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Win- Dhan – An Opinion- Trading Website

Om Shirke, Krishnakant Tiwari, Tanmay Bugge, Durgesh Patil, Dr. Vilas Joshi
Department of Computer Engineering
ISB&M College of Engineering, Nande, Pune, India

Abstract: *In centivised opinion- trading platforms also known as prediction markets enable users to stake value on discrete future events and receive proportional rewards once outcomes are resolved.* ***Win- Dhan*** *is an online opinion- trading website designed for the Indian market, combining on-chain wallet settlement with an off- chain real- time odds engine to deliver transparent, low- latency wagering. This paper presents (i) a consolidated literature review of prediction- market theory, blockchain- based betting, and Indian regulatory frameworks; (ii) a detailed problem statement highlighting trust, liquidity and compliance challenges; (iii) system architecture featuring a hybrid Layer- 2 wallet bridge, Kafka- driven odds dissemination, and smart- contract custodial settlement; (iv) pilot- study results from 120 beta users; (v) cost, feasibility, and security analysis including GDPR & DPDP compliance; and (vi) future directions for AI- driven market making. The work demonstrates that Win- Dhan can achieve <150 ms quote latency, <1 % oracle error, and 99.97 % wallet- fund reconciliation accuracy while operating within India's evolving regulatory boundaries.*

Keywords: opinion trading, prediction markets, smart contracts, real- time odds, wallet integration, India online gaming regulation

I. INTRODUCTION

The past decade has witnessed an explosive rise in prediction markets – digital platforms where participants "trade" on the outcomes of future events and prices reflect the collective probability assessment of those events occurring [1]. Globally, exchanges such as Augur, Polymarket, and Kalshi have demonstrated how real- time wagering on elections, sports results, or macro- economic indicators can yield remarkably accurate forecasts while providing financial incentives to informed participants [2], [3]. Parallel to this trend, India has experienced rapid growth in online skill-gaming and fantasy- sports apps, backed by cheap mobile data and UPI- based micro- payments [4]. Yet a transparent, compliant venue for opinion- based trading – where retail users can monetise their predictions on any verifiable real-world question – remains conspicuously absent.

Win- Dhan ("**धन**that you win") addresses this gap by fusing a real- time odds- matching engine with non- custodial crypto- wallet settlement. Users stake tokens on binary or categorical markets uploaded by an administrator; once the outcome is resolved via an authenticated oracle, payouts are disbursed automatically in proportion to the shares held. The platform's design pursues three overarching goals:

1. Trustlessness & Transparency.

Funds are escrowed in auditable smart contracts on a Layer- 2 blockchain (Polygon CDK). Market odds, trade volumes, and the oracle proof are publicly verifiable, mitigating the "house edge" opacity common in traditional betting sites.

2. Low- Latency User Experience.

A Kafka- backed in- memory order book publishes updated prices with sub- 200 ms end- to- end latency, matching the speed expectation of mobile gamers while shielding on- chain users from prohibitive gas fees by batching settlements.

3. Regulatory & Ethical Compliance.

Indian jurisprudence differentiates games of skill from games of chance; recent GST circulars (July 2023) and the Digital Personal Data Protection Bill (2023) further shape permissible operations [5], [6]. Win- Dhan incorporates full-stack KYC/AML, age gating, self- exclusion features, and pseudonymised data handling to align with evolving norms.

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While academia has examined both the LMSR automated market maker that powers many prediction exchanges [7] and the use of blockchain oracles for tamper- resistant settlement [8], scant literature evaluates a hybrid architecture optimised for India's mass- market constraints—namely rupee on- ramp frictions, intermittent connectivity, and stringent tax reporting. This paper therefore contributes:

- a consolidated literature survey contextualising opinion- trading within global and Indian regulatory landscapes;
- a formal problem statement and research objectives focusing on liquidity, compliance, and user trust;
- a detailed system architecture marrying off- chain odds calculation with on- chain treasury management;
- empirical pilot- study results from 12 beta users, benchmarking quote- latency, oracle accuracy, and wallet-reconciliation rates;
- a feasibility and cost analysis demonstrating a minimum viable product (MVP) budget under ₹2.5 Thousand over month; and
- a comprehensive security framework spanning encryption, smart- contract audits, GDPR/DPDP alignment, and role-based access controls.

By holistically analysing technical design, economic incentives, and legal- ethical safeguards, we aim to show that Win- Dhan can serve as a scalable, secure, and compliant prediction- market platform for India's rapidly digitising population, laying groundwork for future research in AI- driven market making and cross- jurisdictional liquidity pools.

II. LITERATURE SURVEY

The research underpinning Win- Dhan lies at the intersection of prediction- market theory, blockchain- enabled wagering, real- time odds engines, and India- specific regulatory discourse. This section synthesises key contributions in each domain, establishing the knowledge base and identifying gaps our platform addresses.

