

Fantasy Sports:

A catalyst for the sports economy

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Foreword

The 2023 Union Budget saw the allocation for sports increase by 11 percent to INR 2,462 crore. The increase over the previous year indicates a recent trend that strongly emphasises building a well-rounded sporting ecosystem. This position has been reaffirmed with the Prime Minister's vision for the Khelo India programme and its focus on developing sports at the grassroots level (a vision shared by the FS industry as well). Although these are steps in the right direction, we are yet to realise the nation's ambitions of becoming a sporting powerhouse. A lot more is required—first, significantly more investment needs to pour in, and second, we need to cultivate a strong sporting culture.

As published in a previous edition of this report, the Media & Entertainment sector has historically played an important role in building a sporting culture and triggering capital flows. After the seminal '83 Cricket World Cup victory, television coverage drastically improved its reach and helped the masses engage with the sport. This proved to be a vital force in building a culture and ecosystem for cricket. In today's mobile and internet-driven age, it can be readily argued that Fantasy Sports (FS) is taking over the mantle of creating a broad-based sporting culture and emerging as a key catalyst for the sports economy. Beyond providing support in the form of sponsorships to teams and tournaments, FS also has a positive effect by engaging fans in an unprecedented way. It incentivises Fantasy Sports users to think critically about games and tournaments, understand the strategies and tactics teams employ, and closely follow the performances of athletes. By building an engaged and knowledgeable fanbase, FS enables further funding for sports through media broadcasting rights, direct fan spending on sports, and sponsorships from other corporates looking for engaged audiences. This money in turn flows to athletes, various bodies that spend

on infrastructure and to grassroots-level sports, thereby creating a virtuous cycle of value generation. This dynamic is manifesting in sports beyond cricket such as kabaddi, hockey, and basketball, attracting larger audiences and investments. Additionally, this manifests in women's sports as well, with FS fuelling engagement with sporting leagues such as the Women's Premier League.

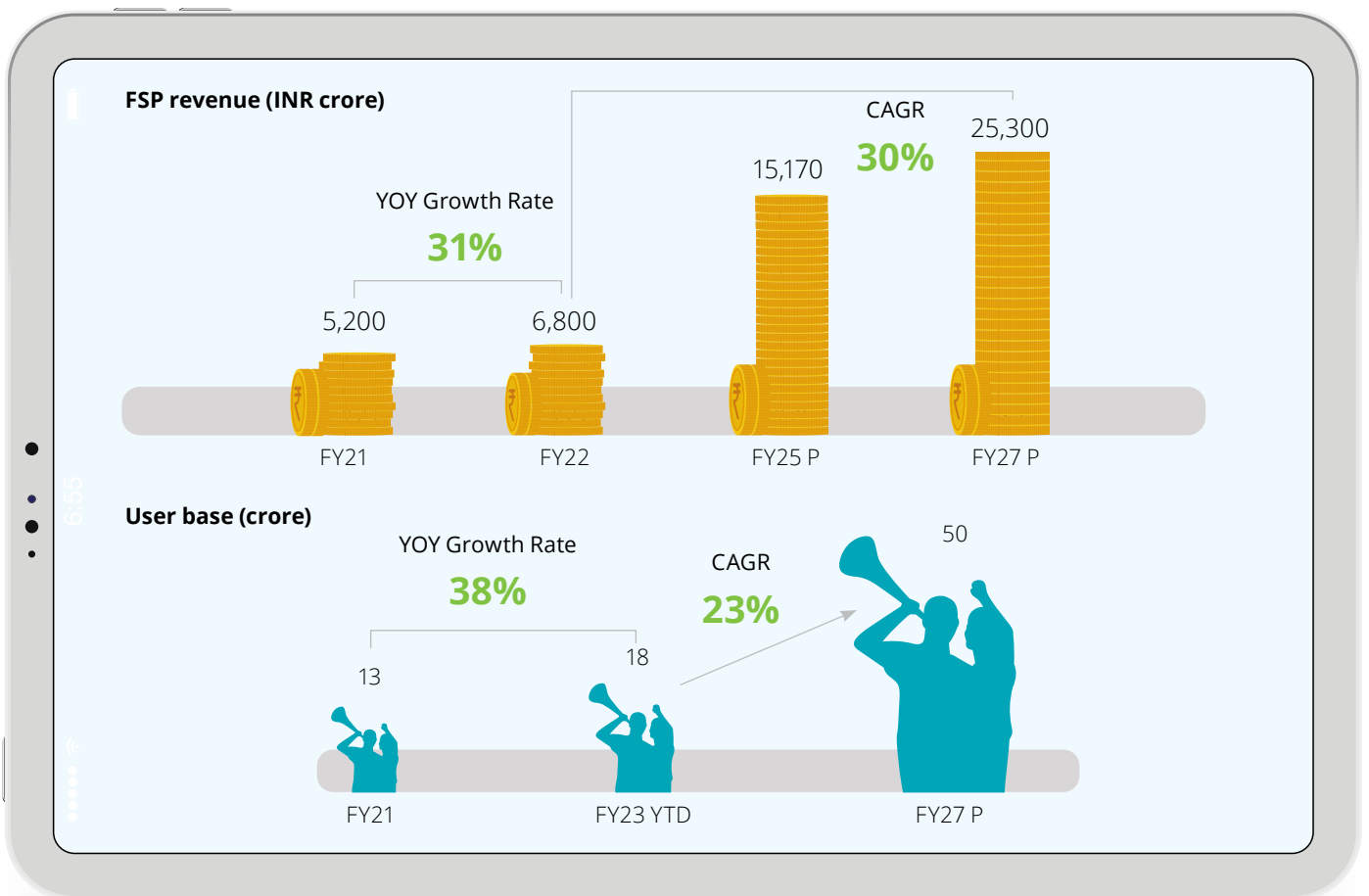
Positive externalities emerging from FS are not just limited to core underlying sports. FS has emerged as a major success in the Indian start-up story. Today there are over 300 FS platforms in India^[1] which are building innovative consumer-facing tech products with a core mission to improve fan engagement. These companies are playing a critical role in building skills in advanced fields such as AI/ML, cloud computing, and analytics, and in evolving cutting-edge business practices. As a sunrise sector, it is leapfrogging technologies deployed in traditional businesses and ensuring that the Indian private sector keeps pace with the latest emerging technologies.

On its own, the FS industry accounted for INR 6,800 crore in revenues last year,^[1] but its impact on the economy and society is far greater, including indirect revenue generation and job creation. In a short period, FS has come to embody the principles of Aatmanirbhar Bharat and is a major driver of the government's Digital India mission. The FS industry in India today is already the largest in the world and caters to a user base of over 18 crore adults in India^[1] Recent regulatory changes such as the appointment of the Ministry of Electronics and Information Technology (MeitY) as the nodal ministry and notification of a uniform national-level regulation will aid this sector to grow responsibly even further and maximise its contribution to the sports economy and the nation.



Executive summary

Figure 1 Snapshot of the Indian FS market ^[1]



The Indian fantasy sports industry has been on a steep ascent in the past six years and has been spotlighted by NITI-Aayog as a significant driver of economic and technological growth in India.^[2] Home to over 300 fantasy sports platforms (FSPs) and 18 crore^[1] users to date, India is the fastest-growing FS market in the world, with a user base that is almost three times that of North America.^[3] This comparison is noteworthy given that the US market is significantly more mature,

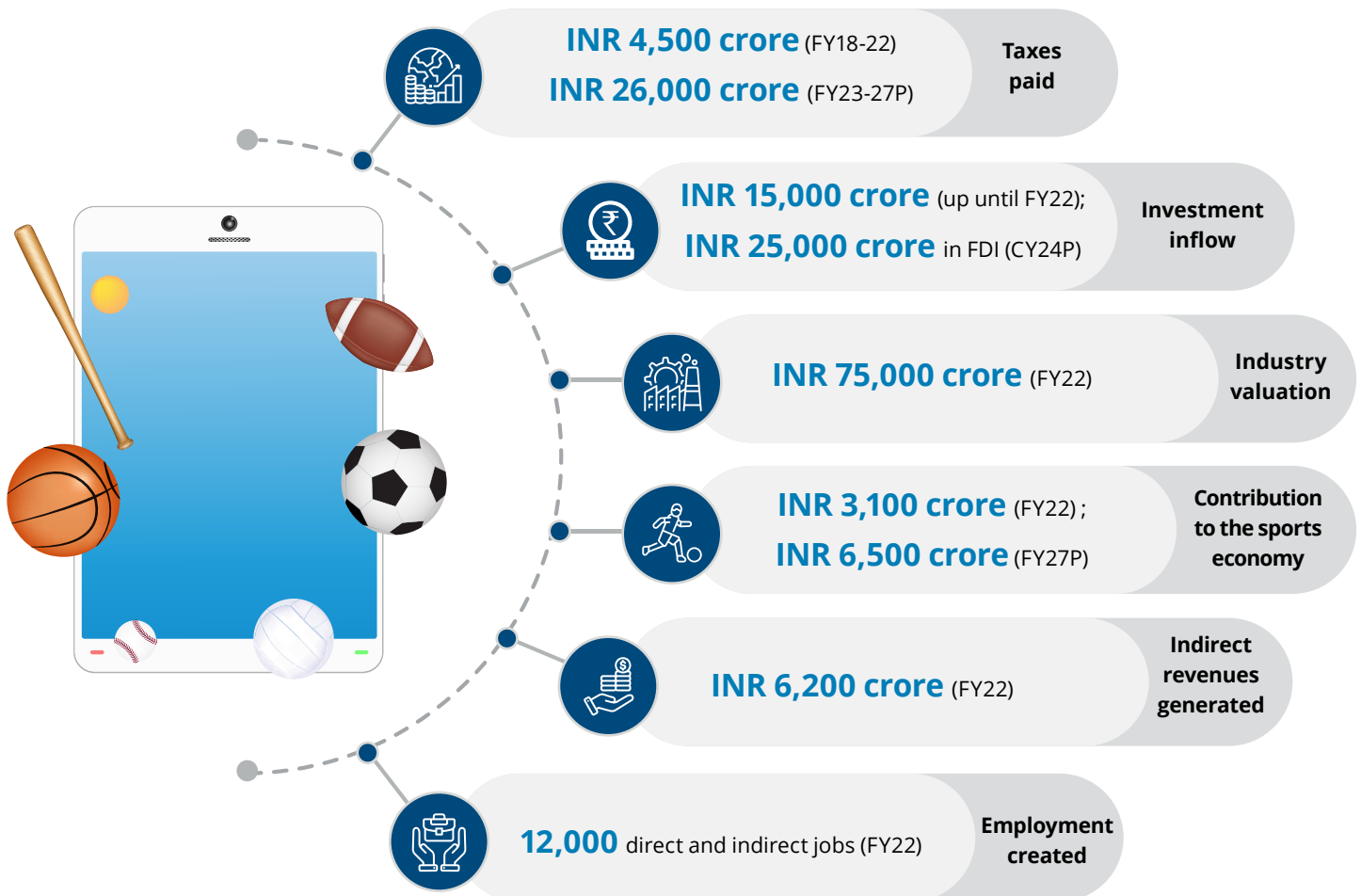
with the US FS industry having been in place for over 70 years,^[2] while in India, FS was introduced just over 20 years ago. In FY22, FSPs saw revenues almost tripling from FY20, to reach INR 6,800 crore, and this market revenue is expected to grow at a 30 percent CAGR till FY27.^[1]

The industry's growth can be attributed to a combination of infrastructural and market-led factors.

Improving digital infrastructure, long cited as a driver for India's economy, is seen to amplify in impact every year. This has also led to an increase in digital payments. This digital accessibility is supplemented by linguistic accessibility, with many platforms introducing vernacular languages and choosing to expand the reach of their offerings to tier-two, tier-three towns and beyond. Recent regulatory clarity for the industry is also expected to strengthen investor sentiment and unlock further growth.

The swift increase in platform revenues has also translated to a positive impact on the nation's economy, with INR 4,500 crore being contributed to the exchequer through taxes between FY18 and FY22.^[1] The industry also attracted steady investments, with foreign and domestic funding for FSPs totalling INR 15,000 crore up until FY22, valuing the industry at about INR 75,000 crore.^[4] Further, the industry generated indirect revenues of INR 6,200 crore^[4] in this period and created 12,000 direct and indirect jobs by the end of FY22.^[1]

Figure 2 FS bolsters the Indian economy, reinforcing the true spirit of Aatmanirbhar Bharat ^[1]



It is noteworthy that the Indian FS industry, in line with the “Aatmanirbhar Bharat” vision of the Government of India, is made in India, by Indians, for Indians,—with few examples in emerging digital industries, such as OTT and e-commerce. It has also rapidly become a hotbed for innovation, championing advanced AI/ML algorithms, white-labelling software for global companies, and breaking into the web3 space. In this manner, FS also exemplifies the Digital India philosophy. Fund allocation to the tune of INR 2,400 crore^[4] towards developing sports-related start-ups has also been undertaken by some FSPs and is likely to spur further economic growth.

A deeper analysis of the FS ecosystem reveals the direct and indirect influences of FSPs on the larger sports ecosystem. FS and real-world sports share an innately symbiotic relationship that sets a virtuous cycle of sports development in motion— a phenomenon that continued from last year in FY22 as well. Data suggests that many FS users tend to explore sports beyond just cricket on FS apps, influenced by factors, such as the seasonality of the sport, promotions by FSPs, natural behaviour, and others. This in turn encourages viewership of the live sport, driving up the value of media rights, and increasing investment in sports assets. It is estimated that FSPs have also contributed about INR 3,100 crore in

FY22 to real-world sports,^[1] by way of sponsorships and partnerships. A proportion of these funds are allocated by state associations towards local sports development, which in turn promotes regional sports participation. Profit-making FSPs also undertake CSR initiatives focussed on supporting grassroots-level athletes and developing sports infrastructure. This way, FSPs contribute towards strengthening the sports culture in India, right from the grassroots all the way to professional leagues.

At the centre of the cycle of positive externalities propagated by FS is the sports fan. The Indian FS user base in FY22 is young, with the 25-34 age group making up 40 percent of the user base. They are evenly split across metros and non-metros and are predominantly male.^[1] Female participation in, and viewership of sports has contributed to an increase in women FS users, with the gender gap expected to draw closer in the coming years. The current FS user base is highly engaged with 40 percent users playing more than once a week. In contrast, only 20 percent participate in paid contests,^[1] indicating that a bulk of FS users participate largely to engage with the sport of their choosing. With improving digital infrastructure, 60 percent of transactions on FS apps come from tier-two, -three cities and beyond.^[1]





Figure 3 Understanding the FS userbase^[1]



As FSPs look to chart a course for future growth, regulatory and tax-related certainty will be key ingredients that will determine sustained growth for the sector. The industry has lauded the notification of the "Amendments to the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 in relation to online gaming" on 6th April 2023, as a much-awaited move that will bring order and systematic growth to the industry. The coming few months are also likely to see the resolution of the debates regarding the GST regime. If the decision on GST is in line with the representation put forth by the industry, these two developments combined will buoy investor confidence

in the industry and potentially unlock sustainable growth for the sector. During discussions, FSPs highlighted that they are conscious about ensuring ethical and transparent growth and have hence, in the absence of uniform and national regulation, thus far, adopted self-regulation through Self-Regulating Organisations (SROs) and a multitude of measures to safeguard users on the platform. Given this context, industry participants look forward to the upcoming uniform national regulatory framework, which will provide fantasy sports credible recognition, and propel the industry forward.

