Felt Bored Without It" and "Feel Stressed if I don't Play" for a small but present segment is particularly concerning, as it hints at the very early stages of dependency or problematic gaming behavior. This implies that the initial "fun" can rapidly evolve into more compulsive patterns. Engagement with these platforms often becomes a coping mechanism or a perceived necessity, even at a young age, which is detrimental in the long run in regards to all aspects of life.

If a child's social life becomes predominantly confined to gaming platforms and the peers within those digital spaces, it could inadvertently limit their exposure to diverse offline social environments and skill-building activities. As they grow older, an over-reliance on online platforms for social validation, coupled with peer pressure to engage in real money games, could pave the way for increased vulnerability to complications such as problematic gaming, financial risks, or a diminished capacity for broader social engagement.

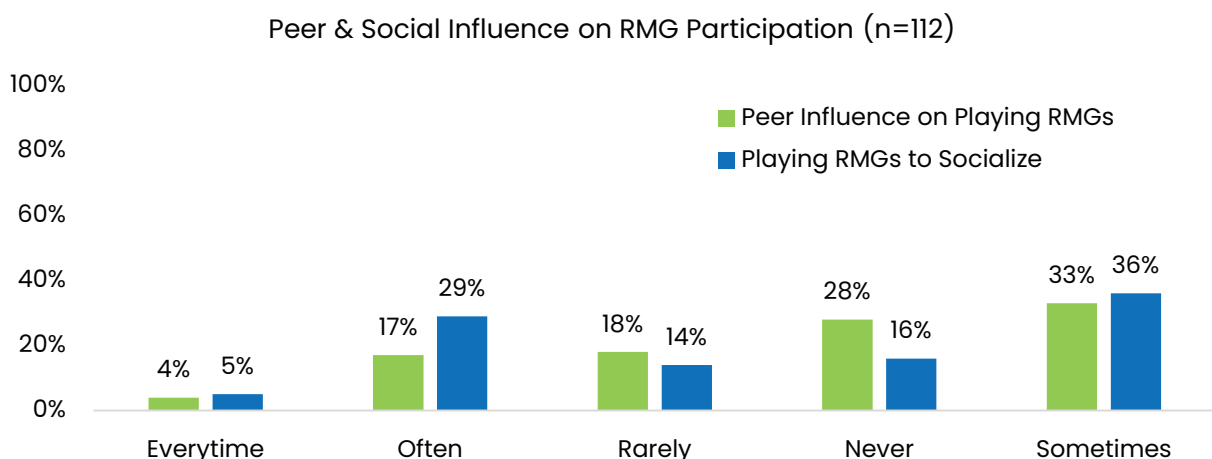


Fig 45: Reported Peer & Social Influence on Children to play RMGs

Across the charts, we consistently observe that peer and social factors play a significant, albeit nuanced, role in children's engagement with RMGs. This indicates that the games themselves are serving as platforms for social interaction and connection, rather than just being something friends influence them to play directly. The "never" and "rarely" categories are still present, showing it's not universal, but the prominence of "sometimes" and "often" for socialization is key.

Children's connection with games, RMG in this case is deeply enmeshed with their social lives and desire for connection, not just individual entertainment. It suggests that these games aren't simply solitary activities; they are social arenas where friendships are maintained, new connections are forged, or shared experiences are created. Addressing RMG engagement in this age group isn't just about the game mechanics or financial risks; it's also about understanding and acknowledging the strong social glue that binds these young players to the platforms. Intervening effectively would therefore need to consider the social context, as simply removing the game might isolate them from their peer group, making it a more complex challenge.

"Bhai, sab kar rahe hain. Bas thoda smart play chahiye"

It all started when someone from my town added me to a Telegram group. "Earn fast through BDG gaming," it said. I saw people posting screenshots of their earnings ₹2000, ₹3000 in a day. I asked around and a known person said, "Bhai, sab kar rahe hain. Bas thoda smart play chahiye." So, I trusted the process. I invested ₹2000. I won once. Then invested ₹5000, and then ₹4000 more. I was chasing my money back. ₹11,000 gone.

One morning, I opened the app and my account said: Deactivated due to policy violation. I panicked. I messaged the Telegram group. No reply. I called the person who got me in. Switched off. That silence was louder than any loss. I sat there staring at my screen, realizing it wasn't a game. It was a trap. I had been played.

Now, I warn everyone I can. Because that one decision cost me not just my money but my peace of mind.

