

Trends in India's Online Gaming Landscape Post-PROGA 2025

Evidence of Rising Offshore Participation



Executive Summary

Digital behaviour has historically recalibrated itself in response to regulation rather than coming to a standstill with consumers typically adapting to the situation and reacting inelastically. International evidence also shows that even in mature, well-regulated gaming markets, unregulated or 'black market' activity does not disappear entirely. However, where regulatory frameworks are well-designed and enforceable, the vast majority of user participation remains within the regulated ecosystem.¹

Early behavioural evidence following the Promotion and Regulation of Online Gaming Act, 2025 (PROGA) indicates that while the prohibition of online real-money games has reshaped market dynamics, it **does not appear to have materially reduced user participation** and associated risks. Instead, **offshore usage has increased significantly post the ban**, correlating with a growing shift of players towards unregulated platforms. In parallel, **offshore spending has also risen sharply**, with engagement accompanied by **higher spending, longer play durations, and more frequent use**. These shifts indicate that **user vulnerability is also rising**, resulting in **increased user harm and money-laundering**.

Findings from Primus' user-harm pilot survey, other publicly available surveys, and multiple media reports show that **offshore participation is widespread, accessible, and growing**. At the same time, the market response has also manifested in **domestic industry contraction and emerging economic risks**, as compliant Indian operators — previously KYC-enabled and tax-paying — have exited the market or suspended operations. These developments highlight emerging challenges for consumer protection, financial safety, and regulatory oversight, bringing renewed focus to discussions on a calibrated and controlled framework for safe and monitored gaming ecosystem in India.

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Background and Context

The **Promotion and Regulation of Online Gaming Act, 2025 (PROGA)**, enacted on 22 August 2025, introduced a prohibition on all forms of online money-based gaming in India, including long-recognised games of skill. This Act was brought in to address the ongoing concerns related to addiction and other user harms. This legislative shift resulted in winding down of operations for many domestic real-money gaming (RMG) companies – entities previously regulated under GST, Income Tax, advertising guidelines, and consumer protection frameworks.

Before PROGA, domestic operators functioned within a structured and traceable operating environment. Participation was routed through established self-regulatory and compliance practices, including KYC, PAN-linked identity verification, Aadhaar-based user and bank account checks, and the use of regulated Indian payment systems such as UPI and net banking. These platforms were subject to applicable tax regulations, grievance-redressal obligations, responsible-gaming standards, while also supporting employment across technology, operations, compliance, and allied functions. With the act now in force, this **ecosystem has contracted sharply**. In its place, a **growing share of user activity appears to be gravitating towards offshore platforms** that sit outside Indian jurisdiction. These platforms typically operate without KYC or responsible-gaming processes, offer limited avenues for grievance resolution, and enable financial flows beyond domestic oversight. The shift has reshaped the gaming market landscape and brings into focus broader questions around consumer protection, financial transparency, and how online gaming activity can be effectively supervised in a digital cross-border environment.

Comparative studies from regulated jurisdictions show that the effectiveness of gambling regulation is commonly assessed through *channelisation* – the proportion of total gambling activity that occurs within the licensed and supervised market. ***Jurisdictions with stable licensing regimes and enforceable consumer-protection standards consistently report channelisation rates above 90%***, indicating that users prefer regulated platforms when credible legal alternatives are available.² For example, evidence indicates channelisation rates of approximately 96.7% in Great Britain, around 94% in Italy, and over 90% in Denmark and Sweden.

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Key Trends observed post the promulgation of the PROGA, 2025

Based on the recently available evidence in the public domain, and our own recent study, we have been able to identify some key trends which have emerged. It was widely reported that compliant domestic players stopped operations soon after the law was enacted and some even announced that they will not challenge the law³ – with the assumption being that player time will extensively fall and with money deposits falling to zero. Reports however, suggest that this assumption has not fully borne out.⁴ It appears that a significant share of **users have reorganised their behaviour and are playing, and playing more**, but on offshore betting apps which conveniently evade the PROGA, 2025.

Here are some key trends which we observed and stand in line with our observation, along with some other industry trends which dominate the conversation in the public domain.