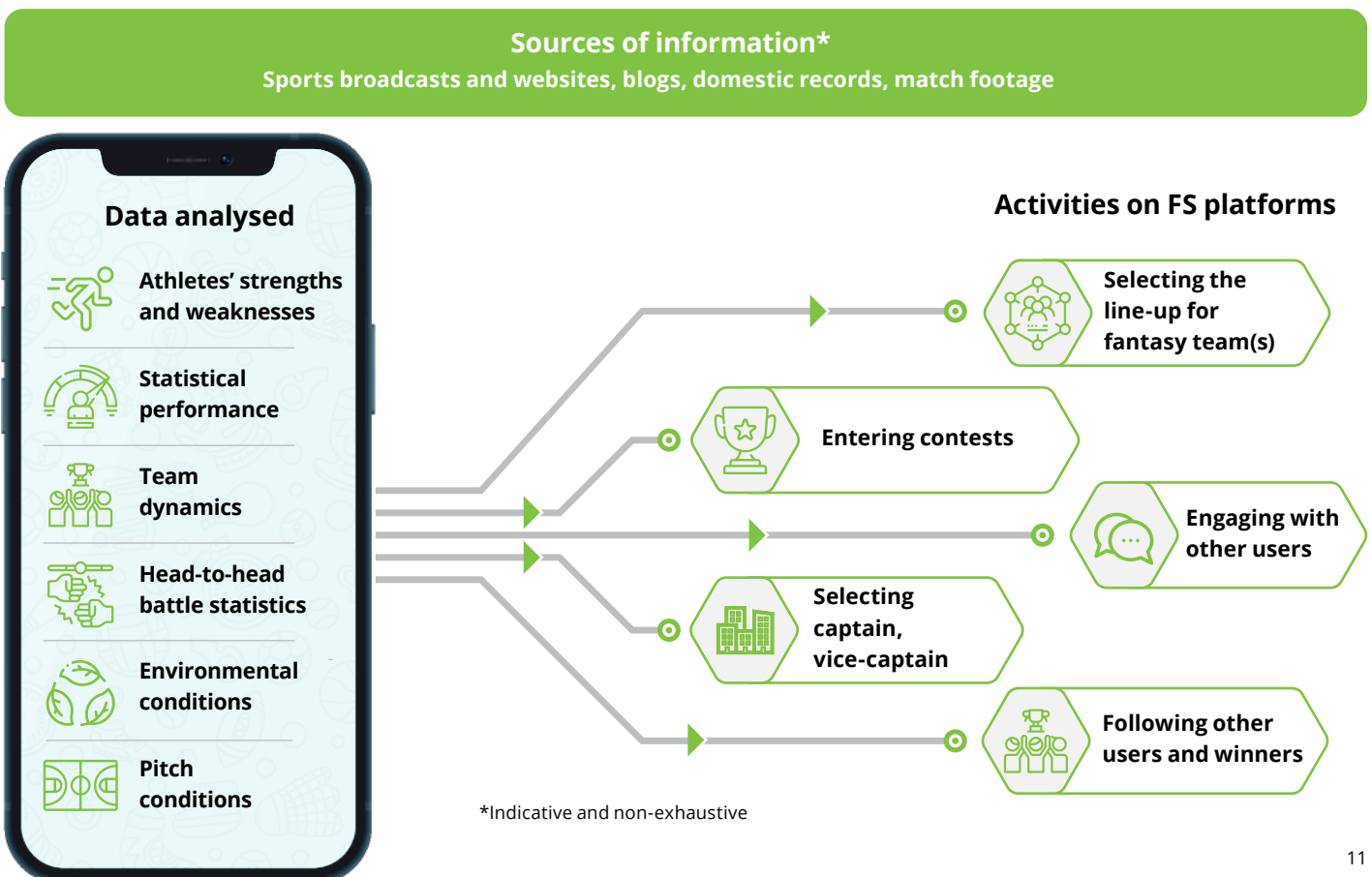


Defining Fantasy Sports

Fantasy Sports (FS) are team-selection contests where users emulate selectors or coaches by choosing a team of real-life players that competes against online teams of other users. The results are tabulated based on the statistics generated by real-life sportspersons in officially sanctioned live and complete matches. As a selector of the team, the users employ their sporting knowledge, strategy, and adroitness to research, amongst other things, the past performance and present form of the players, pitch conditions, stadium records, and so on for decision-making. In these contests, users cannot make teams or enter a contest once a match begins. To this end, FS is skill-based and requires knowledge of athletic events and athletes for team selection and management. Users may enter contests for free or by paying a contest entry amount (CEA) and stand the chance to win financial rewards.

FS, therefore, is an extension of the real-world sporting event, a second screen per se, and is an avenue for deeper engagement with the sport. Users utilise their knowledge of the sport and athletes, supplemented by information from sports blogs and websites. They also watch matches to review their team's performance and validate their team selection strategy. FS provides a forum for sports fans to socialise and interact with each other, further deepening users' engagement with sports. Most FS apps also provide a chat feature, allowing users to find like-minded fans and build their community. On some FS apps, users can even create private contests in which participation is restricted to those invited to compete. In this manner, contests amongst groups of friends are also common.

Figure 4 Data analysis performed by users to participate in FS^[4]

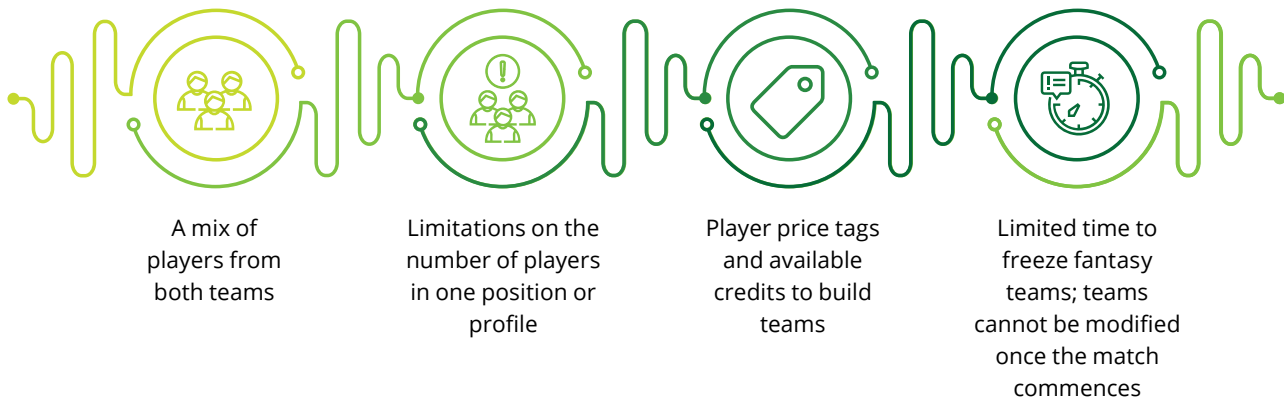


Today, FS covers an array of sports, beyond just popular ones such as cricket or football. Sports with emerging popularity in India such as American football, volleyball, kabaddi, futsal, baseball, and handball are now available on FS apps, improving exposure to and engagement with these sports.

To participate in FS, users operate within a set of constraints to build their fantasy team, including an overall budget, spend allocation per player, and team configuration. Players' price tags vary based on their real-

world statistical performance, ensuring a balanced team. Fantasy teams are mandatorily a mix of players from both competing real-world teams, requiring users to know both teams, rather than just the one they favour. The complexity is further compounded by limitations placed on the number of players that can be selected from the same team, position, or profile. A captain and vice-captain must also be selected, who earn 1.5 to two times the points. This calls for a deliberate, skilfully created roster that can maximise points for the match.

Figure 5 Users create their fantasy teams within a set of constraints^[4]

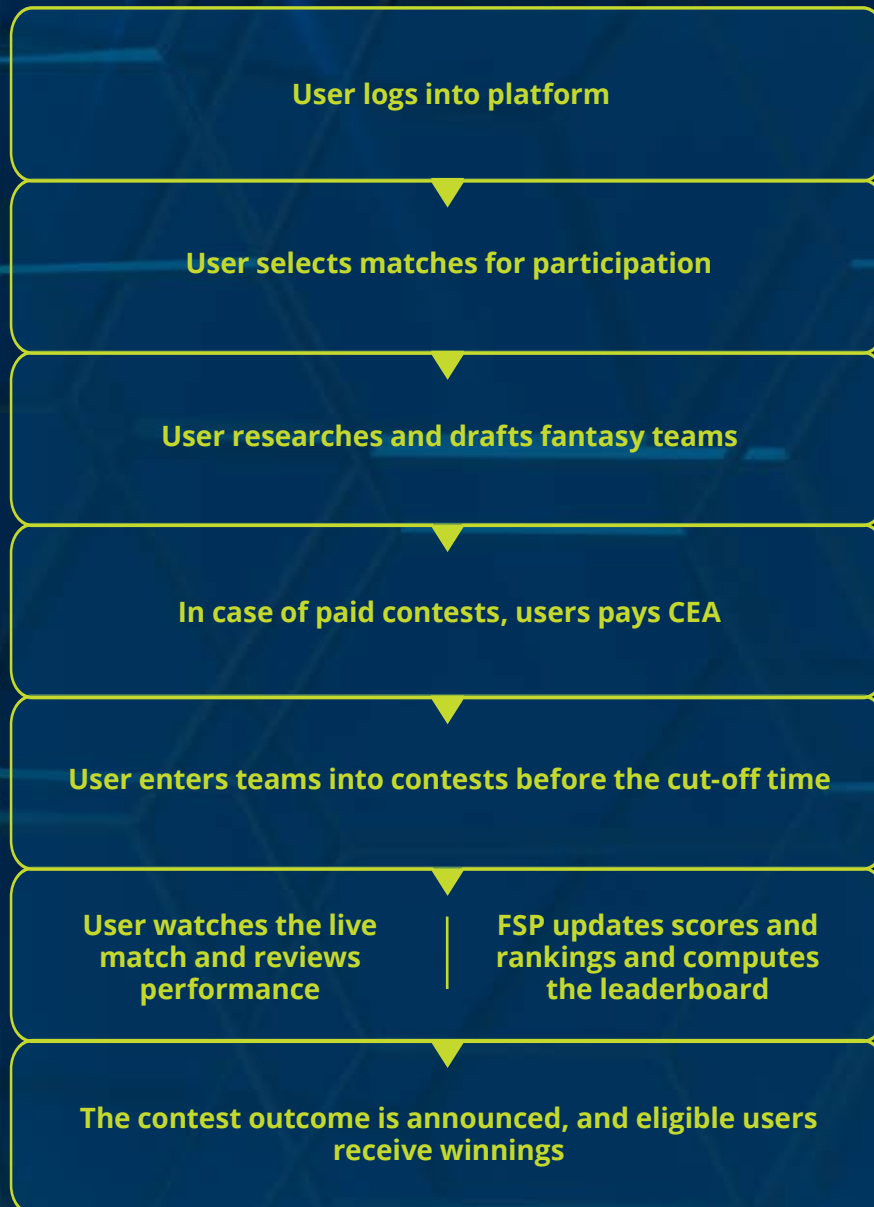


Importantly, points in FS are earned based on the real-world performance of the players in the fantasy team, and not on any particular outcome in the real-life sporting event. FS simply provides features for users to contest against others. Performance is measured by indicators such as runs, goals, assists, tackles, and other indicators specific to the sport being played. The user must build the most effective fantasy team to score the maximum points possible. Hence, knowledge about not just the sport, but also the players, and insights cultivated from following the sport are key to

building a winning team. Teams are locked in after a cut-off time, post which the line-up cannot be modified.

Users can enter fantasy matches for free or by paying a CEA. Paid contests can vary in terms of the prize pool offered, from high-value contests to beginner contests with minimal CEA and prize pools. Typically, the balance of the prize pool after disbursement to winners is spread across over 50 percent participants.^[1]

Figure 6 Working of a typical FS app^[4]

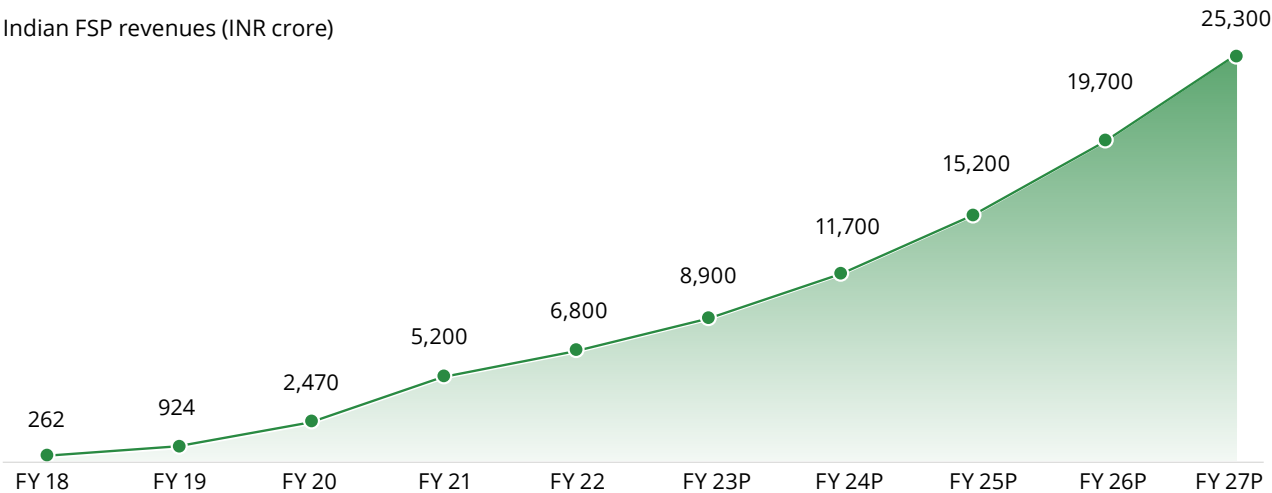




Industry landscape

Figure 7 FSP revenues FY18 to FY27P^[1]

Indian FSP revenues (INR crore)

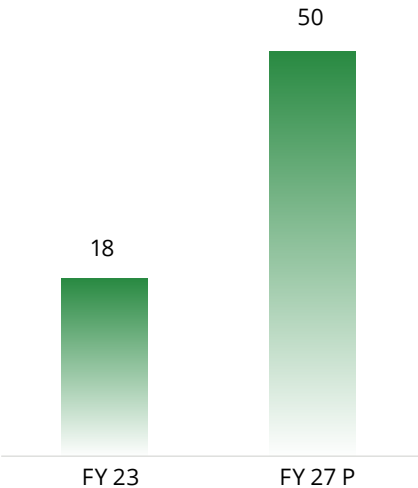


FS has become increasingly popular in India, with estimated platform revenues hitting INR 6,800 crore in FY22, almost three times the revenues in FY20.^[1] This stellar growth is expected to continue, with a near-term CAGR estimated to be 33 percent, taking platform revenues to about INR 25,300 crore in FY27.^[1] This can be attributed to improving digital infrastructure, investments, the introduction of new sports and leagues on existing FSPs, and the rise of new platforms, as will be discussed in later sections.

Rapid improvement in platform revenues can also be attributed to the growing popularity of FS, with a swelling user base of about 18 crore to date, a 38 percent increase over FY21, and projected to reach 50 crore by FY27.^[1] At its current size, the Indian FS user base is almost three times the size of the North American FS user base—the market leader in terms of revenue.^[3] Improving digital infrastructure in India, increasing rural digital penetration, and upcoming regulatory clarity will contribute to increasing this user base further and improving monetisation.

Figure 8 Indian FS user base FY23 YTD and FY27P^[1]

Indian FS user base (crore)





Fantasy Sports as an embodiment of Aatmanirbhar Bharat – The economic impact of the industry

Since its inception, the FS industry has played a key role in driving economic growth and innovation in India. More uniquely, it is amongst a handful of sectors in the country built by and for Indians, in India. In this manner, it is a true embodiment of the Aatmanirbhar Bharat vision.