3.2.2 Payment behaviors and platform interactions

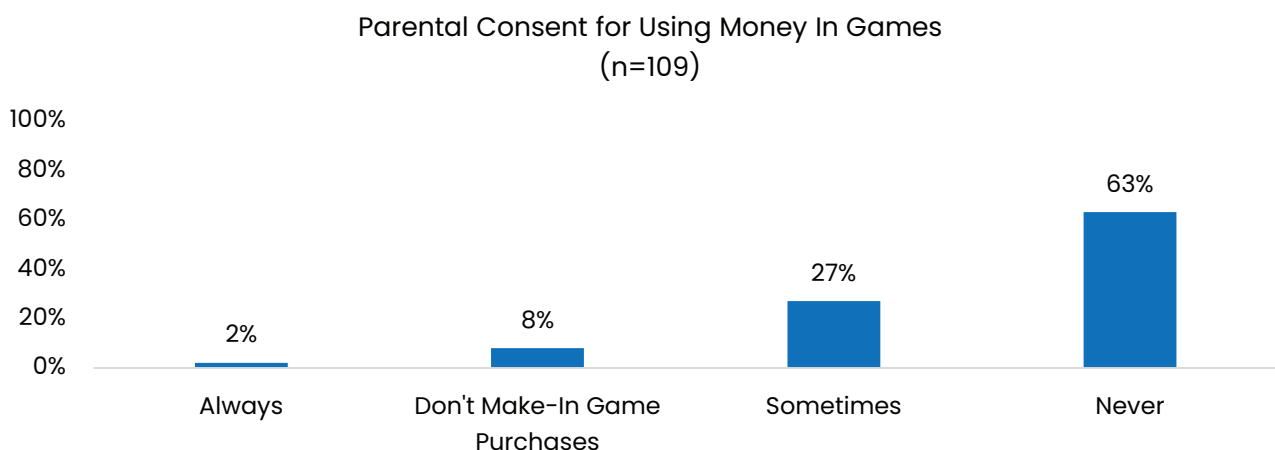


Fig 46: Children on if they receive parental consent to spend money in RMGs

This lack of parental involvement presents significant concerns for **consumer protection, financial literacy, and child safety**. Unmonitored access to in-game spending mechanisms increases the risk of impulsive or excessive expenditure, exposure to exploitative monetization practices, and early normalization of financial risk-taking behaviors.

This points to unauthorized transactions, children exploiting parental trust or digital access, and parents potentially being unaware of either the spending or the means by which it's occurring. This creates immense financial vulnerability for families and underscores how easily children can navigate payment gateways designed for adults, potentially leading to unforeseen debt and conflict. The reliance on friends as a payment conduit also suggests a peer-driven subculture of facilitating these payments, further complicating detection and intervention.

The implications extend beyond individual financial harm: such patterns may contribute to the development of problematic gaming habits and reduced awareness of the value of money among minors. In the absence of stringent **parental control features**, transparent spending notifications, and effective **age-gating mechanisms**, minors remain vulnerable to manipulative design practices, including loot boxes, pay-to-win structures, and other gambling-adjacent features.

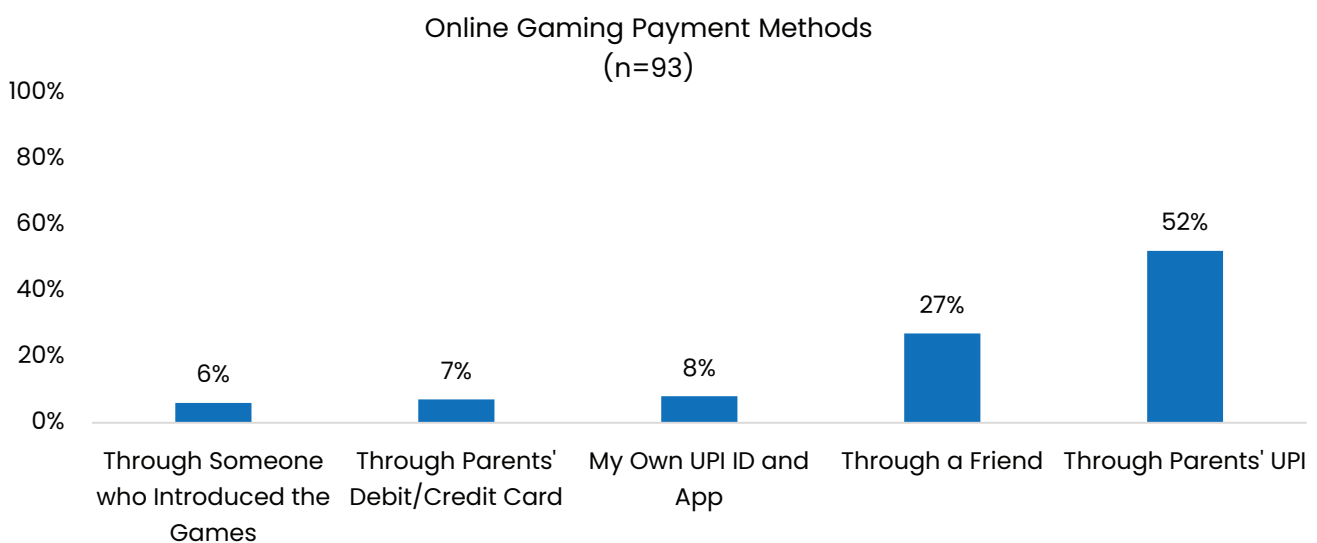


Fig 47: Online Payment Sources used by Children for RMGs

The most critical implication is a profound and widespread lack of parental oversight and awareness regarding their children's financial transactions within online gaming. Despite parents largely not consenting to in-game spending, a substantial amount of money is clearly flowing into these games, primarily via parental accounts (UPI) and, worryingly, through peers. The findings highlight an urgent need for industry standards and regulatory safeguards to ensure parental consent is not merely a nominal requirement but an enforceable, trackable component of all in-game transactions involving minors.

A Parent's Shocking Story: My Child's Gaming Habit Made Us Lose ₹19 Lakh! "HAMARA BACHHA PICHE NA REH JAE"

"I still can't believe what happened. My son, like many kids, got hooked on mobile games during the lockdown. At first, it seemed harmless, just a way to keep him busy. But slowly, it became an addiction. He would play for hours, ignoring everything else." "Then came the worst shock of our lives. One day, I checked my bank account and saw that nearly ₹19 lakh was gone! My son had accidentally shared our bank details while trying to buy 'game coins' or special rewards. He didn't even realize he was being tricked by fraudsters. They took advantage of his innocence and stole our hard-earned money."

