

**Consultation Paper on Inputs for formulation of National Broadcasting Policy-2024'**

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**Subject:** Chase India comments on Consultation Paper on Inputs for formulation of National Broadcasting Policy-2024

At the foremost, we would like to introduce [Chase India](#), a leading research and public policy consulting firm with growing practices in Technology & Fintech, Transport & Infrastructure, Life Sciences & Sustainability. As part of our policy research activities, we have worked on multiple white papers and reports on socio-economic spheres such as digital accessibility, carbon accounting, virtual digital assets, motor vehicle intermediary, consumer empowerment, right to repair, carbon capture etc. Additionally, we have analyzed the online gaming sector in detail in our reports on '[Regulatory Road Map for Online Skill Gaming Platforms](#)', '[Co-Regulatory Framework for Online Skill Gaming Platforms](#)' and actively participated in the consultative process by MeitY on the recent amendment to the [Information Technology \(Intermediary Guidelines and Digital Media Ethics Code\) Amendment Rules, 2023](#).

With this background, we are pleased to comment on the consultation paper on National Broadcasting Policy-2024. We appreciate that the Telecom Regulatory Authority of India (TRAI) has undertaken the effort to draft this policy, recognizing the pivotal role of broadcasting in shaping public discourse and fostering democratic values. The evolving landscape of media consumption, which is driven by technological advancements, underscores the need for a comprehensive policy framework that ensures fair competition, protects consumer rights, and promotes diversity of content. As highlighted in the consultation paper, access to new technologies and quality content at affordable prices is a priority for consumers, emphasizing the importance of a forward-looking policy approach with consultation from diverse stakeholders.

Thus, in line with the objectives outlined in the consultation paper, we would like to highlight few suggestions for the aspects in the Indian online gaming segment to maintain consistency with existing legislation on the matter.

- **Subject matter of governance of online gaming has already been allocated to the Ministry of Electronics and Information Technology under the Allocation of Business Rules**

Online gaming is an occupied field and under the purview of the Ministry of Electronics and Information Technology (MeitY) as per the amended Allocation of Business Rules released on December 23, 2022. After which, MeitY has notified IT Rules after extensive stakeholder consultation process which establishes a national regulatory framework to safeguard the interests of the users and enable orderly growth of online gaming intermediaries in India. The rules have defined permissible online real money games as any online real money game not involving wagering on any outcome. The definition of online gaming as mentioned in para 2.81 must align with the amended Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 definition to ensure consistency and clarity in regulatory frameworks.

The rules also obligate online gaming intermediaries to comply with the IT Rules and oversee verification from self-regulatory bodies (SRBs) designated by MeitY. The rules empower SRBs to ensure that online gaming intermediaries comply with the due-diligence requirements under the Rules. Further, the SRBs are also required to verify whether a given online game is permissible or not and also ensure that online gaming intermediaries enable introduction of responsible gaming frameworks to protect users from addiction and financial loss.

In addition to IT Rules, Central Government has been making consistent efforts to bring a robust regulatory framework for online gaming in India. Recent advisories issued by the Central Consumer Protection Authority (CCPA)<sup>1</sup>, Ministry of Information & Broadcasting (MIB)<sup>23</sup> and Advertising Standards Council of India (ASCI)<sup>45</sup> highlight the government's proactive stance on curbing illegal activities such as betting and gambling. For instance, The CCPA advisory has emphasized strict prohibition of betting and gambling under the Public Gambling Act, 1867, and warns against endorsements of these activities disguised as gaming. Similarly, the MIB advisory has reiterated the illegality of offshore online betting and gambling platforms and urges endorsers, influencers, and online advertisement intermediaries to refrain from promoting or endorsing such activities. These advisories have also underscored the significant financial and socio-economic implications of online betting and gambling, particularly on the youth and why there is a need to regulate its promotion.

The Finance Act has also made amendments to the Income Tax Act, 1961 providing a distinctive treatment to online gaming from that of gambling and betting and separate provisions for deductions of TDS and Income tax on winnings from online gaming.

With this context, it is evident that while substantive measures have been undertaken to address the regulatory void in online gaming, the pivotal need for the Government now lies in the effective implementation of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, or a commensurate regulatory framework, to institutionalize responsible gaming practices, which can foster a safer and more transparent online gaming environment for all stakeholders involved.

- **Responsible gaming practices are ensured by IT Rules and voluntary code of ethics adopted by industry players**

The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, carefully ensures promotion of responsible gaming practices and safeguarding users from the negative impacts of online gaming activities, particularly vulnerable groups such as children. These rules have presented a comprehensive framework to regulate online gaming intermediaries, ensuring adherence to ethical standards and user protection. Key measures that have been introduced under these rules include:

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<sup>1</sup> <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2011879>

<sup>2</sup> <https://mib.gov.in/sites/default/files/06.04.2023%20Advisory%20on%20Betting%20Advertisements.pdf>

<sup>3</sup> <https://mib.gov.in/sites/default/files/Advisory%20dated%2021.03.2021%20%281%29.pdf>