INR 6,800 crore

direct revenue generated in FY22^[1]



INR 6,200 crore

of indirect revenue was generated in FY22 across industries including cloud, FinTech, advertising^[4]

INR 2,800 crore



FY18-22

INR 14,700 crore



FY23-27

GST contributions^[1]

INR 1,700 crore

paid in corporate tax and TDS between FY18 and FY22^[1]



INR 11,300 crore

expected in corporate taxes and TDS during FY23-27^[1]



INR 15,000 crore

investment raised until FY22^[4]



INR 25,000 crore

FDI expected by end of CY24^[5]



INR 75,000 crore

total valuation of FSPs^[4]



03
Unicorns



5,000

direct jobs in FY22^[1]



7,000

indirect jobs in FY22^[1]



15+

start-ups funded by FSPs^[4]



INR 3,100 crore

spent towards development of the sports ecosystem by way of sponsorships and partnerships with various sports leagues in FY22^[1]



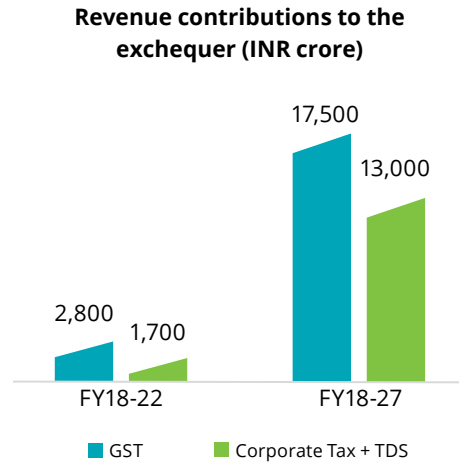
INR 6,500 crore

expected contribution in FY27 towards sports development via marketing and sponsorships for various sports leagues^[1]

Revenue to the exchequer

Between FY18 and FY22, an aggregate of INR 4,500 crore was generated by the FS industry as revenues to the exchequer. Of these, an approximate INR 2,800 crore was contributed as GST. This is expected to surge to a cumulative INR 17,500 crore accrued between FY18 and FY27, per the current tax regime.^[1] In addition to GST, FSPs also deduct TDS on winnings on their platforms and contribute to the economy by way of corporate taxes. Per industry estimates, a cumulative of INR 1,700 crore has been contributed in this manner between FY18 and FY22. The revenue to the exchequer is expected to reach an accumulated INR 30,500 crore between FY18 and FY27, per FIFS estimates.^[1]

Figure 9 Revenue contributions to the exchequer by FS platforms^[1]



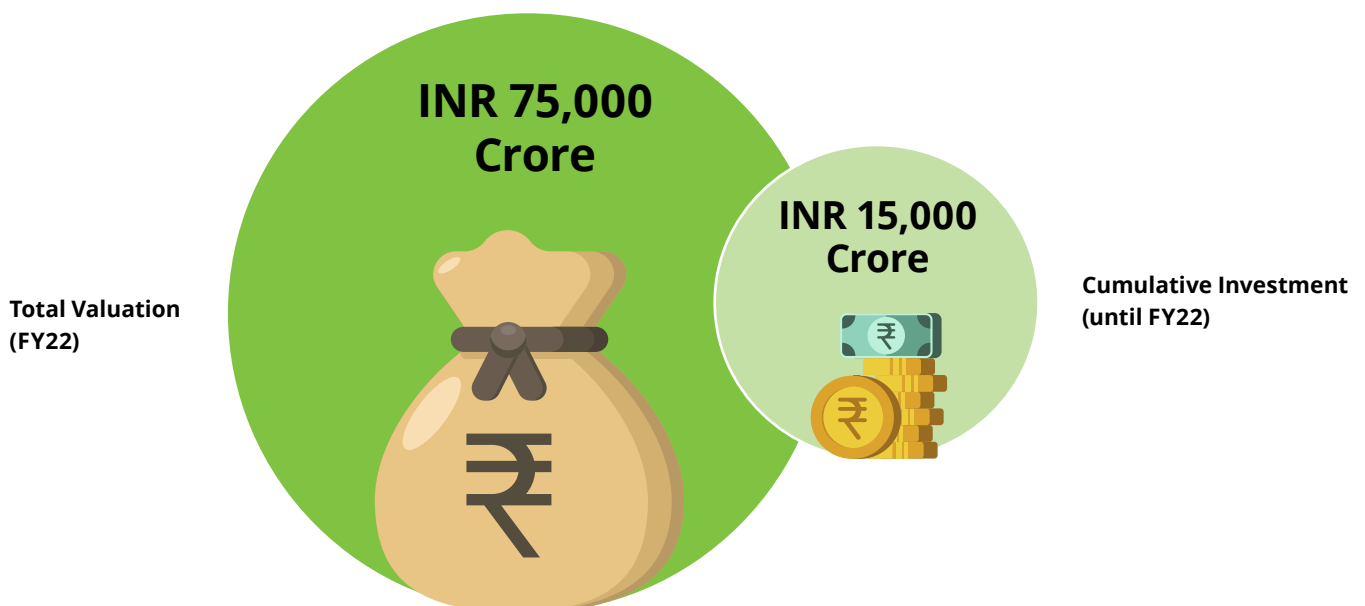
In addition to the direct contribution to the economy, FS also generated indirect revenues through technology providers, sports scoring platforms, advertising agencies, sports content aggregators, sports merchandise online retailers, payment gateways, and more.

For every INR 100 revenue directly generated by FSPs, INR 91 is generated indirectly.^[4] In this manner, the FS sector generated INR 6,200 crore in indirect revenues in FY22, with each revenue stream contributing independently to taxes as well.

Investments and valuations

Fantasy Sports have also played a role in generating significant investments for the national economy, both from foreign and domestic sources. The sector attracted cumulative investments of INR 15,000 crore until FY22.^[4]

Figure 10 Total investments and valuation in the FS sector until FY22^[4]



FDI accounted for 66 percent of this, totalling INR 10,000 crore. Per a TIOL whitepaper, it is likely to cross INR 25,000 crore by the end of 2024. [5] Funding from domestic channels includes major sector-agnostic venture capital funds such as Sequoia Capital, Elevation Partners, and Accel Partners, while global, TMT-focused funds such as Makers Fund, Griffin Gaming Partners, Kalaari Capital, Tiger Global, Think Investments, Steadview, ChrysCapital, Footpath, and TCV have been at the forefront of providing FDI and FII in the FS space in India. The entry and support

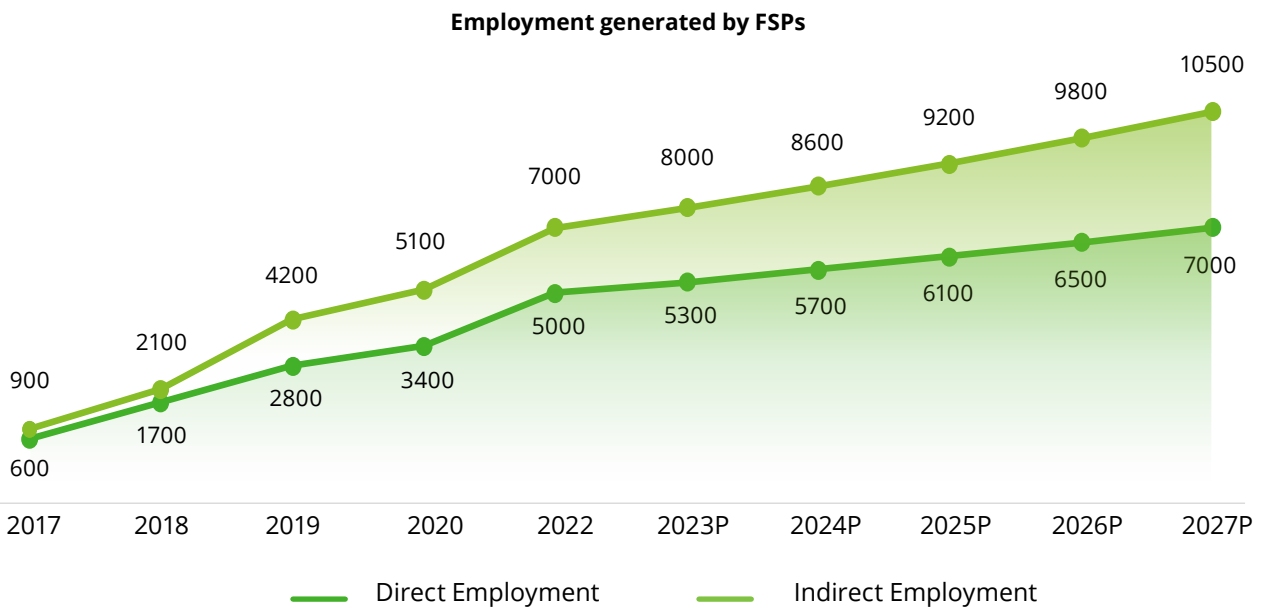
from such established institutions lend credibility to the business opportunity being presented and indicate that the sector is poised to create further value in the long term.

Additionally, the vote of confidence from blue-chip institutional investors is further evidenced in the valuations at which these investments have been raised, and the FS market has created a total enterprise value of INR 75,000 crore* so far. [4]

*The final estimate includes a proportionate valuation of RMG platforms based on revenues generated by FS verticals within such companies.

Employment

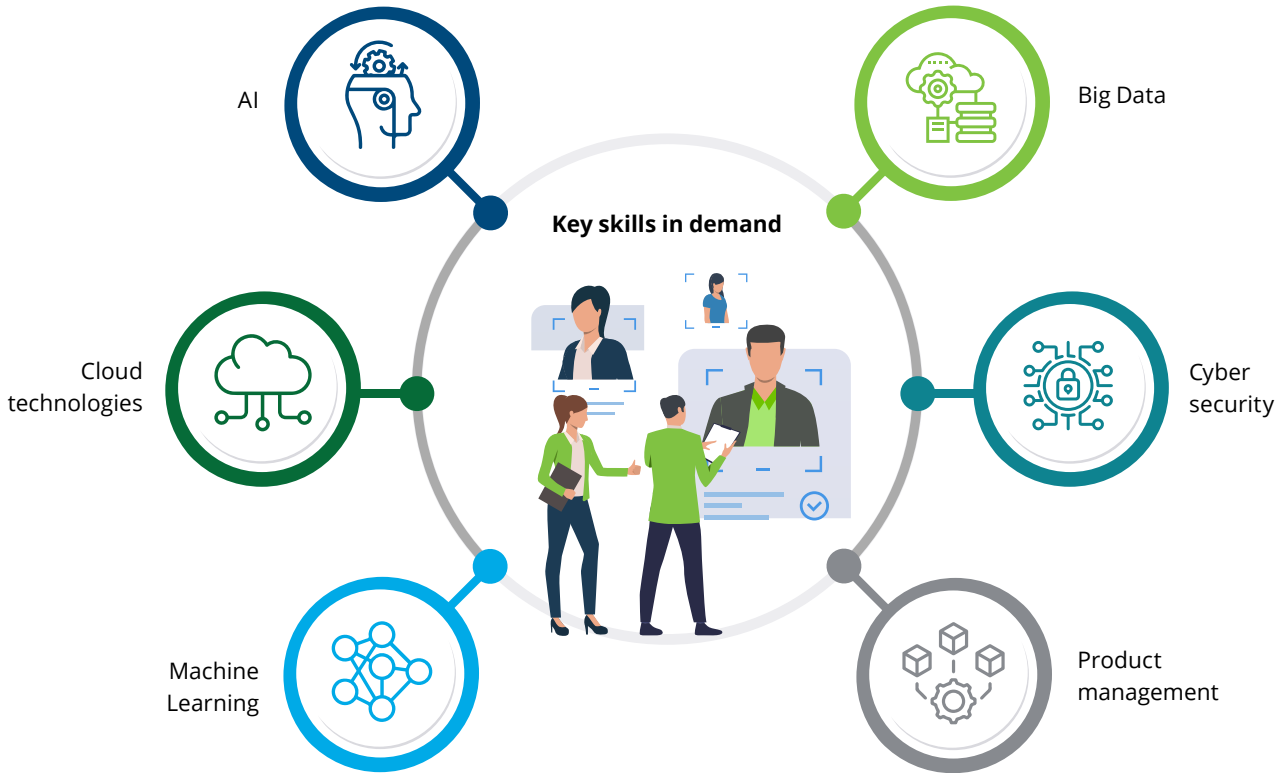
Figure 11 Direct and indirect employment generated by FSPs over the years [1]



In 2022, FS continues to contribute to the economy in direct and indirect ways. The FS industry is responsible for facilitating multitudes of start-ups in the sports and technology space and providing job opportunities for thousands of young Indians.

A majority of the employment opportunities today are on the technical side. FSPs are increasingly hiring data scientists, data architects, mobile app developers, software development engineers, cybersecurity engineers, and those with high-level programming and specialised skills to work with AI and its subsets, and Web3.

Figure 12 Skills in demand in the FS industry^{[1][4]}



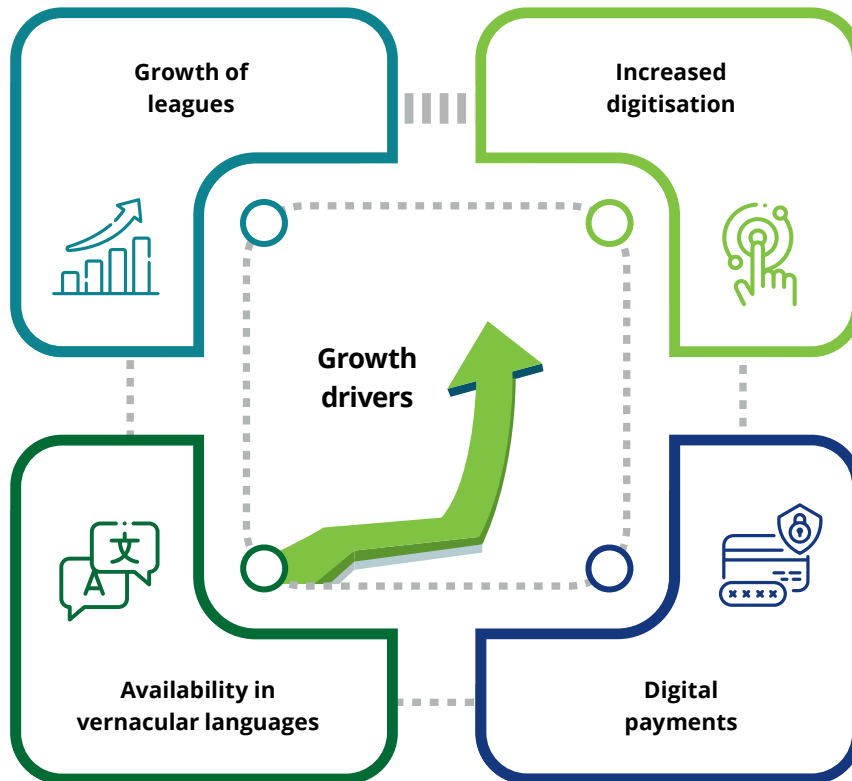
This significant contribution to the economy is not restricted to the FS sector alone. FS platforms exist within an ecosystem of several other sectors such as payment gateways, technology support, marketing, customer support, and many more. Hence, every job directly created by FSPs creates a ripple effect, generating 1.5 times more indirect job opportunities in these ancillary sectors as well.^[1] In this manner, FSPs indirectly employed 7,500 professionals in FY22, and are expected to generate 10,500 indirect job opportunities by FY27.^[1]

FSPs are product-technology driven, and most of their resources are part of the technology and product divisions. In most cases, the technology department alone accounts for 40 to 70 percent of the workforce at FSPs.^[1]

Going forward, FSPs plan to hire skilled employees who have expertise in data warehousing, big data architecture, ML, and systems design. Hiring people skilled in AI and its various subsets from top institutions is a “priority” in offering a more personalised user experience. For instance, FSPs have been hiring from renowned institutes such as the Indian Institute of Technology (Bombay, Kharagpur, Kanpur, Delhi, Madras, Guwahati), the National Institute of Design, and the Indian School of Business. These companies are known to groom fresh talent by offering immense learning and problem-solving opportunities, making fantasy sports one of the most exciting sectors for talent enthusiastic about a career in gaming, technology, or product management.