"We felt so helpless. We complained to the bank and police, but getting the money back seemed impossible. I kept thinking, how did I miss the warning signs? Why didn't I stop him sooner?"

"Now, I want to warn every parent, please keep an eye on your kids' phone usage. Teach them about online scams, set screen time limits, and never share bank details with them. A small mistake can cost you everything. Don't let what happened to us happen to you."

A list of reasons are interwoven which enables this ecosystem:

- **Ease of Access to Parental UPI** UPI's convenience can lead children to initiate transactions without parental awareness, and parents might inadvertently approve purchases without fully understanding their context.
- **Lack of Digital Financial Literacy (Parents & Children)** Both parents and children may lack awareness of how easily in-game purchases happen and the financial implications, leading to impulsive or unknowing spending.
- **Trust and Exploitation** Children may exploit parental trust or the physical accessibility of devices and payment apps, and sometimes enlist friends to make payments on their behalf.
- **Platform Design and Intentional Obscurity** Game developers may design platforms to encourage easy in-game purchases with minimal barriers, often using appealing language that blurs consent.
- **Social Pressure** Peer influence, such as the need to keep up with friends or borrowing money, often facilitates children's unauthorized purchases through social dynamics like "Through a Friend" payments.

3.3 Exposure to offshore accounts and scam vulnerabilities

What we're seeing is that a huge number of kids are getting their games from places like APK files found on the internet, or through stuff shared on YouTube, Telegram, or WhatsApp. A good chunk are also getting them from "unknown sources," which just sounds a bit shady, doesn't it? It's not always about directly shared links or using VPNs; it's often these other, less official ways. Now, what does this mean for them? Well, if you're getting games from all these unofficial places, it's a bit like picking up candy from a stranger: you don't really know what you're getting.

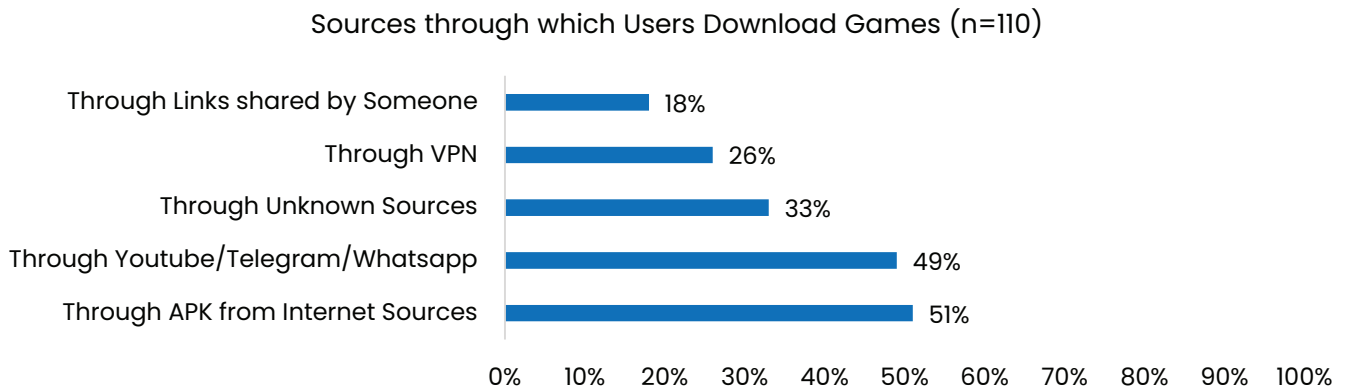


Fig 48: Sources used by Children to download RMGs

There's a real risk of downloading something that could mess up their phone or computer, like a virus, or something that tries to steal their personal information or even get into their parents' accounts. It also means they might be playing games that aren't actually meant for their age, or games that are designed to trick them into spending real money without realizing the consequences. It just opens up a lot of doors to trouble, online safety issues, and even scams they might not be equipped to handle.

To them, it's just a game, and they're just trying to play what's popular or what their friends are playing, without realizing the digital dangers lurking behind those unofficial downloads. There's a consistent net financial outflow from these children. Secondly, and just as alarmingly, a noticeable portion of these same 12-14-year-olds are receiving unsolicited calls and texts related to loans, scams, and "investment opportunities" after playing online games.

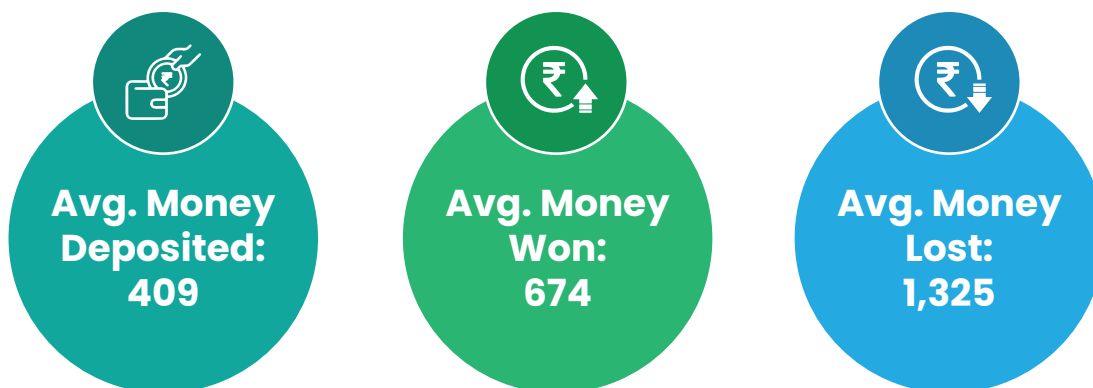


Fig 49: Cash flow dynamics when downloaded through unknown sources (12-14)

Following the previous pattern, the money lost is significantly higher (**4x**) than money won, implying a portion which a user or nation never gets back, not forgetting the GST and Tax losses from the transaction.