1. <https://bettingandgamingcouncil.com/uploads/Measuring-the-economic-impacts-of-black-market-gambling-A-report-for-the-BGC-September-2024-FINAL.pdf>
2. Ibid.
3. <https://economictimes.indiatimes.com/tech/technology/gameskraft-complies-with-online-gaming-act-will-not-pursue-legal-action/articleshow/123518097.cms?from=mdr>
4. <https://timesofindia.indiatimes.com/toi-plus/technology/real-money-gaming-game-over-or-just-going-underground/articleshow/123734650.cms>

Key Trend 1

Offshore Usage Has Increased Significantly Post-Ban⁵

a) Jump in Offshore Platform Usage

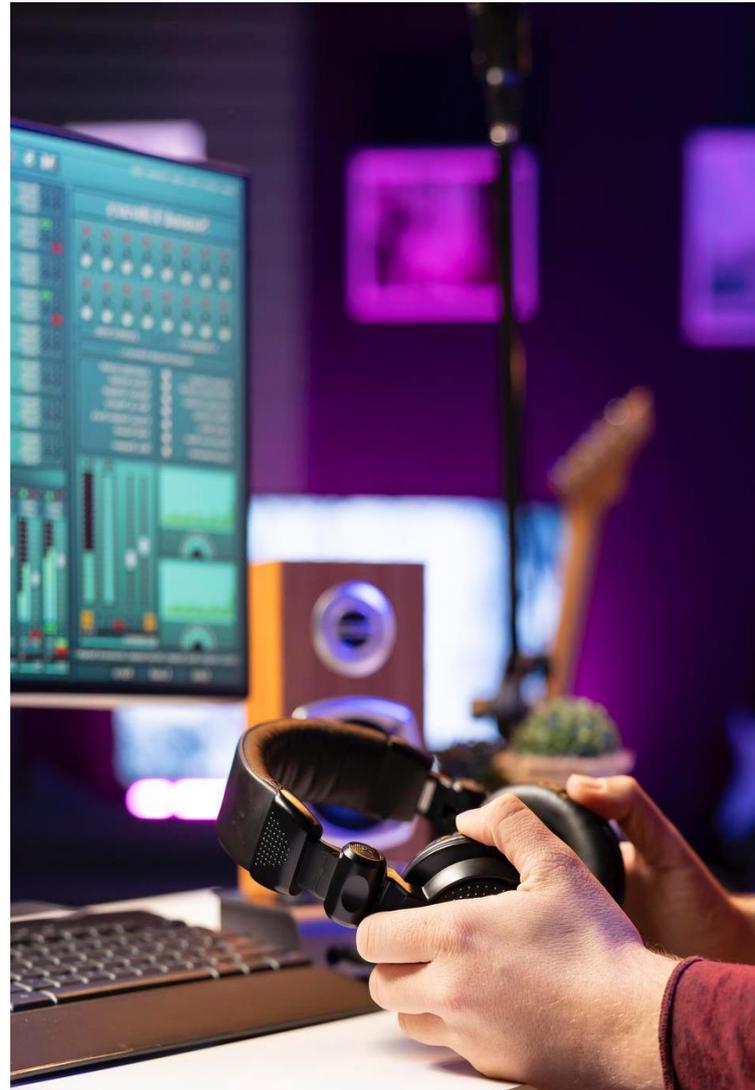
Data from recent publicly available surveys indicates a marked expansion in offshore platform usage following the ban. Overall **participation on offshore platforms rose from 68.3% prior to the ban to 82% afterwards** indicating that a substantial share of players has shifted towards the dark web. Importantly, this increase includes new entrants to offshore play with **24.7% of respondents who had never used offshore platforms earlier reported doing so only after the ban**. At the same time, just **11% of users who had previously engaged offshore discontinued**, suggesting that the adjustment has largely been in one direction, where offshore platforms are no longer peripheral alternatives but are forming part of regular play for a large segment of users.

b) Daily and High-Frequency Play Has Surged

Daily participation which stood at 3.4% prior to August 2025, has increased to 42.3%. Similarly, the proportion of **users playing more than five sessions per day rose from 3.4% to 38.3%**. Access to offshore platforms is now mostly routed through messaging groups on Telegram and WhatsApp, indicating conscious, community-led migration.

c) Players Now Play for Longer Sessions

Alongside higher frequency, the time spent by users per session has also increased. Before PROGA, 45% of users reported playing for 15–30 minutes per session, while very short sessions of under 15 minutes accounted for 20.4% of play. In the aftermath of the PROGA, **44% of users reported spending more than two hours per session, and the share of very short sessions declined sharply to 3.7%**. These behavioural shifts indicate higher engagement intensity, not retreat.