Key growth drivers of the industry

Figure 13 Key growth drivers



Growth of leagues

Live sports and fantasy sports share a symbiotic relationship, where the growth in one, directly and positively affects the other. As interest in new tournaments and sports grows, FSPs have kept pace by adding offerings to complement those new leagues and franchises. This has seen a concurrent growth in engagement and investments for FSPs. Fans often enjoy participating in fantasy leagues to enhance their enjoyment of watching live games, as it adds to their overall experience of engaging with the sport. A survey conducted by the Koan Advisory found that 70.5 percent FS players agreed their knowledge and viewing time of sports has increased.^[6]

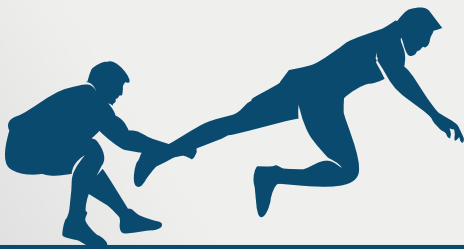
The growth in leagues and viewership is most significant in cricket, which accounted for 88 percent of all revenues accruing to the sport in 2021.^[7] Beyond the IPL, the T20 world cup in 2022 saw a 31 percent jump in viewership over the previous iteration.^[7] Importantly, cricket has also seen major growth outside of the men's version of the sport. Women's cricket has experienced major growth in recent years, with the 2020 T20 Challenge garnering 5.3 billion minutes of viewership, a 147 percent increase over the 2019 edition.^[8] Similarly, The ICC Women's World Cup held in 2022

saw a 47 percent increase in viewership numbers over the T20 Women's World Cup.^[9] Additionally, in 2023, the recently concluded first-ever Women's Premier League tournament garnered a live viewership of over 60 million.^[11]

While cricket has long been the most popular sport in India, other sports have also been gaining recognition in recent years. Indigenous sports such as kabaddi have gained major traction since the launch of the Pro Kabaddi League in 2014. By 2019, kabaddi became the second highest-viewed sport on sports channels.^[10] This growth has continued and season nine (2022) of the Pro Kabaddi League saw a 17.5 percent increase in reach (up to 222 million viewers) over the 2021 season^[12]

Growth in football viewership has also played a role, with the 2022 World Cup proving very popular amongst audiences. This year's event in Qatar saw digital viewership in India cross 110 million viewers^[10], one of the largest digital audiences worldwide and exceeded the total Indian viewership (TV Broadcast and digital) of 110 million for the 2018 world cup event.^[13]

Figure 14 Number of viewers for Pro kabaddi League^[10]



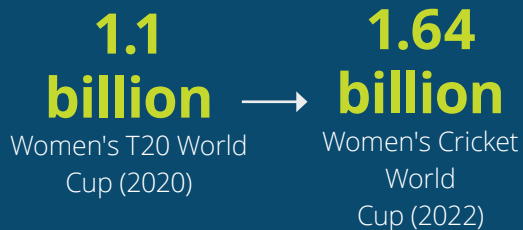
Number of viewers- Pro Kabaddi League



Figure 15 Increase in new leagues and its viewership positively impacts engagement in FS and vice-versa – a symbiotic relationship^[9]



Increase in women's cricket viewership (number of digital video views- all ICC channels)



Increased digitisation in India

Internet, and particularly mobile connectivity, has been a major factor in driving growth for fantasy sports. Not only does it enable easy access to sports for audiences, but it also increases the number of touchpoints between sports and audiences, which has led to the evolution of the “connected fan”. This has deepened the involvement of leagues, players, sponsors, and media with the sport, which positively influences the growth trajectory of the FS industry.

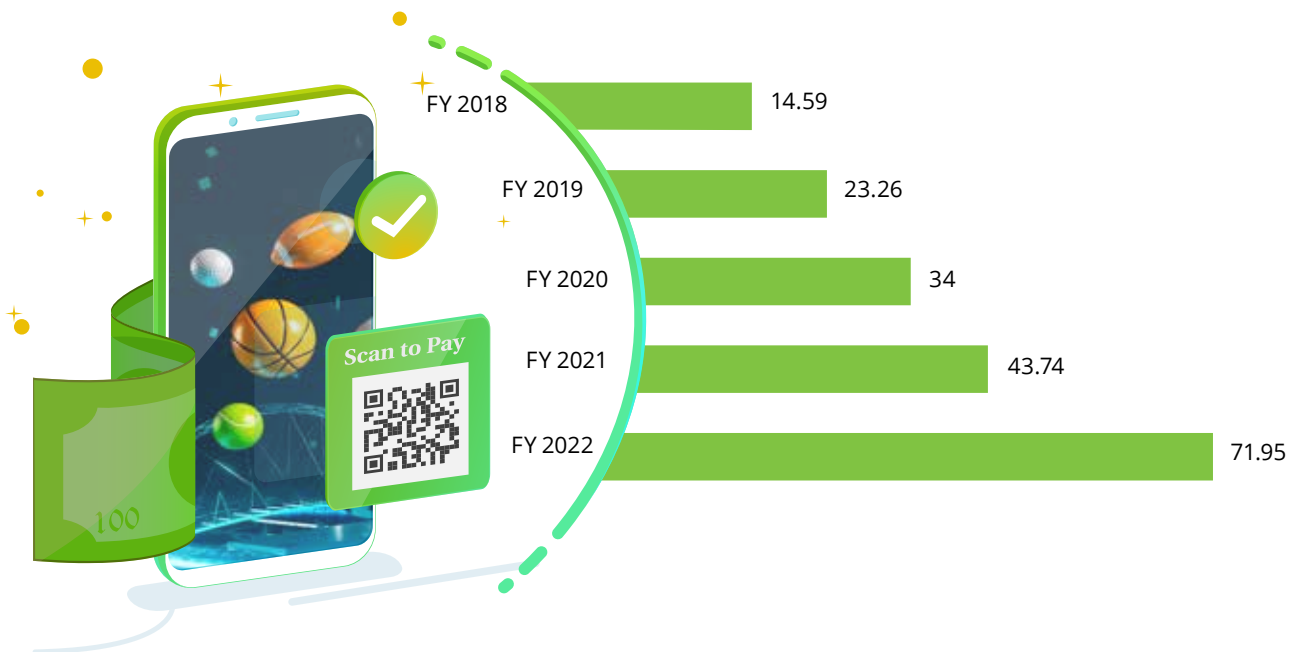
India currently has 600 million smartphone users, or a penetration of 42 percent^[14], creating a major market for FSPs to target. Further, with a population of 1.4 billion and a median age of 29,^[15] there is still a largely untapped market, which will provide fantasy sports room to grow in the coming years and decades. In parallel, internet

penetration is expected to grow from 692 million active users at present to 900 million users by 2025.^[15] This proliferation of connected, digital devices is augmented by the low cost of data available to consumers in India, which has one of the lowest telecom tariffs in the world.

The low-cost, high-speed internet that is available widely across the nation has meant that most FSPs offer only mobile-based apps since that is what their users prefer. In turn, FS users can watch not only the live stream of the sports match/league, which is available via the multiple OTT content platforms providing high-quality sports content, but additionally engage with information in the form of statistics, news updates, and strategies available via communities and other material available online.

Figure 16 Digital payments are growing at a rapid pace in India, driven chiefly by UPI transactions^[16]

Total number of digital payments across India (in billions)



Digital payments

The rise of digital payments has been a key enabler of the economy at large, and FS is one such ecosystem that has benefited from the increased adoption of digital transactions amongst consumers.

While digital payments including RTGS, credit transfers (such as UPI), debit and direct transfers, card payments, and PPI have all been enablers for FSP transactions, the wide proliferation of UPI transactions has been a key growth driver.

This growth in UPI payments has led to 110 million paid online gamers in India, second only to e-commerce.^[15] Gaming is adding two million paid users per month, and every second internet user is a gamer in India, while every third transacting user is a paid gamer.^[17]

The comfort of making payments online has largely come from trust in the UPI system, which is underwritten by the Know Your Customer (KYC) mandates required to enable the transaction method.

Availability in vernacular languages

Vernacular languages provide a large total addressable market for fantasy sports. This is mirrored in other sectors of the media and entertainment industry, such as print and

television, where cohorts that consume content in native Indian languages are larger than those who choose English as their medium. In the digital sphere, vernacular content has been seen as a key driver of growth and engagement—studies have found that 70 percent Indians find digital content in local languages more reliable, and 88 percent Indian-language internet users are more likely to respond to a digital advertisement in their local language as compared to English.^[18]

FS platforms too have identified vernacular language offerings as a key growth driver. While offerings were initially solely in English, FS apps are now accessible in eight Indic languages including Hindi, Kannada, and Bengali. One FSP managed to achieve hyper growth by identifying that audiences outside of metro cities were alienated by the absence of vernacular language platforms. By offering Hindi in addition to English, the platform quickly amassed an audience of 40 lakh in two years, witnessing 40 percent growth during the last IPL tournament.

Going forward, the demand for platforms that are available in vernacular languages will be a key driver of growth for FS. Currently, there are 692 million active internet users and it is expected to increase to 900 million by 2025.^[19] This growth will come largely from rural areas, where penetration is at 37 percent and growing rapidly, as opposed to urban India, which has a 69 percent penetration and where growth is plateauing.^[20] Internet adoption based on these demographics will lead to demand for platforms and content that are in local languages rather than in English.

Built in India, by Indians, for the world

When the Prime Minister mooted the concept of “India’s Techade”, he was capturing the notion that this decade is poised to be one of high growth for India, with technology being a vital driver. If this is to be, one of the keys to achieving this will be through championing emerging sectors helmed by homegrown players. FS is among these sectors. This contrasts with other emerging sectors, such as OTT, wherein the top three players are headquartered outside of India.^[21] FS even outdoes e-commerce in this regard, where the market is dominated by international players.

With a majority of FSPs basing their operations in India, the sector’s economic contribution to the nation has been considerable. The ability of FSPs to create products tailored to the Indian user has been a key reason for the success of FS. From introducing low-CEA contests to

integrating UPI payments, FSPs have been successful in introducing features for retaining users—a problem many sectors still grapple with. This success has also prompted international leagues to proactively enter the Indian FS market through partnerships with FSPs.

The FS sector relies heavily on emerging and advanced technology such as cloud, AI/ML, and others for their operations. Many FSPs have made it their mission to focus on developing cutting-edge technology clearly, with most of them developing homegrown technology solutions.

The FS sector also aligns with many of the tenets of the Aatmanirbhar Bharat vision, including economic development and building world-class technology-driven systems. In addition, it aligns with the overarching spirit of self-reliance to create inclusion.



Serving as a seminary for highly skilled IT and managerial jobs

The FS industry has been responsible for bringing about increased employment opportunities in the country, both directly, and indirectly in related fields such as sports analysis and training. It is no longer just a recreational sector for sports viewers but has risen to the forefront of India's sports technology industry.

FSPs are increasingly leaning on technology to improve user experience as they are product- and tech-driven companies that are not dependent on logistics, delivery, warehouse, or sales. For example, FSPs rely on cloud technologies to deliver seamless experiences at a large scale. Some FSPs have also developed in-house AI/ML models to personalise user experiences, analyse the statistical performance of athletes and provide actionable data for users to make team-selection decisions.

With the increasing use of advanced technologies such as blockchain, AI, ML, cloud technologies, and analytics in building key differentiators for themselves, FSPs are driving demand for highly skilled jobs in the field of technology and management.

The FS industry is expected to generate over 7,000 additional highly skilled jobs by FY27.^[1] The hired talent is expected to solve complex problems to offer the best-in-class user experience for its users. This requires an extensive use of advanced technologies such as AI/ML, analytics, and Big Data to understand user behaviour and platform performance at various touch points. For example, engineering teams are expected to provide their users with a seamless experience while hosting traffic of up to one crore concurrent users at any given point of time on some platforms.

Owing to the learning opportunities and the industry's fast-paced growth over the past few years, young talent enthusiastic about building a career in gaming, technology, or product fields, are increasingly interested in joining fantasy sports platforms.

With emerging challenges in the tech landscape, the Indian fantasy sports industry can help channel talent and improve the overall tech scenario with suitable employment opportunities.

Helping build a holistic ecosystem for Indian start-ups through investments

In addition to spending money on league sponsorships, athletes, and media presence, leading FSPs have been allocating capital to start-ups that help build an ecosystem for sports in India.

Given the positive performance of FS and favourable projections for the future, FSPs have benefitted from a boost in the overall funding in recent years.

These investments are being used by FSPs to improve their core offering, as well as invest in other technology and gaming start-ups in India, which is expected to boost the Indian sports ecosystem. Dream Sports, Games 24x7, and Mobile Premier League (MPL) are the top amongst the FSPs doing so, having allocated a sum of INR 2,400 crore cumulatively, thus far.^[4]

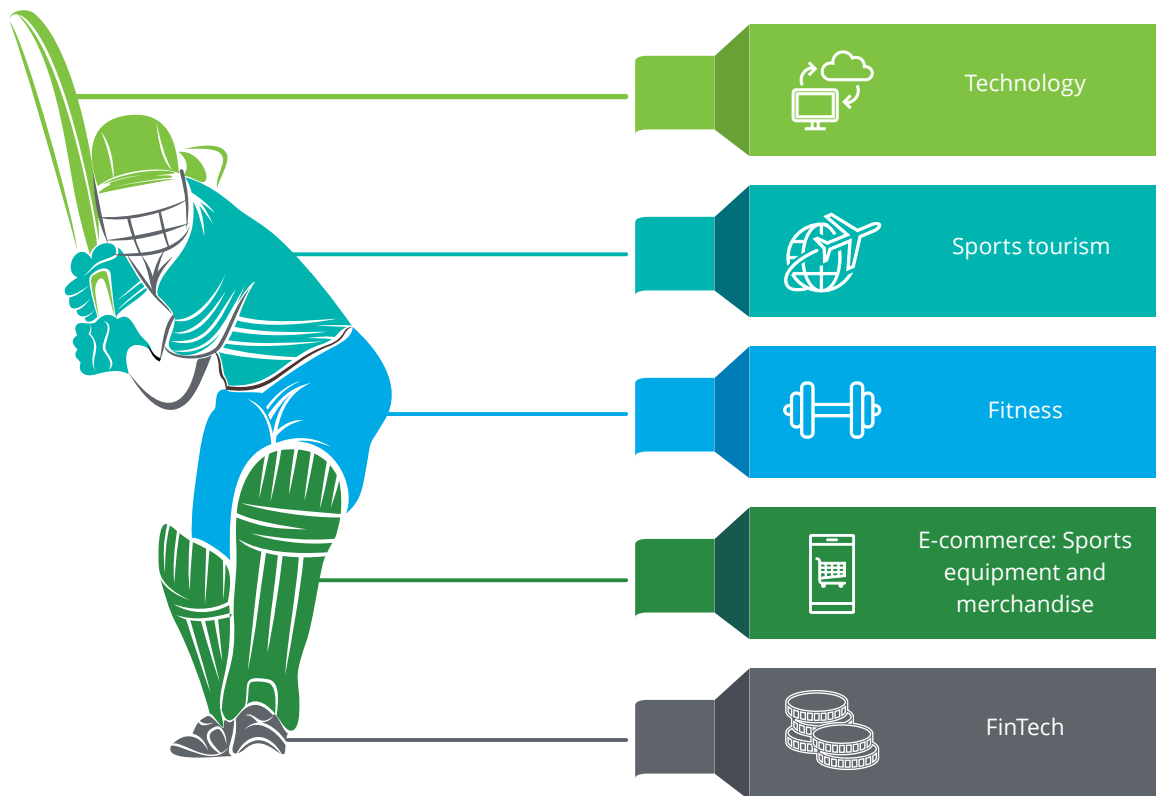
Figure 18 Cumulative investments in FSPs up to FY22^[1]