3.3.1 Scams

The consistent net loss implies that children, who generally lack robust financial literacy and impulse control, are susceptible to the inherent design of RMGs, which statistically favor the house. The primary concern here is a dual threat of direct financial loss and heightened vulnerability to external exploitation for these young individuals.

This isn't just pocket money; it can lead to real financial strain, possibly on family resources. The subsequent exposure to scam calls and texts suggests that their personal information (like phone numbers) is being compromised, either directly through the unregulated platforms they're playing on or via the insecure channels through which they download games. This means they are being identified and targeted by malicious actors, preying on their inexperience and potentially their prior gaming losses. It's a pipeline from innocent play to financial distress and potential fraud.

Receiving Calls and Texts for Loans, Scams, and Investment
After Playing Online Games
(n=74)

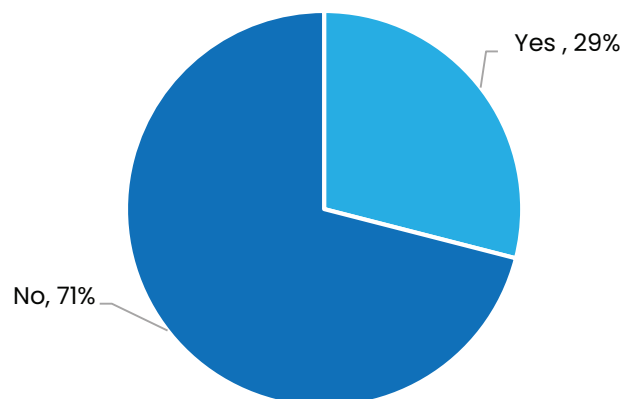


Fig 50: Exposure of children towards suspicious communications After playing RMGs

Exposure of Minors to Financial Solicitations After Gaming

The trend presents a deeply concerning insight into the digital aftermath of online gaming for minors. It reveals that a significant 29% of children aged 12-14 have started receiving unsolicited texts and calls related to loans, scams, or investments after engaging in online games. There are many reasons alluding to this:

- **Exploitative Design:** RMGs are built for profit, and their psychological tricks, like "near misses," easily hook developing young brains, leading them to chase losses they can't afford.
- **Risky Downloads:** Getting games from unofficial online sources, rather than app stores, leaves kids wide open to malware that can steal their personal data, like phone numbers, which then get sold to scammers.
- **Literacy Gap:** Kids aged 12-14 just don't have the digital smarts or money sense to spot online scams or protect their private info, making them easy targets for fraud.
- **Targeted Scams:** Scammers specifically go after these young gamers, seeing them as vulnerable from their losses or eager for quick wins, turning their gaming habits into a direct path to exploitation.

Instant Loan Apps: Exploiting the Vulnerable⁴⁵

This involves unregulated mobile apps offering **“instant loans”** to desperate borrowers, often targeting low-income and financially unsophisticated individuals. Operated by shell fintech companies, frequently backed by Chinese FDI, these apps charge exorbitant interest rates (often over 300% annually) for short-term loans of 7–15 days.

These apps bypass RBI regulation by partnering with NBFCs under the guise of being tech service providers. While loans are routed through NBFCs, the fintech firms control the operation and finance, using NBFCs merely as regulatory cover.

Tactics include harvesting user data (contacts, photos, messages) through excessive app permissions. In cases of default, recovery agents use this personal information to harass and blackmail borrowers. Apps are often promoted aggressively on social media and distributed outside official app stores to avoid scrutiny.

Such exposure to financial solicitations at such a vulnerable age poses immense socio-economic risks. It can lead to early financial misinformation, potential involvement in fraudulent activities, and expose them to debt traps or misguided financial decisions before they have developed financial literacy or independence. This data highlights a serious breach of privacy and a direct pathway for exploitation within the online gaming ecosystem, demanding urgent attention to data security and child protection measures.

3.4 Awareness of Online Gaming, Gambling, or Laws

Analysis of children's ability to differentiate between legal and illegal online gaming applications reveals a deeply concerning deficit in judgment. This widespread inability to identify legitimate platforms represents a profound vulnerability within the youth demographic.

Children's Ability to Distinguish Between Legal and Illegal Online Gaming Apps (n=335)

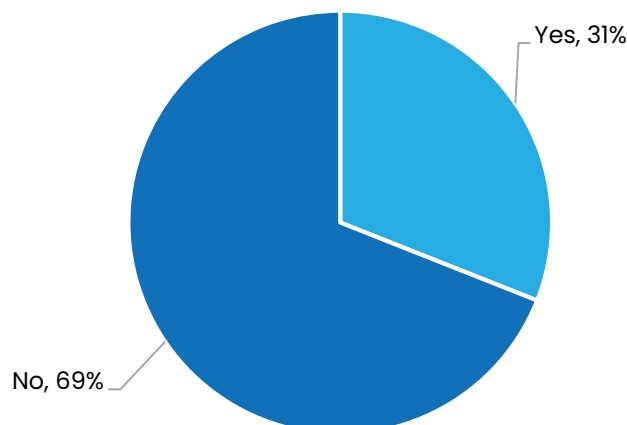


Fig 51: RMG users' (12–14) Inability to identify Illegal Gaming Platforms

⁴⁵ED Annual Report 2024–25 https://enforcementdirectorates.gov.in/sites/default/files/2025-05/Annual_Report_24-25.pdf

4. National Security Concerns

4.1 Money Laundering and Terror Financing

Tracking Money Deposited for Betting and Gambling⁴⁶

The Enforcement Directorate (ED) received reports at its zonal offices about gambling and betting websites being promoted on a social media platform. To follow the money trail, ED investigators created a dummy online account and made a small deposit using a link from the site. By joining discussions on the platform, they uncovered that individuals across India were being drawn into gambling schemes.