In Germany, for instance, post-2021 very stringent regulatory measures were followed with estimates suggesting that only around half of online gaming activity remained within the licensed market, with the remainder shifting to unlicensed European or offshore providers.⁶ Evidence suggests **that increased offshore usage is not driven by intent to evade the law, but by changes in access, friction, and product availability**. When regulated options become unavailable or less attractive, users tend to reorganise their behaviour towards unregulated alternatives that are easier to access and operate outside domestic oversight.⁷

5. Access to Offshore Betting Websites after the Online Gaming Ban: A Survey-Based Analysis (Delhi NCR)

6. <https://igamingbusiness.com/sports-betting/gambling-germany-half-of-all-players-still-using-unregulated-sites/#:~:text=A%20new%20study%20from%20the,was%2050.7%25%20in%20March%202023.>

7. <https://bettingandgamingcouncil.com/uploads/Measuring-the-economic-impacts-of-black-market-gambling-A-report-for-the-BGC-September-2024-FINAL.pdf>

A person wearing a dark, futuristic helmet with a visor is seated in a high-tech control room. The room is filled with multiple computer monitors displaying various data visualizations, including maps and charts. The overall atmosphere is dark and illuminated by the glow of the screens and ambient lighting.

Key Trend 2

Offshore Spending Has Risen
Sharply⁸

a) Spending Brackets Have Shifted Upwards

According to recently available evidence in the public domain, spending behaviour on offshore platforms shows a clear change in profile following PROGA. Before PROGA, offshore play involved low monthly expenditure, with 92% of offshore users spending less than ₹5,000 per month and no respondents reporting spend levels above ₹10,000.

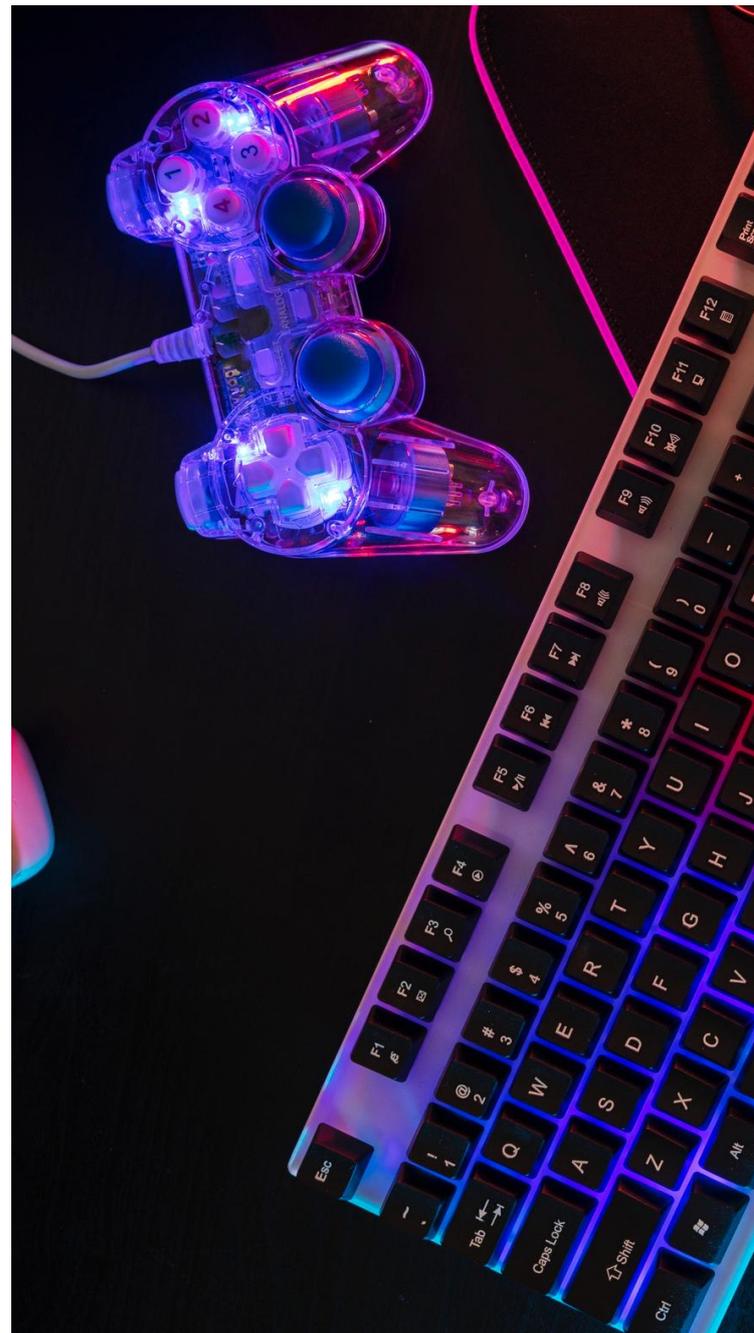
Post-ban, this profile has changed materially. **Only 12.7% of users now remain in the lowest spending band of ₹0–999**, while a growing share report higher monthly spends. Now, around **26.2% spend between ₹5,000 and ₹9,999**, **7.2% fall in the ₹10,000–24,999 range**, and **6.3% report spending more than ₹25,000 per month**.