INR 15,000 crore
cumulative investment
in FSPs up to FY22

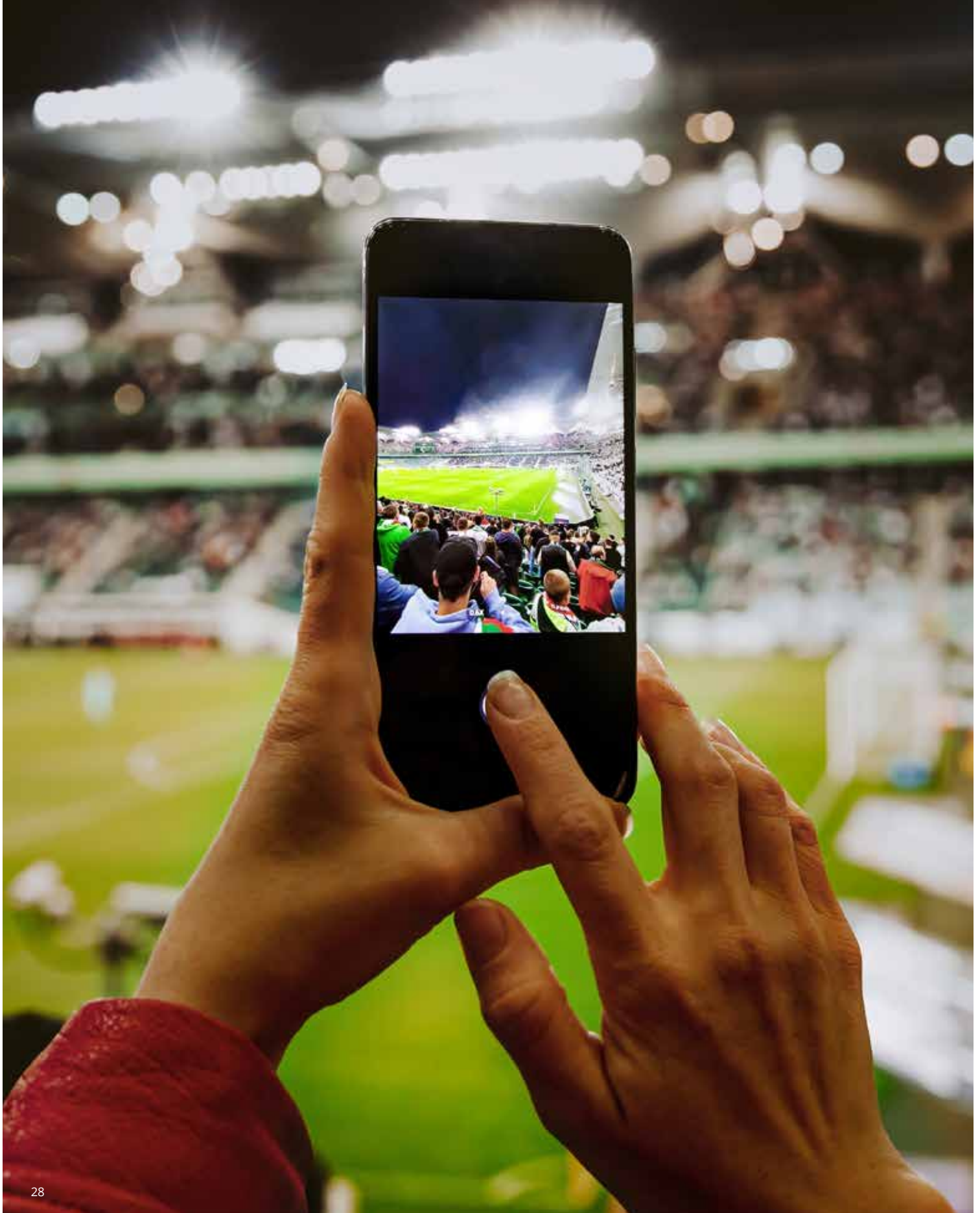


Figure 17 Sectors being invested in by FSPs



Games24x7 launched “Games 24x7 Ventures”, an INR 400 crore investment fund, which will focus on investing in start-ups related to the company’s core business areas. With the launch of this fund, the company is also expecting to expand its portfolio through mergers and acquisitions in addition to exploring new products and technologies.^[22] Additionally, MPL has launched a gaming studio named “Mayhem Studios”, to step up the development of AAA games for domestic and global markets. The studio is expected to employ a team of animation, art, cinematics, design, engineering, UI and UX

game design, and game production professionals. FSPs invest not just in terms of funds, but also by mentoring these start-ups, guiding them on user acquisition and market strategies, and improving their technology stack, etc. Further, they arrange workshops and panel discussions with industry leaders for start-ups to help with a broader view of the industry. FSPs not only enable the development of sports in the country but also emerge as key contributors towards the growth of the Indian start-up economy through both investments and mentorship^[23].



Fantasy sports as a key driver of the sports economy

Figure 19 FS spurs a virtuous cycle of sports development ^[4]



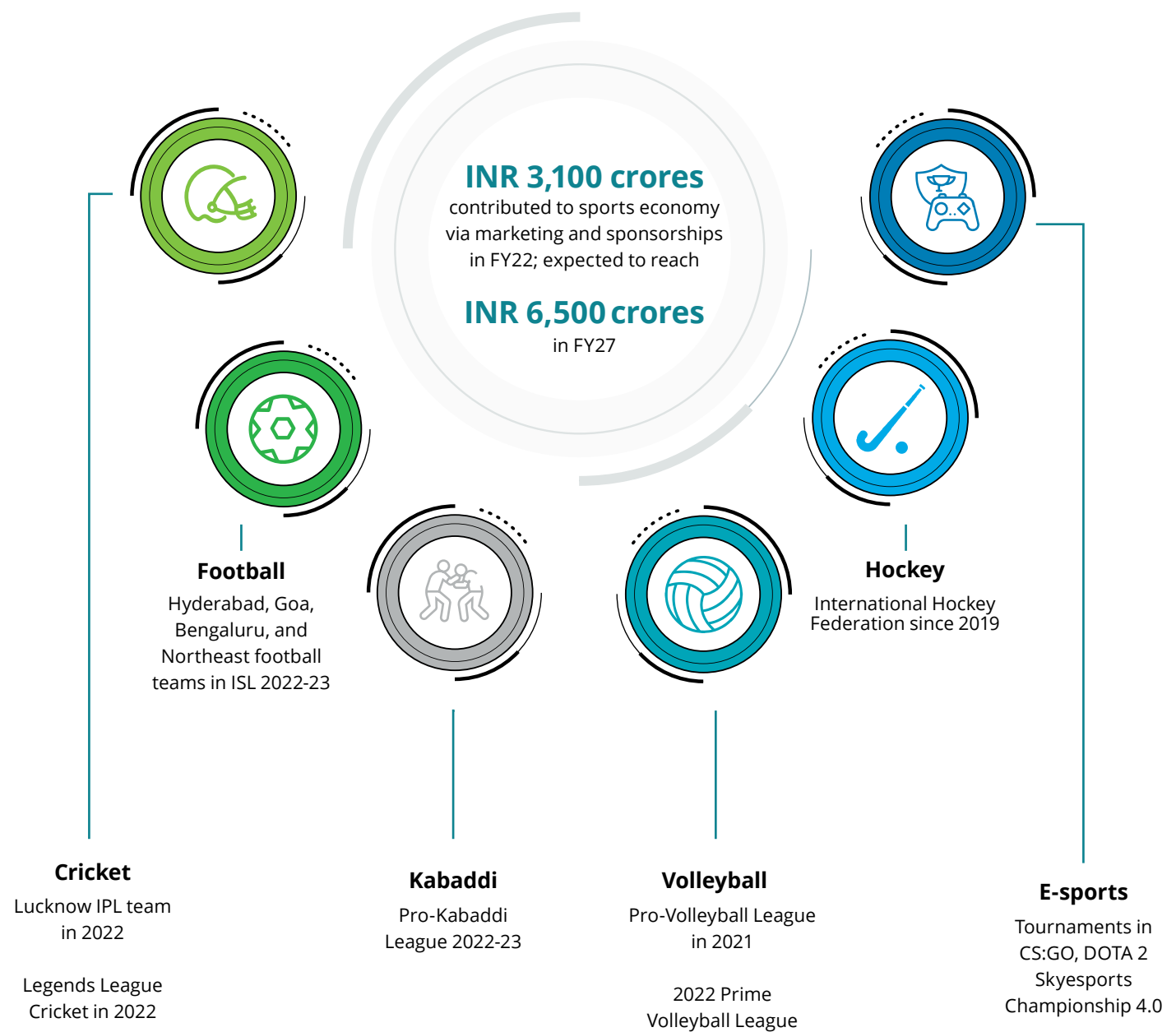
FSPs have a direct hand in the development of the sports economy in India. By cultivating an informed and engaged user base, and directly leading to an increase in sports consumption and viewership, FS drives investments and allocation to sports infrastructure and talent development. This is particularly integral for the development of sports beyond cricket, as is happening currently in sports such as kabaddi, hockey, and basketball. This inter-relationship creates a dynamic and recurring system of benefits that will in time lead to ever-increasing investments in the medium-to-long term.

Direct contribution by way of sponsorships and partnerships

Over the years, FSPs have become drivers for the sports commerce ecosystem, with sponsorships and partnerships being amongst key commercial investments in the space. These are in the form of sponsoring teams, events, and sporting bodies, purchasing exclusive branding rights, or even sponsoring athletes, and

contribute greatly to funding the underlying sport. The FS industry is expected to offer a cumulative contribution of INR 29,000 crore to the sports economy between FY22 and FY27.^[1] Sponsorships and partnerships play a major role in this.

Figure 20 Leagues and teams sponsored by FSPs in FY22 (Illustrative)



The past year saw many such sponsorships and partnerships. An FSP signed up with RP-Sanjiv Goenka group's Lucknow IPL team in an INR 75 crore deal as the official title sponsor for the Indian Premier League 2022. Similarly, another FSP acquired the title sponsorship rights of Legends League Cricket in early 2022. Other sponsored teams and leagues include football clubs (Hyderabad FC, Goa FC, Bengaluru FC, and NorthEast United FC for the 2022-23 India Super League), the 2022-23 Pro Kabaddi League, and IPL 2023. In aggregate, the FS industry contributed upwards of INR 3,100 crore in marketing and sponsorships related to sports in FY22. This is expected to

reach INR 6,500 crore in FY27, further strengthening the industry's contribution to the sports economy.^[1]

FSPs also support upcoming athletes at grassroots levels through their sponsorship spends. For example, in the IPL, the BCCI spends close to 13 percent of the money received from sponsorships and media rights sales on domestic and international athletes. About 35 percent of this revenue goes to state associations that use them for the development of the sport at the local level, amongst other activities.

Figure 21 How funds received are used by any event (e.g., IPL) to support teams, athletes, staff, and state associations^[24]



Cultivating deeper engagement with sports

India's increased investments in sports beyond cricket are bearing fruit, as witnessed in the Commonwealth Games held in 2022. While this augurs well for the future, there is still much ground to cover. While sports culture continues to grow, it needs to be further enabled.^[25]

FS plays an important role in developing a sporting culture due to its positive impact on audience engagement. It allows enthusiasts to consume information related to sports, develop and socialize with a community of like-minded individuals, and deploy their insights and knowledge to productive use. Besides finding a myriad of ways to engage with a sport, fantasy sport participants are also more likely to follow a variety of sports on TV or OTT than non-participants. As a second-order effect, sports broadcasting rights become more valuable for media entities, and encourages them to invest more in sport assets. Consumer surveys on fantasy sports users highlighted this impact in greater detail. In a previous survey by FIFS and Koan Advisory^[6]:

- 70.5 percent respondents strongly agreed that their knowledge and viewing time of sports increased
- 69.8 percent strongly agreed that they started to watch new sports and learn about new players and leagues

Figure 22 Interrelationship between FSP growth and sports development

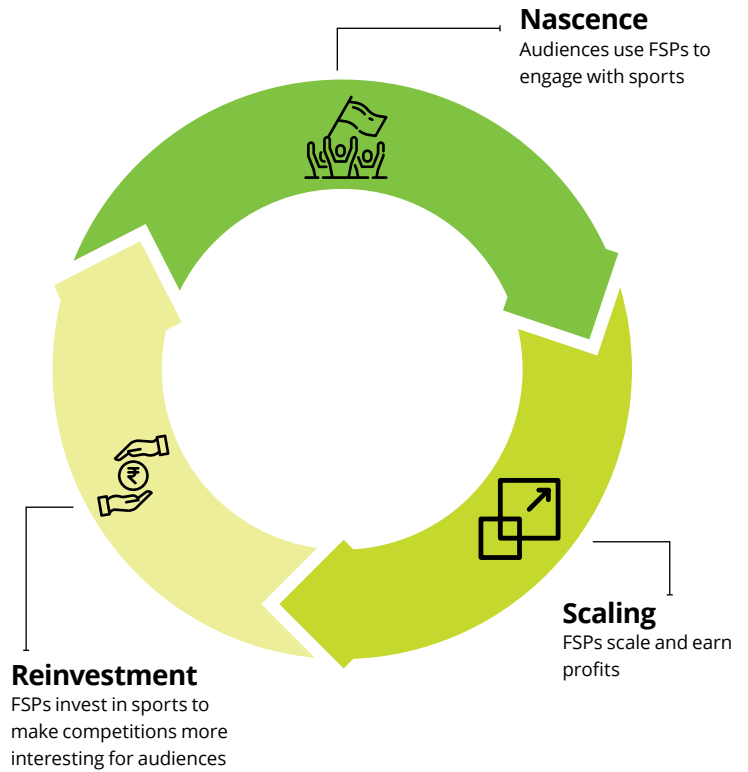


Figure 23 Results from Koan/FIFS survey on the impact of FS on consumers

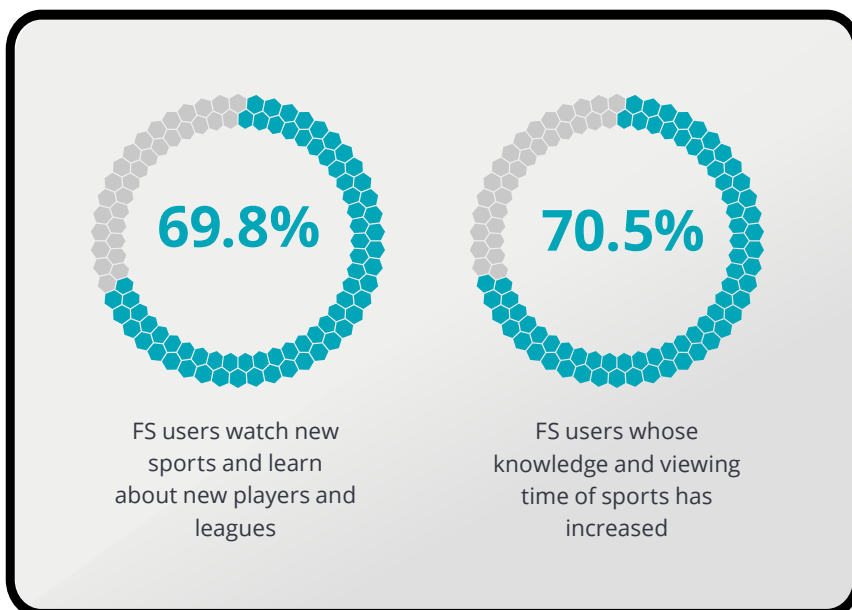
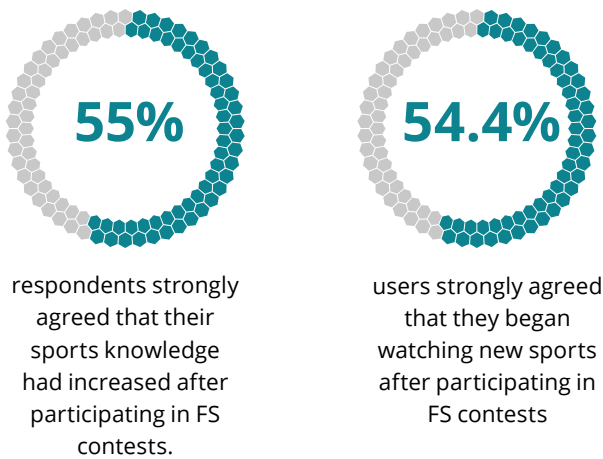
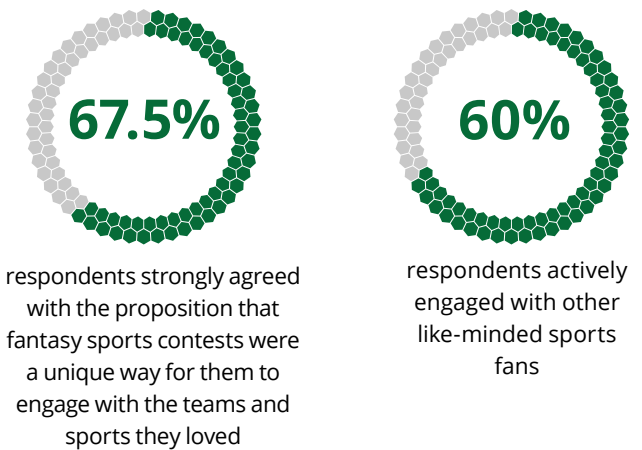