The collected funds were routed through a payment gateway into a company's account. Upon investigation, this company was found to be a shell entity, with minimal share capital and no active operations. It belonged to a broader network of 56 companies with overlapping directors and shareholders, under the control of a foreign national.

Financial analysis showed that although deposits were made in small amounts via many bank accounts, the funds were eventually consolidated into a few main accounts. By employing controlled deliveries and undercover agents, ED conducted operations that led to the recovery of documentary evidence and bank records, advancing the investigation.

Terrorist and extremist groups are increasingly exploiting gaming platforms to spread propaganda, recruit individuals, incite radical behavior, communicate covertly, and at times, raise funds. This trend points to the urgent need for a deeper understanding of the challenges and strategies required to secure these digital environments. Studies on the financial crime risks associated with in-game purchases have raised major concerns about money laundering. This reveals a possible link between **terrorism financing** and **money laundering** methods used to transfer or conceal funds through **gaming platforms**.⁴⁷

⁴⁶<https://www.fatf-gafi.org/content/dam/fatf-gafi/mer/India-MER-2024.pdf.coredownload.inline.pdf> 47

⁴⁷<https://www.fatf-gafi.org/content/dam/fatf-gafi/publications/Comprehensive-Update-on-Terrorist-Financing-Risks-2025.pdf.coredownload.inline.pdf>

Links of Online Gaming Apps with China⁴⁸

ED initiated investigation on the basis of FIR registered by Cossipore Police Station, Kolkata under various sections of IPC, 1860 against Unknown responsible persons for cheating and conspiracy through online gaming app “FIEWIN”.

ED investigation revealed that Chinese nationals were operating the App with the help and support from Indian Nationals. The funds mobilized from the gullible online gamers through the Fiewin app were deposited into the bank accounts of various persons (called recharge persons) who had allowed the use of their accounts by the App owners in lieu of certain commissions. Arun Sahu and Alok Sahu who are based out of Rourkela, Odisha had acted as “recharge persons” and the funds received in their bank accounts from the Fiewin app were converted into crypto currency. They deposited and laundered the crypto currency so earned from the Fiewin app to the wallets of Chinese nationals on foreign crypto exchange namely Binance.

An amount of Rs. 400 Crore (Approx) was generated from the Fiewin App based fraud and thereafter was credited into 8 Binance wallets in the name of Chinese nationals.

Money collected through numerous micro transactions are often collected and directed towards a shell company, which can be used for financing anti-national activities. **India co-chaired** a working group on Risks, Trends and Methodologies and played a key role in bringing out **FATF's** latest report on terrorist financing risks. After mutual assessment, India has been rated as a regular follow-up, which is the highest category of monitoring⁴⁹.

Investigation into Cash Couriers

In 2022, the Enforcement Directorate (ED) launched an investigation based on a State Police case involving criminal conspiracy and cheating. It was found that an online platform was conducting illegal gambling operations through live games such as cricket and football across India. Using analytical tools, authorities estimated that the platform generated monthly criminal proceeds of approximately INR 4.5 billion (EUR 47.5 million). The investigation revealed that the operators and employees of the platform were located outside India. Cash couriers were used to collect hawala money and distribute bribes amounting to INR 5.7 billion (EUR 60 million) to senior government officials and politicians to facilitate the platform's smooth functioning.

One individual, Mr. Y, was identified as overseeing the platform's financial operations. ED learned that Mr. Y was arranging the delivery of cash to politicians via Mr. Z. Acting on this information, ED intercepted the delivery and seized a cash consignment worth INR 53.9 million (EUR 600,000).

⁴⁸<https://enforcementdirectorate.gov.in/sites/default/files/latestnews/PRESS%20RELEASE%20-Fiewin%20Arrest%20-15-08-2024.pdf>

⁴⁹<https://www.fatf-gafi.org/en/publications/Mutualevaluations/India-MER-2024.html>

A strong mechanism and regulatory approach is the need of the hour for national entities and international entities, including banks, which includes effective and sufficient due diligence and building of in-house systems which can detect suspicious activities.

Failure to Report Suspicious Transactions by a Foreign MNC Bank⁵⁰

FIU-IND received FIRs from a state police force involving companies suspected of facilitating online gambling. The funds that were proceeds of such criminal activities were routed and channelled through bank accounts maintained by the same entities with the Bank herein.

Upon learning of these FIRs, the bank filed Suspicious Transaction Reports (STRs) with FIU-IND for the mentioned accounts and others linked to associated entities. Further scrutiny revealed that the bank had several lapses, including:

- (i) closing alerts related to the flagged accounts without proper investigation;
- (ii) not conducting sufficient due diligence on accounts with significant transaction volumes; and
- (iii) lacking robust systems to detect and report suspicious activities.

Due to these failures, FIU-IND imposed a penalty of INR 20.67 million (EUR 229,825) on the bank and issued detailed instructions to implement corrective measures within a set timeframe to avoid similar issues in the future.