This suggests that higher-value offshore spending, which was previously uncommon, has become more prominent, with roughly **13.5% of users now spending above ₹10,000 each month**.

International survey evidence shows similar patterns, with users of unregulated platforms citing ease of payments, fewer restrictions, and the ability to transact without extensive verification as key reasons for continued engagement. These characteristics allow offshore platforms to retain users even in jurisdictions with otherwise strong enforcement frameworks.⁹

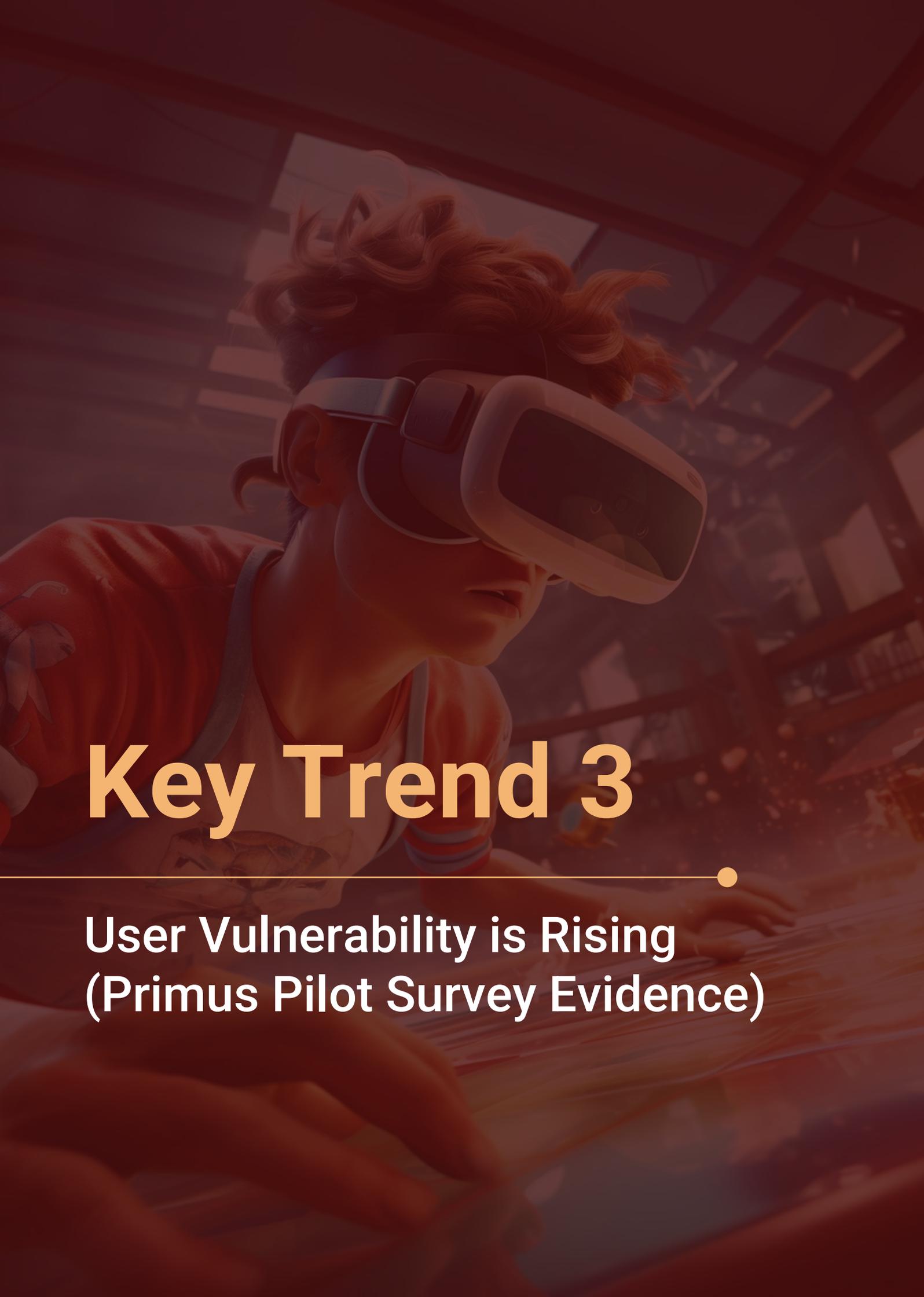
b) Payments Are Frictionless Even After the Ban