Figure 24 Increased engagement with sports due to FS

Participating in FS contests increased the knowledge of sports, teams, and leagues



Increasing engagement between users and sports due to FS contests



Beyond cricket: The growing popularity of multiple sports in India

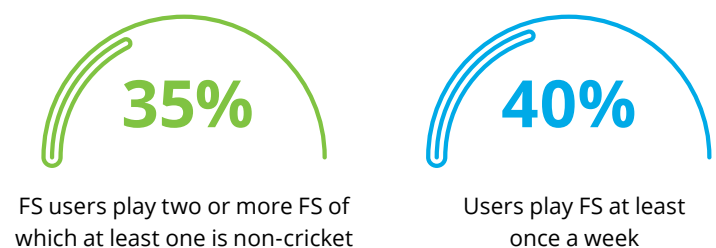
The FS industry in India initially banked on the popularity of cricket to access the Indian audience. However, with other sports such as kabaddi, hockey, football, and volleyball witnessing increasing fandom in India, the non-cricket FS market is likely to grow.

The introductory success of non-cricket FS and its benefits to the sports ecosystem have spurred more FSPs to introduce sports such as kabaddi, football, hockey, and others. For instance, Fantasy Akhada offers fantasy leagues for kabaddi, Dream11 offers leagues for football, baseball, basketball, hockey, kabaddi and more, and Twelfth Man offers football leagues, in addition to cricket leagues.

Many users who join FS apps for cricket are observed to eventually explore and participate in other sports offered on the platform as well. This is especially true during the off-season for cricket, or when the regular match schedule is affected. Additionally, the emergence of non-cricketing leagues, such as the Pro Kabaddi League, Indian Kabaddi League, National Hockey League, etc., supplemented by India’s international victories at the Olympics, has catalysed participation in non-cricketing FS. This increased participation in other fantasy sports is likely to attract more sponsorship interest in real-world sporting events, a larger prize money corpus, and encourage more players to participate in these sports leagues, beyond cricket. Several research findings also reflect the growing propensity of FS users to explore a variety of sports, beyond cricket.

E-sports is yet another sporting discipline that some Indian FSPs are exploring, in response to growing Indian esports fandom of over 10 crore viewers in India, making up 20 percent of global viewership.^[26] A homegrown pureplay e-sports FSP, now has operations in India and the Philippines, with near-term ambitions for global expansion. The inclusion of e-sports as part of multi-sports events under the Ministry of Youth Affairs and Sports in January 2023 has paved the way for the Indian representation at the 2023 Asian games. India will compete at the 2023 Hangzhou Asian Games, hosted by International Olympic Committee, in five e-sports titles, including FIFA 2022, Street fighter V, Hearthstone, League of Legends, DOTA 2.^[27]

Figure 25 Users tend to engage with multiple sports on FS apps^[1]





Profile of the Indian FS userbase

Demographic profile

Age group distribution

Largely, millennials and Gen Zs make up 75 percent of the FS user base.^[1]

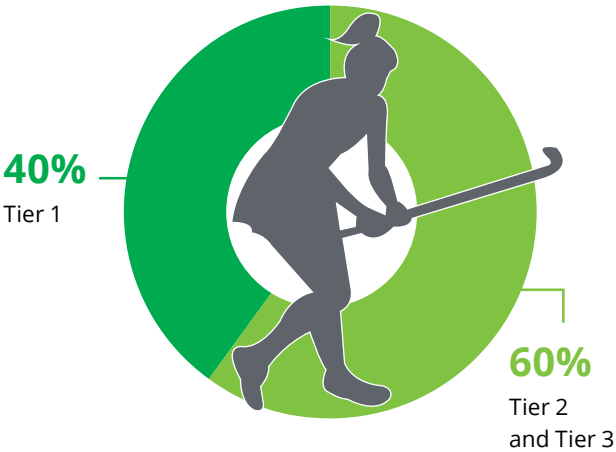
Figure 26 Age distribution of FS users^[1]



Urban-rural distribution of users

Increased digital payment literacy, engagement, and user involvement in tier-two and -three cities have resulted in increased transactions from these cities. The untapped rural internet base and the government's digital agenda are likely to drive more participation from rural areas, overtaking urban areas.

Figure 27 Transactions initiated on FSPs split by city tier^[1]



Gender distribution

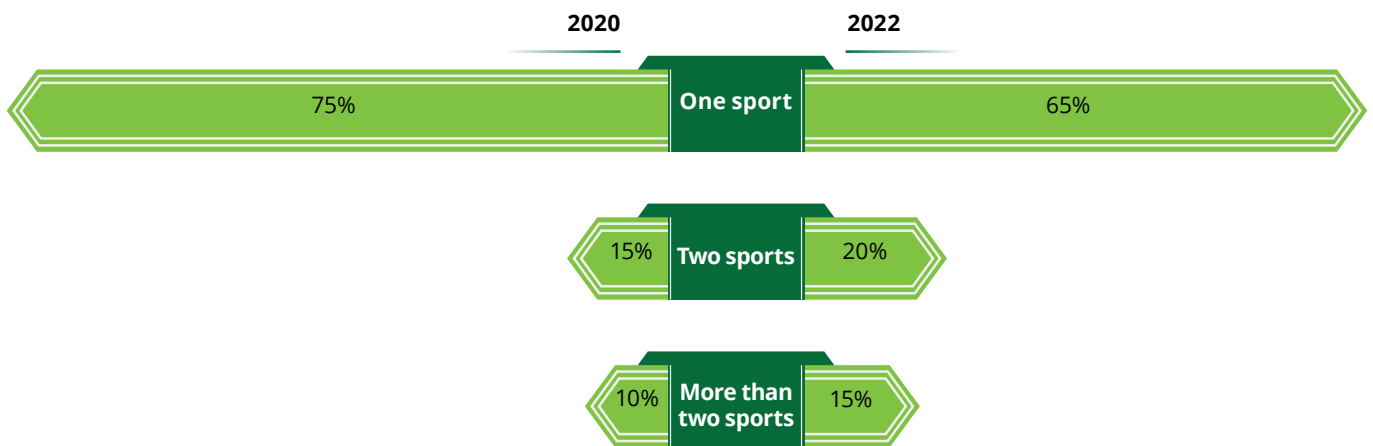
With increasing participation and viewership of women in sports, participation of women in FS is growing, comprising an estimated 30 percent of the user base at present.^[1]

Behavioural profile

Understanding fantasy sports user behaviour

With FS growing in popularity, other sports are catching up, and non-cricket FS is catching user attention. On an average, 65 percent users participate in just one sport on FS apps, 20 percent users in two, and the remaining 15 percent in more than two sports. Overall, there has been an increase in the number of FS users playing more than one fantasy sport in 2022 when compared with 2020.^[1]

Figure 28 Percentage of FS players contesting in one or multiple fantasy sports in 2020 vs 2022



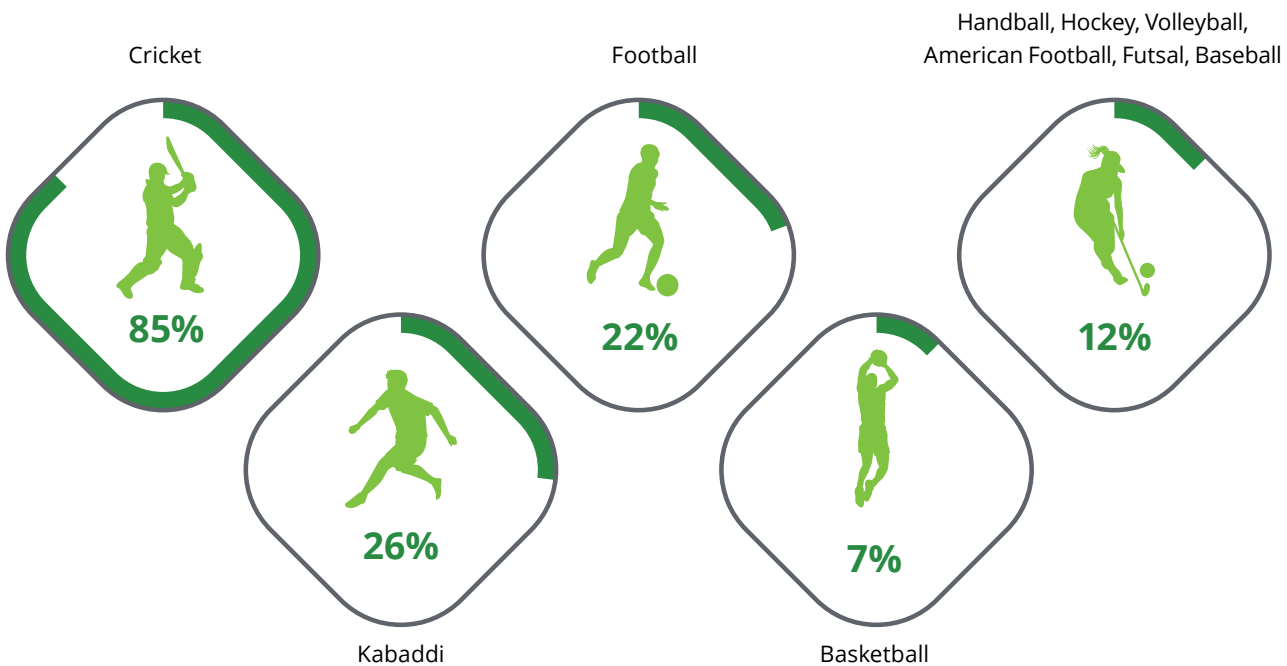
Sports-wise user split:

Figure 29 Frequency with which FS users play fantasy sports^[1]



Sports such as handball, volleyball, futsal have started getting traction while, there has been significant user growth for kabaddi, from 9 percent in FY21 to 26 percent in FY22, owing to leagues such as Pro Kabaddi and the Senior National Kabaddi Championship. Basketball and baseball have also seen a jump in their userbase from 4 percent to 7 percent, and from 2 percent to 5 percent, respectively.^[1]

Figure 30 Sport-wise user split in 2023



Free vs. paid users

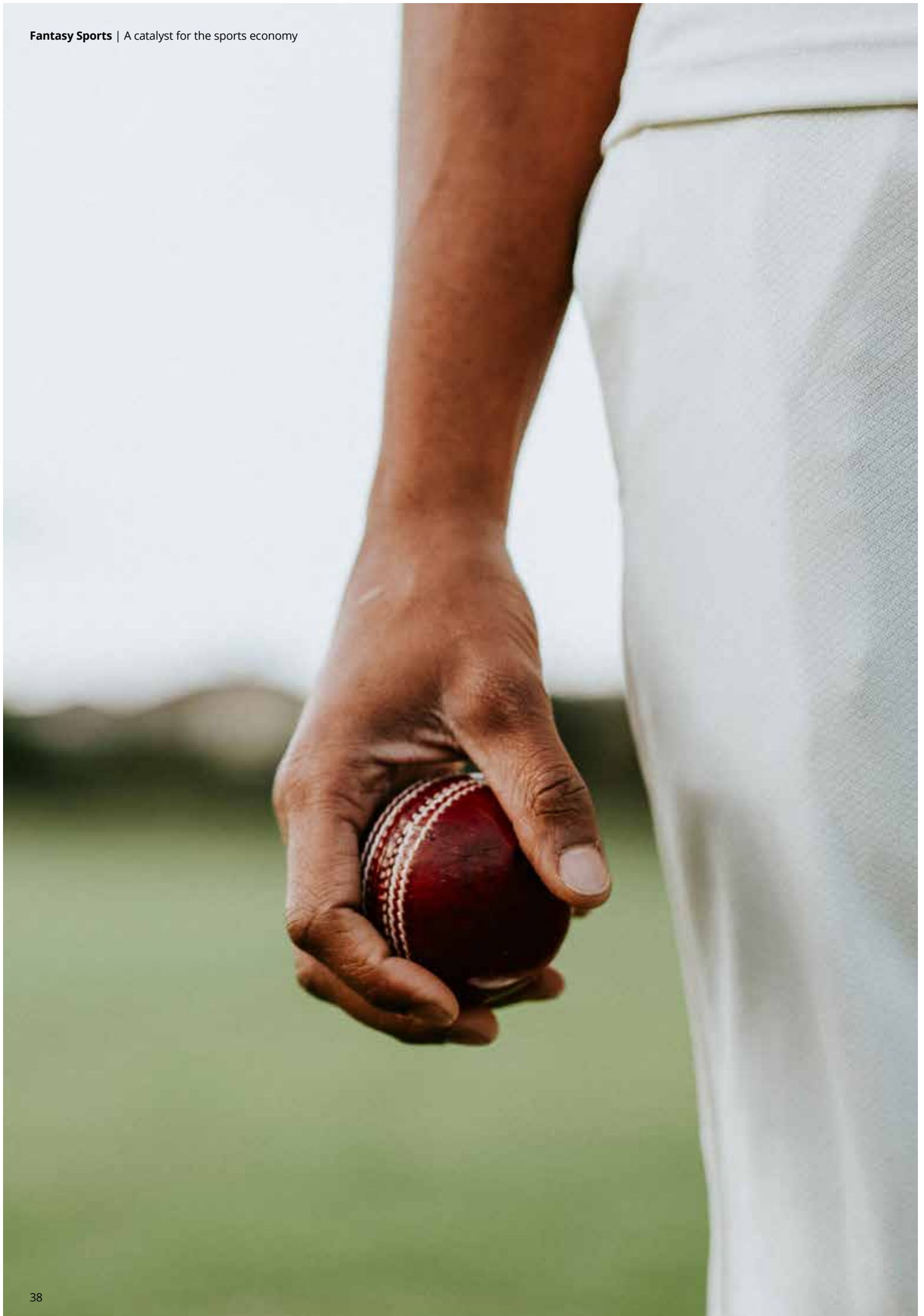
Indians are known to be conservative when it comes to spending money, especially for recreational purposes such as fantasy sports. It took years for the OTT sector to get a decent share of paid subscribers in India post their launch. With the nascency of the FS market, 80 percent users participate for free, while paid users stand at around 20 percent.^[1] However, with the growing popularity of FSPs and interest amongst the younger demographic with relatively high disposable incomes, the paid user segment is expected to increase over time. In this case, “paid user” refers to anyone who has participated in a paid contest once or more, since their registration on an app. Conversely, “free users” are those who have only participated in free contests.