⁵⁰https://fiuindia.gov.in/pdfs/judgements/HSBCL_Order_19_2022.pdf

5. Policy and Intervention Recommendations

The effects of engaging with real money games for a prolonged period cannot be ignored, especially in the case of innocent and misinformed youth. The implications spread over all aspects of life. To have better monitoring about the progression and scale of these games, regulations and creation of intervention programmes simultaneously, a convergence of departments and ministries is long awaited.

Amendment series no. 370 dated 23.12.2022 for **Allocation of Business Rules, 1961** notifies the Ministry of Electronics and Information Technology to be the nodal authority for Online Gaming under **entry 5A**, which would contain both games of skills and games of chance. Distinction has been made in case of **E-sports**, which has been put under Ministry of Youth Affairs & Sports, **entry 2A**.

Over the period of time, the government has to build its own way of distinguishing games of skill from games of chance. We have to look beyond predominance test and material element test, and have to investigate the implication of “having skills”; whether it includes inculcating the methods or skills, by training, coaching and persistent efforts. When the general population has money on the lines in hopes of winning, it does not propagate the idea of one having skills.

Rather than giving distinction based on factors responsible for an individual’s winnings, the government must also look into the format of the game, if a sustainable model can be developed in it, if the ecosystem has scope of coaching, tournaments, increasing efficiency through training, among others.

A uniform GST slab on online games of any nature, casinos and lottery has been levied of 28%, which is a step appreciable towards recognising the nature and importance of money which is deposited to play these games. The government recently removed any distinction between online games of skills and that of chance.

5.1 Need for a Unified Central Legislation on Online Real Money Games

The introduction of a unified central law will streamline regulation in this sector, fostering consistency and enabling support from a designated central ministry. Given the dynamic nature of this field and the limited policy expertise, initial overarching model guidelines are essential. These should define games of skill and establish core principles that state legislatures can adopt.

Part III Chapter IV Oversight Mechanism - Level III’s clause 14 Inter-Departmental Committee (i)⁵¹ calls for an Inter Departmental Committee, called the Committee, consisting of representatives from the Ministry of Information and Broadcasting, Ministry of Women and Child Development, Ministry of Law and Justice, Ministry of Home Affairs, Ministry of Electronics and

⁵¹<https://mib.gov.in/sites/default/files/2024-02/IT%28Intermediary%20Guidelines%20and%20Digital%20Media%20Ethics%20Code%29%20Rules%2C%202021%20English.pdf>

Information Technology, Ministry of External Affairs, Ministry of Defence, and such other Ministries and Organisations, including domain experts. As per RBI's recommendations, a multi-disciplinary DIGITA with broader mandate with strict non-compliance rules covering other public concerns like Digital Advertisement, investments, Trading, Gaming, and e-Sports is necessary.

The gaming intermediaries need to strengthen enforcement of existing banking and payment compliance mechanisms to restrict **under-18 users** from transacting on platforms related to investing, trading, fantasy gaming, and similar merchant categories. Digital payment platforms should be mandated to implement robust age-verification, parental supervision and transaction-filtering systems to identify and block payments to non-compliant businesses. **G-Pay** for instance has published the disclosure on the payment ecosystem for under-18 users.

To keep the minors at bay, who are influenced strongly through external factors when there is a lack of guidance or supervision, stronger KYC regulations and age restrictive mechanisms need to be mainstreamed along with mandated security certifications for the gaming platforms, such as ISO/IEC 27001:2013 and SHIELD Trust Certification, among the few. Government partnerships with organisations for cybersecurity in the current age for cutting-age technology would be remarkable.

Stronger non-compliances need to be enforced upon advertisements and celebrity endorsements. A game running under the tag of game of skills may have advertisements showing figures of earning money, betting and investing, promoted by a celebrity, which may allure an individual towards the game. We have seen that most of the users are inspired in this way, cases of self inspiration are seldom seen.

If a game **sustains growth** and **engagement** through **loyal and organic followers** and players, then **alluring advertisements** with celebrities **claiming** winning **large sums of money** is **not needed** for the platform. Stricter regulations for advertising and celebrity endorsements are essential. **Blanket ban** or stricter non-compliances need to be enforced in order to close the loopholes and **scope of lack** of awareness among the agencies and celebrities. Games promoted often feature **misleading claims of guaranteed earnings**, amplified by **influencer-driven campaigns**. Evidence shows that **celebrity-backed promotions** heavily **influence user engagement**, particularly among youth, while cases of independent, self-motivated participation are comparatively rare. Establishing stronger mandates and penalties around such practices will be crucial to ensuring **responsible marketing and consumer protection**.

With passing time, the government needs to recognize **gaming disorder** and **gambling disorder** under the **Rights of Persons with Disabilities (RPwD) Act, 2016** listed 21 disabilities, in line with **WHO** and **DSM-5 classifications**. **Gaming disorder** is characterized by **impaired control over gaming, increased priority** given to gaming over other activities, and **continuation despite negative consequences**. **Gambling disorder**, reclassified under **substance-related** and addictive **disorders**, reflects evidence that certain **behaviors activate** the **brain's reward system** similar to **drug addiction**. Formal recognition under the RPwD Act would enable timely intervention, access to treatment, and support for affected individuals to resettle and reintegrate into society.