A. Prediction- Market Theory and Mechanisms

Hanson's seminal work on the Logarithmic Market Scoring Rule (LMSR) introduced an automated market- maker that maintains continuous liquidity while bounding worst- case loss [1]. Subsequent studies demonstrated LMSR's ability to aggregate dispersed information efficiently, producing probabilities more accurate than expert polls in political contests [2]. Pennock et al. compared LMSR with order- book markets, noting trade- off between liquidity cost and price responsiveness [3]. These frameworks inform Win- Dhan's odds engine, which blends fixed- fee LMSR quotes with a limit- order overlay to improve depth during high- volume events.

B. Blockchain- Based Prediction Markets

Augur (Ethereum) pioneered decentralised prediction markets, using a native REP token for dispute resolution [4]. Polymarket, leveraging Polygon, showed that side- chain settlement can reduce gas fees and latency, though oracle attacks remain a threat [5]. Kalshi's CFTC- regulated venue, while centralised, illustrates a compliant pathway in the United States [6]. Academic analyses highlight oracle veracity and front- running as primary risks in on- chain betting [7]. Win- Dhan mitigates these via Chainlink's two- stage verifiable random function (VRF) feeds and off- chain order aggregation, batching only net settlements on- chain.

C. Real- Time Odds Dissemination and Micro- Payments

Gamblification research stresses that sub- second feedback loops heighten engagement in mobile wagering apps [8]. Kafka and Redis- based publish/subscribe architectures have been shown to sustain 50 updates- per- second with 99.99 % uptime in esports betting platforms [9]. Separately, UPI's instant micro- payment rails now handle 13+ billion transactions monthly in India, enabling seamless fiat on- ramps [10]. Win- Dhan's design therefore decouples high-frequency quote delivery (in- memory bus) from low- frequency blockchain writes, while integrating a UPI gateway that instantly credits a custodial USDC wallet.

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D. Indian Legal and Tax Landscape

The Public Gambling Act (1867) outlaws "games of chance," but Supreme Court rulings (State of Andhra Pradesh v. Satyanarayana, 1968) carved an exemption for "games of skill." Recent cases upholding Dream11's fantasy-sports model emphasised skill predominance, yet GST Council Circular 196/08/2023 imposes 28 % tax on entry amounts for online games not classified purely as skill [11]. The Digital Personal Data Protection (DPDP) Bill 2023 introduces stringent user- consent and localisation mandates [12]. Literature flags regulatory ambiguity for binary-outcome markets, urging proactive KYC/AML and self- exclusion controls [13]. Win- Dhan positions itself as a skill-based opinion- market where users weigh information, while implementing full- stack compliance, tax withholding, and age gating.

E. Security and Privacy in Wallet- Integrated Betting

Studies on crypto- casino breaches reveal that poor key management and unchecked contract upgradability account for 72 % of on- chain losses [14]. NIST SP- 800- 57 recommends AES- 256 for data at rest and TLS 1.3 for data in transit; ISO / IEC 27001 alignment further reduces audit findings [15]. Research into role- based access control (RBAC) models in fintech shows a 41 % drop in privilege- escalation incidents post- implementation [16]. Win- Dhan leverages Argon2- hardened mnemonic vaults, multi- sig treasury control, quarterly Slither/MythX audits, and pseudonymised user tables to meet GDPR/DPDP standards.

F. Research Gap

Existing decentralised markets prioritise trustlessness over user- experience, leading to high gas costs and slow confirmations; conversely, fully centralised Indian gaming apps lack on- chain auditability. No published work offers a hybrid architecture optimised for India's UPI ecosystem that balances real- time UX with verifiable settlement. This gap motivates the Win- Dhan study, which evaluates technical performance, user trust, and compliance feasibility in a unified framework.

III. PROBLEM STATEMENT, SCOPE, OBJECTIVES, RESEARCH METRICS, FEASIBILITY & COST ANALYSIS

3.1 Problem Statement

Despite India's booming online- gaming sector and ubiquitous UPI micro- payments, no domestic platform delivers transparent, real- time opinion trading with verifiable settlement. Existing decentralised exchanges (e.g., Augur, Polymarket) suffer high gas fees and slow confirmations, whereas local fantasy- sports apps operate as opaque custodians and face regulatory scrutiny under the 28 % GST on entry stakes [11]. Users therefore lack a venue that simultaneously offers

- Trustless fund custody (on- chain auditability),
- Low- latency user experience (sub- second quote refresh), and
- Regulatory & tax compliance (KYC/AML, GST withholding, DPDP- aligned data handling).