The average deposit on FS apps per paid user is approximately INR 4,200 a year (INR 350 a month),^[1] with the winnings from this deposit being used for participation in multiple contests. Given the intent of FS users is sports engagement, most retain the winnings on the platform and utilise them to enter more contests. As a result, it is estimated that the ratio of deposits to CEA is approximately 1:3 for the industry, i.e., every INR 1 of deposit generates INR 3 rupees of CEA.

Figure 31 Fantasy sports user split by free vs paid users^[1]



*Paid user refers to any user who has participated in paid contest at least once since the registration; **Free user refers to those who have only participated in free contests



Charting a growth trajectory for FS – The way forward

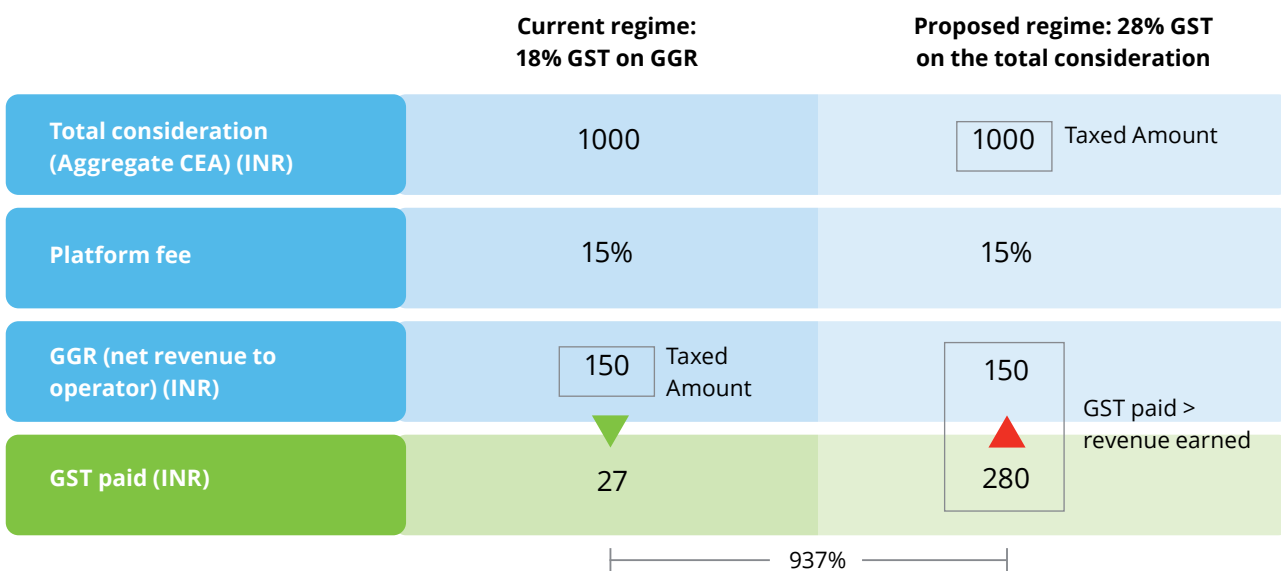
Need for a stable taxation regime to increase India’s competitiveness

The FS sector contributed INR 2,800 crore in GST between FY18 and FY22 cumulatively. This is projected to reach INR 17,500 crore between FY18 and FY27^[1], under current market conditions.

The current tax regime imposes an 18 percent GST on the Gross Gaming Revenue (GGR), i.e., the revenue made by platforms after distributing winnings to players. In June 2022, the Group of Ministers (GoM) formed to examine GST on online gaming proposed a 28 percent taxation on the total consideration, i.e., the total money that forms part of a prize pool for a particular contest. However, the GST Council referred the report back to the GoM for reconsideration. Reports suggest that the GoM has agreed to a rate hike from 18 to 28 percent, however, a consensus on the value of supply i.e., amount on which GST is to be levied, has not been reached yet.^[28] If the value of

supply of GST is changed to the total consideration it will harshly impact FSP margins, and the viability of the sector is likely to decline as a key consequence of this decision. Internationally, levying 15 to 20 percent tax on GGR yields the optimal tax revenue and platform compliance.^[29] In fact, France, which once levied taxes on the total consideration, saw rapidly declining profitability for its platforms and consumers opting for offshore platforms, leading to the proliferation of a black market.^[30] In light of this, French authorities have proposed levying taxes on GGR. The same trend was observed in the UK as well, where the transition to taxation on GGR had an overall positive impact on the industry. Offshore operators relocated to the UK, new jobs were created, illegal activity reduced, and the year saw industry turnover rising by 35 to 40 percent.^[31]

Figure 32 Impact of the proposed GST regime^[4]



The numbers used are only for illustrative purposes

Higher tax rates are likely to adversely impact foreign investment in the sector, the inflow of which can catapult the industry to higher levels and potential tie-ups with international leagues and sports. There is a pressing need for a stable taxation regime that will protect industry growth, without impeding end-user participation.

A national regulatory framework to safeguard users and enable industry growth

In the absence of uniform regulatory oversight thus far, the skill gaming industry has been self-regulated. FSPs are consciously taking a mature approach to governance and ensuring that industry growth is sustained by ethical and transparent practices. While several industry bodies have taken up the mantle of responsible industry growth for online gaming, the measures of doing so vary amongst

organisations in terms of scope and implementation. A formalised national regulatory framework, such as the "Amendments to the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 in relation to online gaming", notified on April 6 2023, will imbue the industry with regulatory certainty, ensure all users are protected, and curb illegal actors in the sector.

Figure 33 User protection measures implemented by SROs

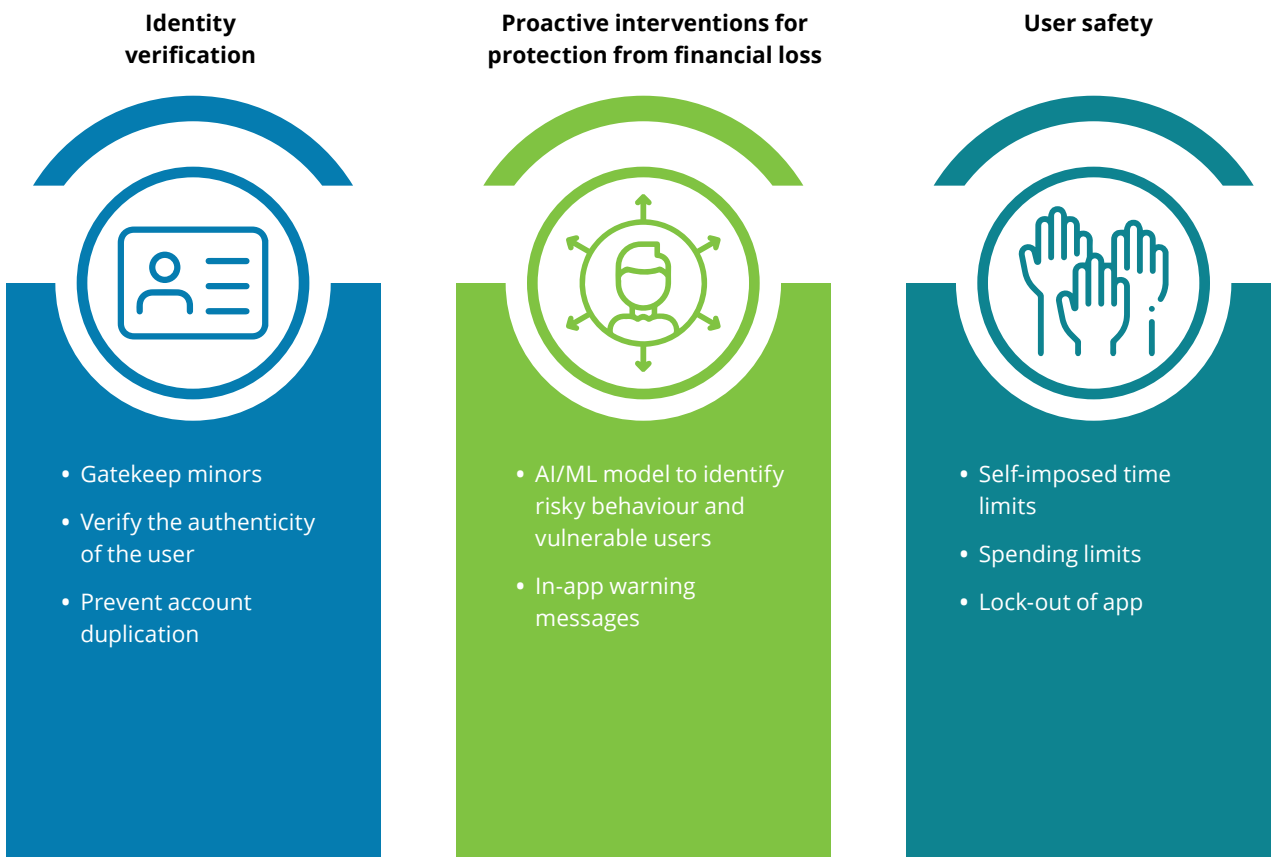


Bodies such as the Federation of Indian Fantasy Sports (FIFS), the E-Gaming Federation (EGF), and the All India Gaming Federation (AIGF) currently take the onus of ensuring legal compliance and consumer protection in the online gaming industry. These SROs have developed guiding principles that members must abide by, such as compliance with national laws, information disclosure to users and transparent dealings, online security, data protection, and guardrails to protect users from financial harm.

With user safety being a priority for legislators, users, and FSPs alike, principles of “responsible play” have been developed by SROs, recommending the implementation of guardrails to protect users from psychological and

financial harm, and create transparency. One such measure is a mandatory KYC for paying participants to gatekeep minors and prevent duplicate accounts. Other measures include algorithmic identification of potentially risky behaviour, self-exclusion options, time-outs, and voluntary limits on time spent on FS apps. For FSPs, responsible play guidelines are prescribed in the FIFS Charter, along with other guidelines, such as contest formats and rules, and transparency and disclosure requirements. All member FSPs must adhere to the guidelines laid out in the charter. The Fantasy Sports Regulatory Authority (FSRA), an independent committee of judicial experts has been set up to evaluate industry compliance with the charter, take action for non-compliance, and mitigate unfair practices.

Figure 34 Responsible play measures instituted by FSPs



Grievance redressal mechanisms for handling user complaints have also been set in place by FSPs, which are overseen by SROs. Timelines have been prescribed for responding to complaints, to ensure timely resolution of user concerns. To this end, the FIFS has appointed an Ombudsman, who operates under rules and by-laws set by the FIFS to receive, investigate, and resolve any complaints received against FIFS members.^[32] This ensures that all users are heard, and that their grievances are resolved in a timely and transparent manner.

There have also been initiatives towards the all-important goal of educating the masses about using skill-gaming platforms responsibly. Last year, FIFS, in conjunction with Meta, released a user manual aimed at fostering a healthy ecosystem for responsible play on FS apps. The user manual is aimed promoting consumer awareness of the nascent industry, encourage users to engage in

responsible play practices, and define online protocols for engaging in FS, such as refraining from violent, discriminatory behaviour, and reporting suspicious activity to the appropriate authority.

It must be noted that the recently notified IT rules for online gaming also call for the appointment self-regulating bodies (SRBs) by the government. User safety guardrails and grievance redressal processes have also been prescribed under the rules. This centrally mandated light-touch regulation is expected to curb the growth of fraudulent betting and gambling platforms marketed under the guise of skill-based games and ensure safe user participation. These rules are being lauded by industry players as a welcome move, which will lend FS increased credibility and pave the way for increased investments in the sector, leading to accelerated but responsible growth.

Commentary on commonly expressed concerns

Given the fact that FS is still at a nascent stage in India, there are many varying conceptions of what it entails, specifically on its impact on users. The section below has been drafted based on representations from industry participants.

Concern one: FS is addictive

Representation: FS prolongs engagement with sports beyond the medium of sports consumption

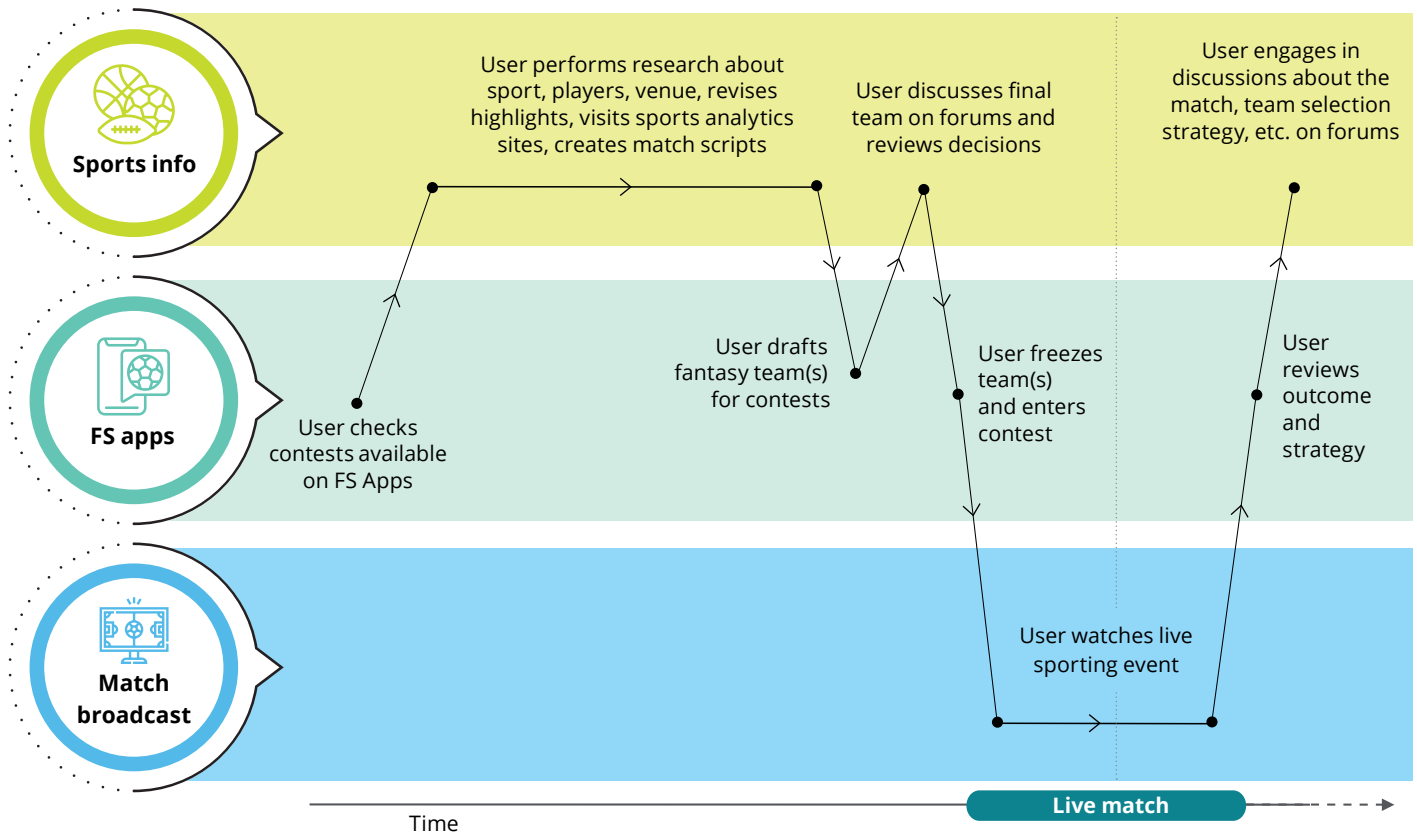
The core offering of FS apps is prolonged engagement with sports of the users' choice. This is perhaps the most unique characteristic of FS. FS apps do not simulate gameplay. Rather, they are second screens for sports engagement, taking users from being passive consumers of sports and sports content, to being active participants in the sports ecosystem.