Dimension	Key Factors	Implications for Feasibility
Political	1. Central government push on digital India & youth welfare 2. Federal structure: states have existing gambling laws (Public Gambling Act 1867) with MEITY as nodal agency.	+ Alignment with MeitY's mandate (Amendment 370) – Requires state buy-in; potential legal challenges on federal overreach
Economic	1. RMG market and growth 2. Platforms contribute GST (28% slab) but illegal apps avoid taxes	+ Revenue incentives for regulation; GST clarity incentivizes compliance – Compliance costs may burden small operators, potentially driving some underground operations
Social	1. Larger user base in India, large youth segment (12–34 yrs) 2. Rising mental-health awareness; stigma reduction efforts	+ Public support for youth protection; NGO engagement strong – Deeply embedded gaming culture; resistance from users valuing freedom, celebrity-driven appeal
Technological	1. Widespread smartphone & UPI penetration; mature Aadhaar e-KYC ecosystem 2. Emergent tools for behavior analytics & emotion detection	+ Infrastructure exists for e-KYC and AI risk-flagging; integration with payment rails feasible – Data-privacy regulations (DPDP 2023) require robust consent management

Table 8: PEST Analysis of Online RMG Ecosystem in India



Balance is needed between user privacy and law enforcement needs in cybercrime investigations, particularly for illegal online betting activities:

The Karnataka High Court recently directed PhonePe to disclose merchant details in a 2022 online betting case involving a ₹6,150 transaction on BetinExchange247.com, where a user faced account blockage and alleged cheating and identity theft. The Karnataka State Police, suspecting illegal transactions, requested the merchant's URL, IP address, and transaction-related website details. PhonePe argued it was only a UPI provider under the Payment and Settlement Systems Act, 2007, and that sharing data violated confidentiality under the Bankers' Books Evidence Act, 1891. The court, citing Section 91 of the Code of Criminal Procedure, 1973, and the Information Technology Act, 2000, particularly the Information Technology (Intermediary Guidelines) Rules, 2011, ruled that lawful investigations override privacy concerns. Justice M. Nagaprasanna emphasized that intermediaries must provide information within 72 hours under the IT Rules, dismissing PhonePe's plea and highlighting the need for accountability in cybercrime investigations like online betting.

5.3 Theory of Change

A consolidated policy framework targeting online real-money gaming (RMG) and gambling will reduce youth harm by strengthening regulation, improving awareness, and enabling timely intervention.

Inputs (Resources & Enablers)	Activities (What is Done with Inputs)	Outputs (Immediate Deliverables)	Short-Term Outcomes (0–12 Months)	Medium-Term Outcomes (1–3 Years)	Long-Term Impact (3–5 Years)
Central Legislation & Oversight	Draft and pass a Unified Online Gaming Act defining skill vs. chance; set regulatory certifications	National Act enacted; state-level adoption ensured	↑ Awareness of legal status & risks among users	Legal ↓ loopholes; inter-state ↑ enforcement	Institutionalized platform governance & youth protection
Budget Allocations for Enforcement	Use allocated funds to: strengthen regulatory audits, support compliance teams	100% RMG platforms brought under e-KYC & ISO compliance; sustained CSR outreach	Public ↑ awareness; regulatory ↓ violations	Time spent on addictive platforms; ↓ underage ↓ registrations	Safer, regulated digital ecosystems

Inputs (Resources & Enablers)	Activities (What is Done with Inputs)	Outputs (Immediate Deliverables)	Short-Term Outcomes (0–12 Months)	Medium-Term Outcomes (1–3 Years)	Long-Term Impact (3–5 Years)
Technical Infrastructure & Risk-Flagging Tools	Develop AI-driven risk engines, behavioral nudges, and automated binge-alert systems ; integrate real-time monitoring	Risk alerts + binge warnings deployed across top RMG platforms	↑ Awareness of personal risk among users	↑ Self-regulation: voluntary suspensions & timeouts	↓ Digital addiction & psychological harm
CSR & NGO Partnerships	Launch community workshops , digital literacy drives, rehab campaigns, & financial counseling in vulnerable groups	Digital literacy & mental well-being programs conducted in 100+ districts	↑ Awareness of gaming harms at grassroots	↓ Peer-driven unregulated usage	Empowered & digitally resilient youth
Financial Surveillance Systems	Mandate real-time transaction tracking for RMG platforms (esp. BNPL, UPI, wallets) & integrate alerts with enforcement	Fraudulent payments & mule accounts flagged automatically	↓ Use of BNPL/credit for RMG	↓ Monthly financial losses per user	Improved financial discipline & reduced exploitative lending
Academic & Research Networks	Commission longitudinal studies on RMG's behavioral, economic, and health impacts	Open-source datasets, whitepapers, and impact evaluations published	↑ Evidence base for policymakers	↑ Data-driven laws & targeted user protection policies	Institutionalized harm-reduction frameworks

Inputs (Resources & Enablers)	Activities (What is Done with Inputs)	Outputs (Immediate Deliverables)	Short-Term Outcomes (0–12 Months)	Medium-Term Outcomes (1–3 Years)	Long-Term Impact (3–5 Years)
School, College & Mental Health Collaborations	Integrate responsible digital behavior modules into curriculums & provide mental health counseling	Rehab and awareness modules rolled out in 500+ institutions	↑ Awareness among students, parents & teachers	↓ Compulsive RMG usage among teens	Healthy digital habits among young users
Celebrity Boards & Creative Agencies	Co-create ethical advertising codes ; ban high-risk RMG promotions; launch public awareness campaigns	Ethical ad codes adopted; RMG-related disclaimers mainstreamed	↓ Trust in glamorized RMG endorsements	↑ Credibility of harm-awareness campaigns	Nationwide cultural shift recognizing RMG harms