At the same time, users report that transacting on offshore platforms remains largely frictionless. **Most users (93.7%) describe deposits and withdrawals as “easy” or “very easy”**, with UPI-to-merchant transfers and direct bank transactions continuing to be widely used.



When we observe the behavioural pattern, the payment convenience seems to be an important factor in sustaining offshore engagement. Where financial access remains smooth, users adjust their spending behaviour despite changes in the broader regulatory environment.

8. Access to Offshore Betting Websites after the Online Gaming Ban: A Survey-Based Analysis (Delhi NCR)
9. <https://bettingandgamingcouncil.com/uploads/Measuring-the-economic-impacts-of-black-market-gambling-A-report-for-the-BGC-September-2024-FINAL.pdf>

A person with curly hair is wearing a VR headset and looking down. The background is a blurred, futuristic interior with a grid pattern. The overall color scheme is a warm, reddish-brown hue.

Key Trend 3

User Vulnerability is Rising
(Primus Pilot Survey Evidence)

The **Primus Partners pilot survey (n=51)**, while smaller in sample size, highlights risk markers consistent with other findings:

a) Users Still Access Platforms with Ease

For many respondents, access to gaming platforms does not appear to have become significantly more difficult. Around **51.2% reported no restriction in access after the ban**, and **31.7% continued on the same platforms as before**, with or without VPNs. Simultaneously, a majority of users (61%) felt that the current environment has not restricted access and has made players more vulnerable to unsafe or unreliable platforms. Survey evidence from Tamil Nadu, also corroborates that offshore platforms were already part of users' gaming behaviour prior to the ban.

b) Financial Harm Indicators

Around **one in four respondents (26.8%) reported experiencing fraud or loss of funds**, while **17.1% faced delayed or non-payment of winnings**. Discovery of platforms continues to be shaped largely by informal digital channels, with **social media advertising accounting for 61% of access and messaging groups such as WhatsApp and Telegram for 46%**. These channels sustain the participation but also place high reliance on peer networks rather than formal safeguards exposing users to greater risks.

c) Strong Preference for Regulation Over Prohibition

When asked how these risks could be addressed, users consistently leaned towards the presence of clear and structured oversight. Nearly **two-thirds of respondents (63.4%) supported stronger regulation and licensing of Indian operators**, while only **17.1% felt that awareness efforts should be prioritized**.



This reinforces that users prefer safe, regulated Indian alternatives over unregulated offshore options.