<sup>4</sup>

<https://pib.gov.in/PressReleasePage.aspx?PRID=1833509#:~:text=On%204th%20December%2C%202020,audio%2Dvisual%20advertisements%20of>

<sup>5</sup> <https://mib.gov.in/sites/default/files/Advisory.pdf>

1. **Verification and Safeguards by Self-Regulatory Bodies (SRBs):** SRBs designated by the Central Government are tasked with verifying permissible online real money games against a stringent framework to prevent user harm, protect children, and mitigate gaming addiction risks.
2. **Public Awareness and Transparency:** To enhance public awareness, verified online games display a visible mark of verification. SRBs are mandated to publish updated lists of verified games and membership details, fostering transparency and accountability within the gaming industry.
3. **Accountability and User Protection:** Online gaming intermediaries have to comply with stringent requirements, including disclosure of relevant information to users, mandatory Know Your Customer (KYC) procedures, and prohibition of credit financing options.
4. **Grievance Redressal Mechanism:** In this an aggrieved user has the right to appeal before the Grievance Appellate Committee against decisions of the Grievance Officer of the online gaming intermediary. This mechanism empowers users to seek redressal for grievances related to non-compliance with disclosure norms.

In addition to these regulatory measures, many companies have voluntarily adopted the Voluntary Code of Ethics for Online Gaming Intermediaries. This proactive approach by the industry underscores its commitment to responsible gaming practices that complements the regulatory framework established by the IT Rules. By adhering to this code, companies have pledged to prioritize user welfare, prevent underage gaming, combat addiction risks, and promote transparency and accountability.

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**Q9. Online gaming being a rising sector holds potential for contributing to economy, what policy and regulatory aspects should be adopted for the orderly growth of online gaming in India? Further, suggest measures to support local game developers to compete and grow. Also suggest safeguards to protect general public (especially underage players) from negative and psychological side effects, while promoting healthy gaming.**

A. The policy has underscored the transformative impact of online gaming, not just as a recreational activity but as a significant driver of innovation, investment, and economic growth within India's digital economy. With the second-largest gaming community globally, boasting over 450 million users, India's gaming sector has emerged as a formidable force, projected to surpass movies, music, and television combined in the near future.

Moreover, the sector's rapid expansion, growing at a rate of 22% reaching INR16,428 crore in FY23 has proven to be the primary contributor to the growth of M&E sector. This boost is largely attributed to several factors like widespread smartphone penetration, improved internet connectivity, a growing youth population, and the development of local gaming content. Despite its exponential growth, India's share of the global gaming market remains a modest ~1% of global online gaming revenue, underlining the need for an enabling regulatory framework that ensures the sector grows orderly and is competitive across global markets. Recently, The Honorable Prime Minister's has also envisioned to position India as a global hub for game developers underscoring the sector's immense potential to drive the "Create in India" and "Brand India" initiatives, fostering both economic empowerment and global recognition.

With the deemed status of online gaming as the sunrise sector for the, it is imperative that the responsible growth of the sector is ensured while safeguarding the interests of the general public. To this effect, it is humbly submitted that the SRBs under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Rules”) are notified at the earliest. Furthermore, to prevent user harm, we should consider -

- **Notification of SRBs under the IT Rules 2021:** The online gaming rules notified by MeitY in April 2023 addresses various concerns of user harm by introducing the concept of ‘permissible online game’ that allows only such online real money games in India that are verified by SRBs (self-regulatory body) and not involve wagering on any outcome, enabling a clear distinction between skill based and chance-based game. Given the existing legislation on the sector and urgency to bring uniformity in regulatory framework, primary focus of the government should be on immediate notification and activation of SRBs fostering a uniform treatment of online gaming throughout the country and cultivating a standardized national market. The Ministry may also explore alternate forms of regulatory framework after consultation with relevant stakeholders if there are concerns around independence of the SRBs persist.
- **Support for Local Game Developers:** The rapid growth of the AVGC-XR sector in India has made the sector an important growth engine for the economy. While India only accounts for ~1% of the global AVGC market, there is immense potential for the sector to grow with indigenous potential for game development which gets translated through the games of Indian culture and diverse history. The sector has immense capacity to make Indian culture accessible to the world, by building impactful indigenous intellectual property that can help preserve our culture and pass it to the world in contemporary formats.

The Union Government's initiative in releasing the draft National AVGC policy plays a crucial role in fostering holistic growth within the AVGC sector in the country. Additionally, various state level initiatives Karnataka and Kerala offer a forward-thinking approach in recognizing the immense potential of AVGC. Hence to further promote game development in India, the government must focus on finalizing and enacting the National AVGC policy.

Furthermore, the establishment of the proposed National Center of Excellence (CoE) and regional CoEs, as defined in both the draft national policy and state policies, holds significant promise in realizing the government's vision of fostering indigenous game development. These centers once established would serve as vital hubs for innovation, skill development, and collaboration within the gaming ecosystem. Moreover to further unleash the full potential of the gaming industry, we must foster greater synergy between state and central government entities appointed with development of AVGC policies.