Table 9. Theory of Change for Online RMG Reforms

5.4 CSR Intervention Programs: Convergence of Efforts and Last Mile Delivery

Post-Engagement Issue	CSR Program / Intervention	Key Features
Debt Management Assistance	Financial Counseling & Debt Management Clinics: Financial Counseling Clinics partner with NGOs to offer pro bono credit-debt counseling and micro-loans consolidation workshops.	One-on-one sessions; workshops on budgeting; referral to financial inclusion schemes; toll-free helpline.
Mental Health & Addiction	SafePlay Support & Counseling: SafePlay Support in-app chatbot linking users to certified counselors; community support groups in collaboration with mental-health NGOs.	24×7 confidential chat; scheduled group meetings; emergency escalation protocols.
Helpline & Crisis Response and Responsible	Public Health Campaigns: RMG Relief Helpline operated by gaming platforms under CSR to provide immediate telephonic support for distress, with escalation to mental-health professionals. Media Outreach: Mass media campaigns destigmatizing digital addiction; informative ads about risks and responsible play; engagement with influencers for authentic messaging.	Trained call agents; escalation matrix; data-driven reporting for policy refinement.
Awareness & Education	Digital Literacy & Safe Gaming Awareness: Responsible Gaming Workshops at colleges and workplaces, conducted by industry-supported NGOs, covering risks, self-exclusion options, and support resources. Cybersecurity awareness programs	Interactive seminars; distribution of digital guides; QR-coded resource access; pre- and post-session assessments.
Self-Exclusion & Cooling-Off	Voluntary Exclusion Scheme (VES) enabling users to self-ban for periods of 6 months, 1 year, or permanently, supported by periodic motivational messaging and check-ins.	Centralized opt-out registry; cross-platform enforcement; motivational SMS/emails; optional counselor outreach.
Community Reintegration	Community Reintegration & Peer Support Programs: Skill Redeployment Program offering online vocational training (e-commerce, coding, digital marketing) for those recovering from gaming addiction to secure alternative livelihoods, stigma reduction campaigns.	Free courses; placement assistance; mentorship by industry volunteers; progress tracking dashboard.

Post-Engagement Issue	CSR Program / Intervention	Key Features
Regulatory Compliance Support	Platform Partnership for Responsible Gaming	Collaboration with gaming platforms to embed responsible gaming frameworks, health warnings, and easy access to support within apps and websites.
Employment & Education Impact	Skill Redeployment & Career Counseling Programs	Online vocational courses in digital skills (e-commerce, coding); school-to-career transition workshops; job placement assistance and ongoing mentorship for at-risk groups.
Behavioral Intervention & Early Identification	Development of In-App Behavior Nudges & Screening Tools	AI-driven real-time alerts on risky patterns (time spent, losses); emotion and addiction self-assessment tools; voluntary self-exclusion mechanisms with motivational messaging.

Table 10: CSR Programs as Convergence of Efforts and Last Mile Delivery for RMG Ecosystem and the users

6. Way Forward

Over 45% of Indian youth engage with RMG platforms, with urban areas showing higher participation rates. This engagement often coincides with a vulnerable period of financial exploration, raising concerns about long-term consequences. The economic toll is substantial: illegal gaming, betting, and scams result in billions of rupees lost annually, while the displacement of productive time further strains individual and national growth. Socially, RMG use is linked to reduced outdoor activities, strained relationships, and, in extreme cases, the liquidation of personal assets to cover losses and suicides.

A pervasive lack of awareness about the legal status of these platforms, compounded by the influence of celebrity endorsements, leaves users especially the youngest vulnerable to exploitation. Mental health challenges, including stress, anxiety, and addiction, are alarmingly prevalent among users, underscoring the need for targeted support. For the 12-14 age group, participation in RMG and exposure to scams highlight additional risks, exacerbated by inadequate parental oversight and weak age verification mechanisms, which can reproduce severe issues with health in varied dimensions in future.

To address these challenges, a comprehensive approach is essential. Unified central legislation is needed to clarify and enforce regulations, while stricter oversight of advertising and endorsements can reduce undue influence. Financial literacy programs, mental health interventions, and responsible gaming education are critical to empowering users and mitigating risks. Additionally, monitoring digital payment systems and aligning corporate social responsibility initiatives with harm reduction strategies will further protect vulnerable populations.



By implementing these recommendations, India can foster a safer, more equitable gaming ecosystem that balances innovation with user protection. The future of the industry and the well-being of its youngest participants depends on our collective ability to address these challenges head-on, ensuring that the benefits of digital entertainment do not come at the cost of societal health and economic resilience.

About CSRBOX Group

For over a decade, CSRBOX Group has been shaping India's social impact ecosystem by combining advisory, research, and program execution. As a trusted partner to companies, philanthropic foundations, and governments, we design, implement, and evaluate high-impact CSR and sustainability programs.

Our work is anchored in four pillars:

Impact Practice – Strategic consulting for CSR, ESG, and philanthropy.

Programs – Scalable, high-SROI social initiatives.

Platform – India's largest CSR and sustainability convening and knowledge network.

Research & Think Tank – Evidence-driven insights, policy research, and sector intelligence guiding corporate and government strategies.

Since 2014, CSRBOX Group has enabled 450+ companies and 60+ foundations to optimize their Social Return on Investment (SROI). Through government collaborations and multi-stakeholder platforms like The Godavari Initiative (TGI) and IMPAct4Nutrition, we channel CSR and sustainability capital into education, healthcare, livelihoods, climate action, and natural resource management. For more information visit www.csrbox.org

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