Key Trend 4

**Domestic Industry Contraction
and Emerging Economic Risks**

The ban's economic impact, referenced across media and industry reports, is notable:

a) Indian Operators Have Suspended Operations¹⁰

Large online gaming (erstwhile RMG) companies such as Dream11, MPL, WinZO, Zupee, Games24x7, Junglee Games etc. have paused money-based gaming operations and are now transitioning towards developing newer formats¹¹.

b) Job Losses

RMG industry attracted high calibre talent with above average compensation trends. Teams across product, engineering, compliance, marketing, and operations have seen layoffs due to sudden cessation of business viability. Estimates have indicated that **more than 2 lakh direct and indirect jobs have been impacted** post the passing of this legislation.¹²

c) Loss of Taxable and Monitorable Ecosystem

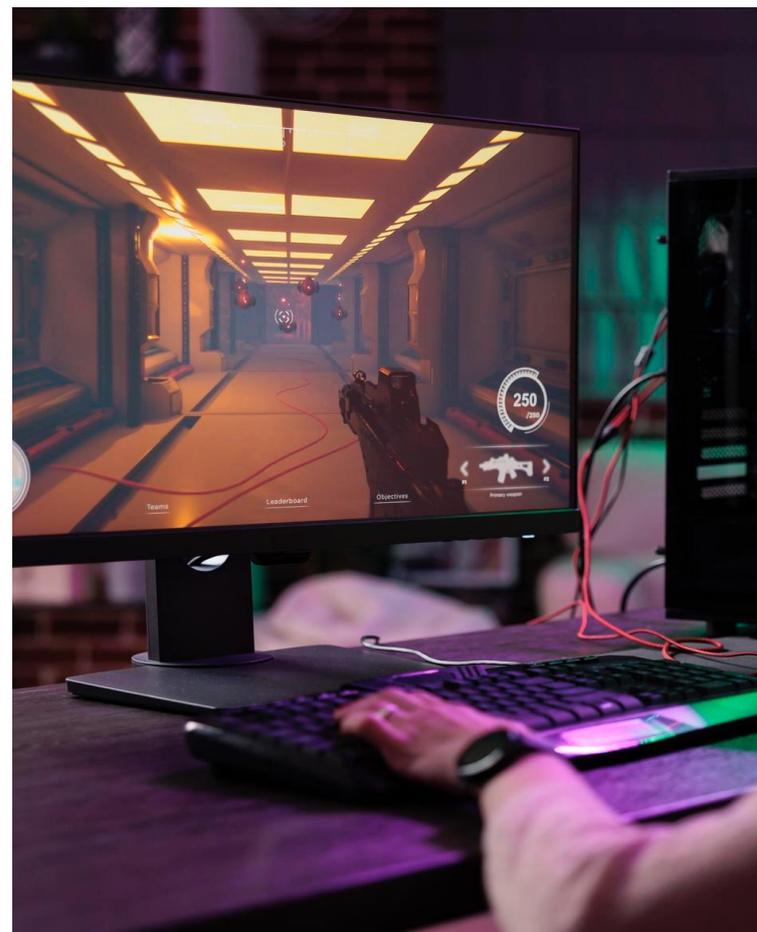
Prior to PROGA, Indian operators:

- Paid 28% GST on deposits, deducted 30% TDS on Net Winnings,
- Contributed an estimated INR 20,000 crore per annum approximately in taxes and even more in economic value if taking into consideration the tax contributions due to payrolls, marketing spends, payment processing fees, technical infrastructure etc.¹³
- Enabled full KYC and AML traceability via Indian payment systems.

The shift offshore now results in:

- Tax leakage, as offshore companies contribute zero GST or income tax
- Reduced enforcement visibility
- Higher risk of money laundering, since offshore platforms fall outside Indian AML frameworks.

Reports from the state of Telangana have shown that despite a longstanding ban, **the number of complaints in 2025 have nearly risen by 100%** (from 383 to 678) and the **financial losses have seen a jump of almost 177% as compared to 2024** (From INR 3.45 crore to INR 9.57 crore).¹⁴



10. <https://www.financialexpress.com/business/industry-more-real-money-gaming-apps-shut-shop-3954949/>
 11. <https://economictimes.indiatimes.com/tech/startups/dream11-shifts-away-from-fantasy-gaming-enters-sports-entertainment-space/articleshow/125763975.cms?from=mdr>
 12. <https://inc42.com/buzz/a-year-of-pink-slips-9500-layoffs-among-indian-startups-in-2025/>
 13. <https://www.newindianexpress.com/explainers/2025/Aug/24/ban-on-real-money-online-games-shakes-up-the-entire-industry>
 14. <https://timesofindia.indiatimes.com/city/hyderabad/online-betting-menace-grows-in-telangana-despite-ban-losses-cross-rs-9-crore/articleshow/126109231.cms>