Studies show that behavioural addiction is characterised by frequent and recurrent engagement in the purportedly

addictive activity.^[33] However, data from FSPs suggests that most users engage in FS only occasionally, with 80 percent playing just once a week or less, and only a minority of users—roughly 10 percent—engaging in FS more than twice a week.^[1] This infrequent engagement with FS points towards it being part of the sports entertainment ecosystem for users, rather than being a habitual activity.

Additionally, the time spent on FS apps is limited, with much of the activity related to the sporting event occurring outside the FS app. Typically, the FS app is used only to select the fantasy team, and the research and planning that goes into team selection takes place on sports blogs, YouTube, or other relevant forums. The actual outcome of the game also unfolds outside the FS app—on the screen or venue wherein the match is viewed. In this manner, interaction with FS is only one part of a much larger sports experience.

Figure 35 A typical FS user's engagement journey with the sports ecosystem, illustrating limited time spent on FS as compared to other sources for engagement with sports

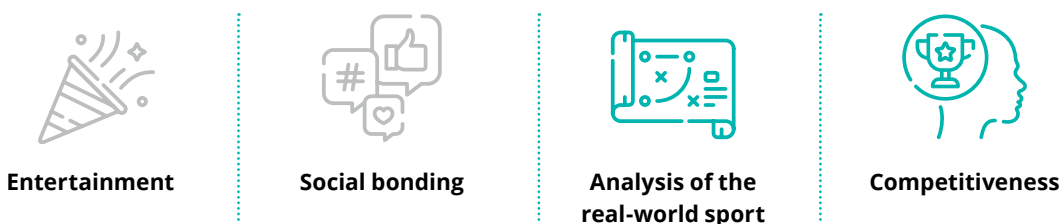


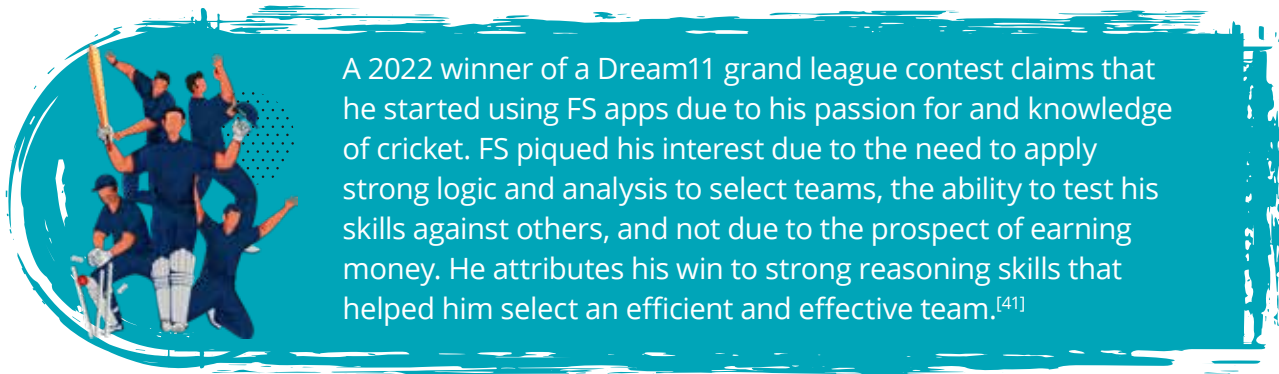
Concern two: Users engage in FS only due to its monetary appeal

Representation: FS users find intellectual and social value from the experience, beyond simply winning prizes

Industry participants represent that recent media and legal coverage of FS have taken a reductive lens to the experience, enhancing the real-money aspect of it, and undermining other, more cerebral aspects that draw users to it. Studies have found that users' motivations to engage in FS go beyond the prospect of winning money. These include entertainment, social bonding, analysis of the real-world sport, and competitiveness. Of these, analysis of the real-world sport and competitiveness were found to be amongst the primary motivators for engaging in FS.^[34]

Figure 36 While there are many motivators to engage in FS, two stand out as the most common ones

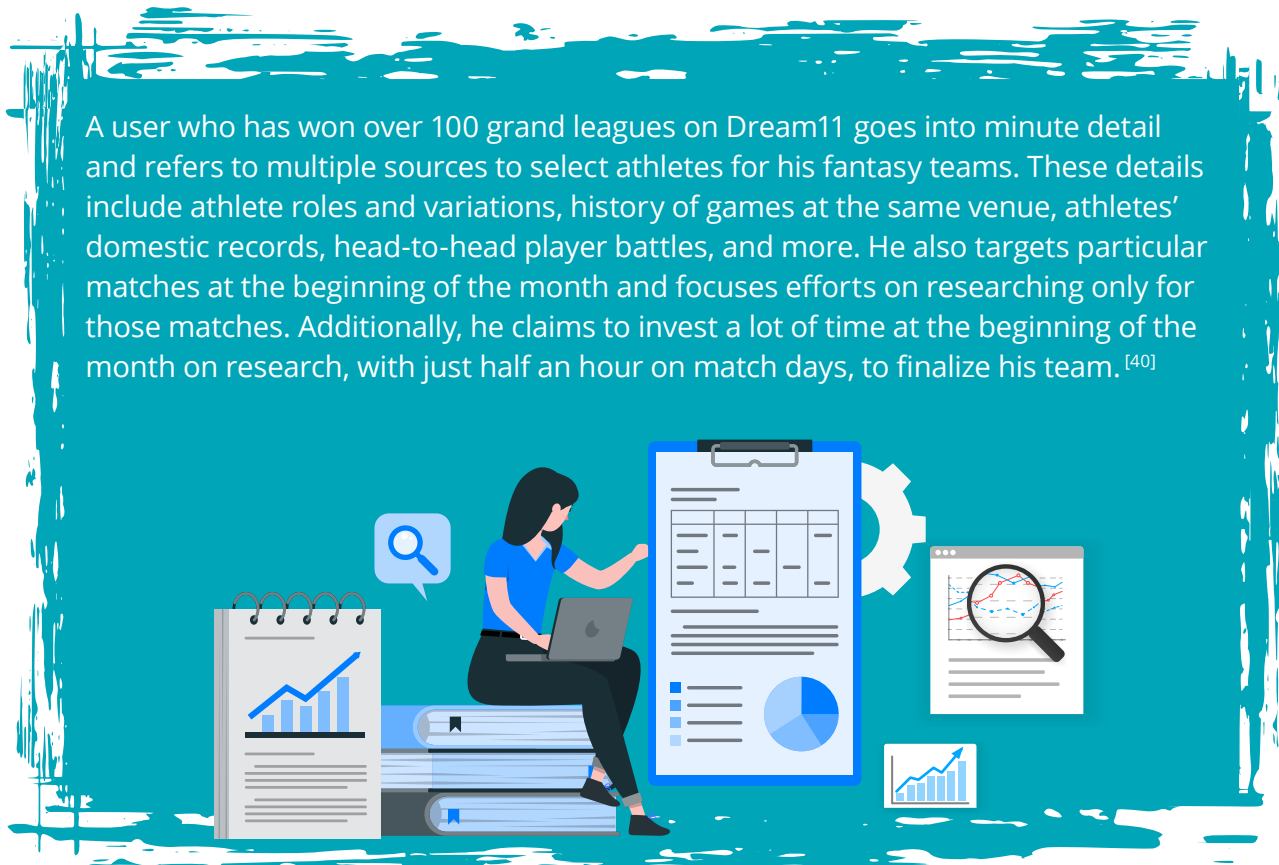




A 2022 winner of a Dream11 grand league contest claims that he started using FS apps due to his passion for and knowledge of cricket. FS piqued his interest due to the need to apply strong logic and analysis to select teams, the ability to test his skills against others, and not due to the prospect of earning money. He attributes his win to strong reasoning skills that helped him select an efficient and effective team.^[41]

Participation arising out of competitiveness is characterised by the desire to prove superior sporting knowledge and analytical skills, amongst friends and a community of sports enthusiasts. On the other hand, “analysis of the real-world sport” refers to information gathering, working with statistics, and staying in touch with real world sports.^[34] This was found to be amongst the chief motivators amongst both, casual and skilled FS app users. This is further supported by studies that examined the strategies used by FS users. It was found

that FS users rely on informational heuristics, informally created over years of following the sport, to determine the composition of their fantasy teams.^[35] FS users typically rely on a variety of sources of information to create their teams, ranging from news, blogs, coverage by sports networks, and even discussions amongst other FS users on online forums. Users were also seen to use analytics to ascertain the effectiveness of their chosen teams. This in-depth research is not typical of games with chance-based outcomes and sets FS apart as an intellectual endeavour.



A user who has won over 100 grand leagues on Dream11 goes into minute detail and refers to multiple sources to select athletes for his fantasy teams. These details include athlete roles and variations, history of games at the same venue, athletes’ domestic records, head-to-head player battles, and more. He also targets particular matches at the beginning of the month and focuses efforts on researching only for those matches. Additionally, he claims to invest a lot of time at the beginning of the month on research, with just half an hour on match days, to finalize his team.^[40]

Concern three: FS creates financial vulnerability amongst users

Representation: Most FS users recoup the money they put into contests



The average CEA on FSPs is currently pegged at a low INR 50.^[1] Statistically, 99 percent of paying users have won or lost an aggregate of less than INR 10,000 in their lifetime.^[36] These statistics suggest that there is little reason to fear financial vulnerability due to participation in FS. Some FS experts also liken the sector to the stock market^[37], where success is determined by knowledge and acumen. In FS too, users who make decisions based on research and analysis are often successful, while those who research less do not tend to see favourable results. Further, a survey conducted by a consumer protection

and advocacy group found that 85 percent of FS users believe that the option of engaging in free contests allows for deeper engagement with the sporting community, and enhances the sports-viewing experience, without any fear of financial loss.^[36] In this manner, they become increasingly intellectually invested in the sport of their choosing. This is also reflected in the increasing popularity of sports blogs, fantasy sports YouTube and Telegram channels over the past 2–3 years.

In conclusion

The Indian FS industry is amongst the few in the country founded and helmed by homegrown players. FS creates immense economic impact by virtue of its scale. Beyond this, it champions technological innovations and the growth of India's digital economy, technical and non-technical job creation, and the growth of associated industries as well. It is an embodiment of the Aatmanirbhar Bharat and Digital India philosophies. Additionally, FS has contributed to developing a sports culture in India and the proliferation of sports beyond cricket. FSPs consciously focus on deepening the symbiotic relationship shared with real-world sports by means of partnerships, sponsorships, CSR, and indirectly by virtue of deepening engagement with real-world sports. This creates a cycle of progress for the sports economy, that can aid in India's transformation to become a strong sporting nation.

While the past few years for the FS industry have been characterised by regulatory ambiguity, recent events indicate complete legislative clarity, which will provide a fillip to the industry. So far nine judges of the Supreme Court in seven different orders have upheld FS as a game of skill, thereby conclusively deciding in favour of the legitimacy of FS platforms and providing them with constitutional protection. This was followed by the forming of an Inter-Ministerial Task Force by the Government of India to regulate online gaming centrally, in September 2022, resulting in the allocation of a nodal Ministry for Online Gaming in December 2022 and the notification of the IT rules for online gaming on 6th April 2023. The rules have been welcomed by the industry and other stakeholders as a progressive, modern, and dynamic move that will remove extant ambiguity about the sector, fuel positive investor sentiment, and attract further funding, in turn incentivising innovations in India's digital economy. The rules bode well for consumers too, given that the central focus of the regulation remains towards safeguarding users and curbing illegal operations.

The past year has seen a slew of other positive developments for the industry as well, such as the

recommendations released by the AVGC taskforce in December 2022 that call for tax benefits, and technical, financial, and market access assistance for the sector. The recommendation report also highlights the gaming industry as the core of the AVGC sectors, and that it drives growth across the ecosystem.^[38] Further, in the Union Budget hearing 2023, it was announced that TDS would be imposed only on net winnings from online gaming platforms at the end of the financial year, or on withdrawals. This simplifies the TDS process for both platforms and users.

The coming months are likely to see the resolution of the debate on the GST regime. Platforms call for a tax regime that is in consonance with international standards and practices, i.e., levying 15-20 percent tax on GGR and legal principles per court orders. Further, given its immense economic potential and contribution to realising India's digital vision, FS must be provided a fair and proportionate tax framework.

The recognition of FS as a legitimate game of skill also led Google to launch a pilot programme wherein court-approved formats of FS and other skill games are allowed to be distributed via the Google Play Store. Since its launch in September 2022, the six most popular FS apps have seen close to 1.5 crore downloads on the Play Store.^[4]

Many of these advancements are still in progress, and their full impact is yet to be seen. However, these will prove to be a key inflection point in the trajectory of FS in India, allowing FSPs to flourish, while protecting their users from potential risks. A supportive and progressive regulatory framework will be key in unlocking the full potential of FS in India and ensuring that the sector continues to fuel the Government of India's vision to be a global leader in the online gaming sector.^[39] continue its global leadership in FS (by user base), and propel India's standing as a sporting powerhouse.

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Glossary

Abbreviation	Expansion	Abbreviation	Expansion
AI	Artificial Intelligence	GST	Goods and Services Tax
AIGF	All India Gaming Federation	INR	Indian Rupee
AR	Augmented Reality	IPL	Indian Premier League
ARPU	Average Revenue per User	ISL	Indian Super League
AVGC	Animation, VFX, Gaming, Comics	IT	Information Technology
CAGR	Compounded Annual Growth Rate	KYC	Know Your Customer
CEA	Contest Entry Amount	ML	Machine Learning
CGE	Contest Generation Engine	NBA	National Basketball Association
CSR	Corporate Social Responsibility	NFL	National Football League
EGF	E Gaming Federation	NFT	Non-Fungible Token
FC	Football Club	NITI	National Institute for Transforming India
FDI	Foreign Direct Investment	OTT	Over the Top
FII	Foreign Institutional Investors	PPI	Prepaid Payments Instruments
FS	Fantasy Sports	RCB	Royal Challengers Bangalore
FSP	Fantasy Sports Platform	RTGS	Real Time Gross Settlement
FY	Financial Year	SRO	Self-regulating organisations
GB	Gigabyte	TDS	Tax Deducted at Source
GDP	Gross Domestic Product	TMT	Telecom, Media, and Technology
GGR	Gross Gaming Revenue	UK	United Kingdom
GGV	Gross Gaming Value	UPI	Unified Payments Interface
GoI	Government of India	USA	United States of America

Notes on scope, terminology, and units used

- This report carries numbers in the lakh/crore systems which is prevalent in India, rather than the millions/billions system. Please note that:
 - 1 crore (cr) = 10 million
 - 1 lakh = 0.1 million
- Years in this report refer to financial years ending 31 March, unless otherwise specified. This is represented as FY20xx/FYXX for year 20xx (e.g., FY2022 or FY22 for the year ended 31 March 2022)
- US\$1 = INR 73 has been used in this report for any USD to INR conversions, unless specified otherwise

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Formed in 2017, the Federation of Indian Fantasy Sports (FIFS) earlier known as the Indian Federation of Sports Gaming IFSG, India's first and only Fantasy Sports self-regulatory industry body, was established to protect consumer interest and create standardized best practices in the Fantasy Sports industry.

FIFS aims to create a thriving ecosystem for fantasy sports users and operators by creating guidelines for a common set of practices, setting standards of operation and creating a regulatory framework to protect the fantasy sports user and operator interests. FIFS works with key industry stakeholders and liaisons with the policymakers to create a robust governance structure to support the sustained growth of the industry.

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