- **Age Verification and Restrictions:** The IT Rules, 2021 prioritize user protection by ensuring stringent age verification measure and restrictions on online gaming. These rules have mandates online gaming intermediaries to enforce Know your customer (KYC) processes to verify the age and identity of users. Additionally, various online real money gaming companies have ensured that only adults are granted access to online money games by integrating age verification checks.

Other age gating measures have also been ensured to restrict access to games through disclaimers in advertisements and promotional materials. Hence, these measures collectively contribute to creating a safer and more secure online gaming environment, where the interests of vulnerable groups, particularly children, are safeguarded effectively.

- **Promoting responsible gaming measure:** Online gaming platforms should be mandated to provide self-exclusion options and user-defined alert limits to help players manage their gaming behavior and avoid financial harm. Additionally, launch public awareness campaigns to educate users, especially underage players, about the risks and consequences of excessive gaming. Strict advertisement standards should be maintained by platforms and every platform must ensure to restrict advertisements that promises success or positions gaming as an income source. While several guidelines and advisories have been issued to promote responsible gaming, it is imperative to enforce these measures with the full force of law. Strict actions should be taken against platforms that advertise non-permissible games, emphasizing the need for stringent enforcement mechanisms.

It is important to note that these measures are best implemented by establishing self-regulatory bodies (SRBs) to complement government oversight and rule-making. SRB is either independent or industry-led that are endowed with limited powers for administration, monitoring, and addressing instances of non-compliance. These SRBs possess industry-specific knowledge making them agile to the ever-evolving online gaming industry and allowing them to adapt accordingly. The voluntary code of ethics adopted by few industry players set a starting point for industry to establish uniform guidelines for responsible gaming.

If establishing SRBs is challenging in current ecosystem, government must consider forming an inter-departmental committee comprising experts from various fields to ensure regulatory measures are comprehensive, effective, and responsive to evolving needs of gaming ecosystem.

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**Q10. What further steps and initiatives should be adopted by the Central and State Governments and the industry for the growth of animation, VFX and post-production segment? Provide your comments with detailed reasoning and justification.**

To foster the growth of the animation, VFX, and post-production segment, a multi-faceted approach involving the Central and State Governments, as well as industry stakeholders, is imperative. Here are some further steps and initiatives that could be adopted:

1. **Leveraging Media Cities for Scale:** India should capitalize on its upcoming media cities to establish the world's largest post-production and VFX service hub. Focus on emerging technologies like AR/VR and virtual worlds, creating hub that would attract global content movement and talent, enhancing India's global competitiveness.
2. **Creating Differentiated IP:** There should be a concerted effort to develop indigenous intellectual properties (IPs). By nurturing and promoting Indian content, we can carve out a distinct identify

for ourselves in the global animation and VFX landscape. India has already proven itself capable of creating YouTube friendly content for global kids audiences. It is time for India to create film and OTT IP that resonate globally, such as Mighty Little Bheem. By drawing inspiration from Indian mythology and leveraging iconic characters, India can capture international audiences' attention. There is also recent interest by PM Modi on building the gaming and esports industry in India which has ability to compete with global market.

3. **Government Incentives for Export Promotion:** The existing incentive schemes for international animation, VFX, and post-production projects should be further promoted and expanded. Initiatives like offering up to 30% reimbursement on minimum expenditures INR10 million, with additional bonuses for significant Indian content, enhance India's attractiveness as a destination for foreign collaborations.
4. **Exploring Opportunities in Adult Animation:** Given the surge in demand for adult animation globally, Indian studios should explore this niche market. With a significant gap between demand and supply, there's a lucrative opportunity for Indian content creators to cater to international audiences.
5. **Strengthening Industry Alliances:** Partnerships with international associations and platforms often facilitate co-productions and financing opportunities. Forging such alliances broaden market reach and stimulate demand for VFX services.
6. **Bridging the Talent Gap:** Collaboration between studios and educational institutions is crucial for nurturing talent. Initiatives like offering animation and VFX courses and establishing incubation centers prepare aspiring professionals for the evolving demands of the industry.
7. **Infrastructure Development:** Investments in cloud-based infrastructure and proposed film cities across various states like UP, Maharashtra, Tamil Nadu, and others, will provide opportunities for large international studios to set up operations in fit-for-purpose locations. By providing the necessary technological backbone and conducive environments, India can attract international studios and projects.
8. **Global Cost Rationalization:** Due to the recent strike of Hollywood writers that has impacted global supply chains, the risk-taking appetite of global studios decreased in 2023, the opportunity for creating top-end product at lower costs has increased for India. We expect the use of government incentives, co-production treaties and the set-up of many international VFX studios to provide a significant opportunity for India to take advantage of the global environment. It will also provide India a chance to build its own technological IP and differentiate our service offerings from other countries.

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We appreciate the opportunity to submit these comments and are looking forward to participating in the OHD on Consultation Paper on Inputs for formulation of National Broadcasting Policy-2024. Chase is committed to fostering growth in the digital economy and enhancing innovation in the sector and is grateful that our submission will be given consideration.

Warm regards,  
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