Key Trend 5

Behavioural Reasons for
Offshore Migration

Surveys highlight consistent behavioural explanations:

a) Ease of Access

It was noted that **offshore platforms remain fully accessible through the dark web** such as Telegram/WhatsApp, Mirror links, Direct app downloads etc. Before PROGA, 2025 it was noted that many celebrities and athletes were endorsing these illegal apps and are now being brought under the scanner as the Enforcement Directorate works towards stopping unrestricted financial flows.¹⁵

b) Better Rewards and Product Experience

Offshore apps tend to **offer higher bonuses and high-speed formats which can lead to more money loss and minimal friction**, so that players remain hooked and don't feel like leaving the app.

c) Peer Networks Drive Movement

Friend referrals and communities remain dominant entry points for playing on these apps.

As per a report by the British Gaming Council,¹⁶ users of **unregulated operators commonly cite better bonuses, ease of setting up accounts, anonymity, more flexible payment options, and the ability to avoid deposit limits or documentation requirements** as primary reasons for migrating to offshore platforms. These behavioural drivers closely mirror patterns now observed in the Indian context post-PROGA.



15. <https://www.thehindu.com/news/national/ed-attaches-assets-worth-1114-crore-of-ex-indian-cricketers-raina-dhawan-in-online-betting-case/article70248093.ece>
 16. <https://bettingandgamingcouncil.com/uploads/Measuring-the-economic-impacts-of-black-market-gambling-A-report-for-the-BGC-September-2024-FINAL.pdf>

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Policy Implications and Social Considerations

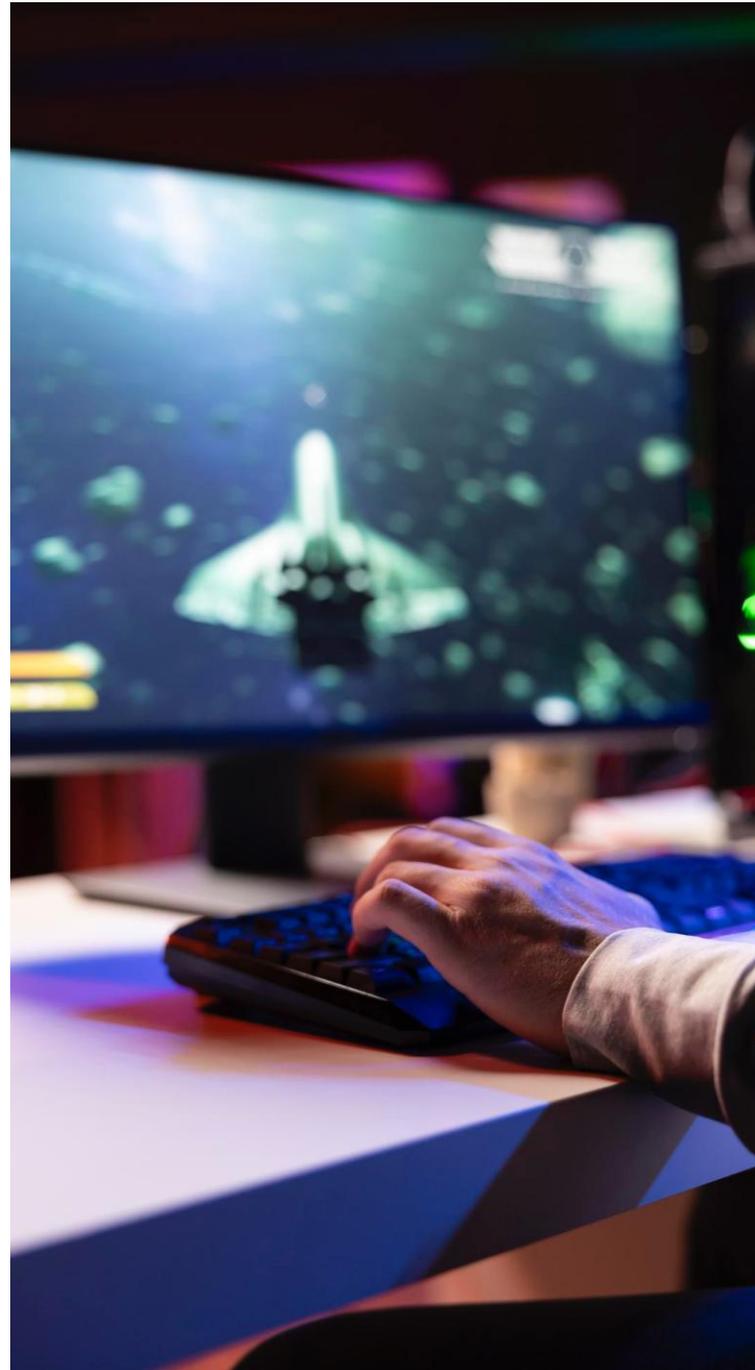
Taken together, the evidence suggests:

- Gaming has now **redirected itself to unregulated offshore markets** with Domestic, compliant firms facing business uncertainty.
- Users now play **more frequently, for longer, and at higher financial stakes**.
- The **monitoring burden on the Government has increased manifold** overnight as it builds its internal systems to tackle the menace and reduced ability to protect users.

This points to a very concerning, growing trend which shows **behavioural displacement, not behavioural reduction or disengagement**.

International evidence further corroborates that even in **jurisdictions with robust gambling regulation, a limited level of black-market activity persists**. However, conservative estimates suggest that in such markets, offshore or unregulated gaming typically accounts for only a small fraction of total activity. For instance, around 2-3% of total stakes in highly channelised markets such as Great Britain.¹⁷

Beyond the enforcement outcomes, the post-PROGA trends raise important social considerations. The **rapid migration to offshore platforms disproportionately affects younger users and first-time players**, who are more likely to encounter opaque terms and unverified operators without adequate safeguards. In the absence of domestic platforms bound by age-gating, spending limits, grievance redressal, and responsible-gaming obligations, social harms increasingly play out in



informal forums rather than institutional protections. While regulated platforms enabled monitoring, self-exclusion, and structured player support, these **offshore environments transfer the burden of risk entirely onto individuals and families, with limited opportunities for redressal**.

17. <https://bettingandgamingcouncil.com/uploads/Measuring-the-economic-impacts-of-black-market-gambling-A-report-for-the-BGC-September-2024-FINAL.pdf>

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Recommendations: A Calibrated Path Forward

In line with the government's public-interest objectives, a balanced policy recalibration could include the following:

a) Strengthen Offshore Enforcement

- Payment interdiction in coordination with RBI, FIU, and banks
- Blocking of surrogate advertising and other forms of direct or indirect digital promotion, including on social media platforms
- International cooperation for domain takedowns
- Real-time UPI pattern monitoring
- Reporting obligations with adequate AML/KYC compliance standards
- Recent examples from UAE¹⁸, Sri Lanka¹⁹ and Philippines²⁰ have shown that the crackdown on offshore gambling operators and controlled regulation, is in line with their commitment to national security, consumer safety, and regulatory transparency.

b) Continuous Consumer Awareness and Harm-Reduction Programmes

- Design and implement targeted interventions for the most vulnerable section of society which include Youth, High-frequency users and any other identified At-risk communities.
- Mandating the licensed companies to contribute their CSR to these programmes.



18. <https://agbrief.com/news/uae/18/12/2025/dubai-has-adopted-a-cautious-digital-first-approach-to-commercial-gaming-legal-counsel/>
 19. <https://www.igamingtoday.com/sri-lanka-works-with-interpol-to-fight-cross-border-gambling/>
 20. <https://www.pna.gov.ph/articles/1237414>

Conclusion

The emerging evidence across datasets is clear: **players are playing, and playing more, on offshore platforms after PROGA 2025**. It has displaced user activity from a regulated, tax-paying domestic ecosystem to an offshore environment marked by higher risks and lower accountability. The objective is not the complete elimination of offshore activity which seems to be constantly resurfacing, but the preservation of a dominant, visible, and enforceable regulated ecosystem that limits harm, protects consumers, and maintains oversight. A calibrated regulatory approach combining global best practices, sandbox testing, licensing, strict AML controls, and targeted enforcement, can restore consumer protection, safeguard revenue, and bring gaming activity back into the ambit of Indian law. Primus Partners supports a constructive dialogue on ensuring a **safe, transparent, and accountable online gaming ecosystem** aligned with India's economic and public-interest priorities.