Win- Dhan seeks to bridge this gap with a hybrid architecture that batches settlements on a Layer- 2 blockchain while disseminating odds off- chain, enabling cost- efficient, near- instant trading without sacrificing transparency or legal conformity.

3.2 Scope of the Project

- Platform: Web + PWA mobile client, admin console, analytics dashboard.
- Markets: Binary (Yes/No) and categorical (multi- choice) events uploaded by verified admins.
- Settlement: Non- custodial USDC smart contracts on Polygon CDK; INR on- /off- ramp via UPI gateway.
- Users: Indian residents ⩾18 years, KYC- verified; self- exclusion and session- limit tools provided.
- Compliance: GST auto- withholding, DPDP consent management, RBI- mandated wallet audits.

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• Pilot Environment: 6- month beta with 30 markets and up to 500 concurrent connections.

3.3 Research Objectives

1. Design a scalable hybrid architecture merging a Kafka- based odds engine with on- chain treasury.
2. Develop an oracle pipeline (Chainlink + Admin multi- sig) providing <1 % dispute rate.
3. Achieve median quote- latency <200 ms at 5 k requests- per- second (rps).
4. Ensure 100 % wallet- fund reconciliation and <0.5 % settlement error.
5. Validate user- perceived trust and usability via survey (target ⩾4 / 5 Likert score).
6. Demonstrate legal and economic feasibility within a ₹2.5 thousand MVP budget.

3.4 Research Metrics

Metric	Definition	Target	Data Source
Quote Latency	Time (client- tap → price display)	≤200 ms p95	Prometheus + Jaeger tracing
Oracle Accuracy	Correct outcome vs authoritative source	≥99 %	Oracle logs vs ESPN/API
Reconciliation Rate	Wallet balance matches ledger	100 %	Contract ↔ DB diff jobs
System Uptime	Availability of trading API	≥99.9 %	AWS CloudWatch
False- Positive AML Flags	Legit users incorrectly blocked	≤2 %	KYC module audit
User- Trust Score	Average Likert 1- 5	≥4.0	Post- trade survey (n ≥ 100)

3.5 Feasibility Analysis

1. Technical Feasibility

• Stack: Next.js, Node.js, Kafka, Redis, PostgreSQL, Solidity (Polygon CDK).
• Cloud: AWS (Elastic Beanstalk + RDS) autoscaling; proven throughput >10 k rps in load tests.
• Open- Source Libraries: ethers.js, Chainlink, Grafana—all mature and community- supported.

2. Operational Feasibility

• Integration with Razorpay/PayU UPI gateway is standard; KYC via Onfido API.
• Admin tools allow non- technical operators to post markets and resolve outcomes.
• User education handled via in- app tutorials and mandatory risk- disclosure pop- ups.

3. Legal Feasibility

• Distinguishes itself as “game of skill” (information aggregation) per Satyanarayana precedent.
• GST compliance via automatic 28 % levy on entry consideration.
• DPDP requirements met through consent ledger, data minimisation, and local data centre hosting .

3.6 Cost Estimation – 6- Month MVP

Category	Description	Monthly (₹)	6 Mo Total (₹)
Cloud Hosting	AWS m5.large (api), t3.medium (db replica), S3, CloudFront	500	3000
Layer- 2 Gas & Oracle	Polygon tx fees + Chainlink DATA feeds	500	3000
Payment Gateway	UPI MDR 0.15 % on ₹50K volume	750	5100
KYC/AML API	Onfido @₹1.3 / check × 300 users	500	3000
Security Audits	Slither + MythX scan, quarterly VAPT	—	—
Legal & Compliance	GST filings, DPDP policy drafting, licence counsel	—	—
Miscellaneous	Monitoring (Grafana Cloud), bug- bounty rewards	200	1200
Total Estimated MVP Cost		≈ ₹2 450	

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The analysis confirms that a feature- complete pilot can be built and operated for roughly ₹2.5 thousand over months, validating the economic viability for a seed- stage launch.

IV. METHODOLOGY

Because Win- Dhan is being built and evaluated as an under- graduate capstone project, the development process was scaled to fit academic- year constraints—one semester for design + coding and one for testing + analysis—while still mirroring professional best practices. The work was divided into four tightly- scoped phases that could be completed by a 4- member student team using only campus resources and free- tier cloud credits.

4.1 Phase 1 – System Design (Weeks 1 - 4)

• Requirement Workshops: Brain- storming sessions with project guide to list functional (market creation, wallet deposits, result settlement) and non- functional needs (⩽1 s page refresh, basic KYC).

• Technology Selection: Chosen stack had to be open- source and beginner- friendly:

1. Frontend – React + Vite + Tailwind (learned in Web- Tech course)
2. Backend – Node.js (Express) REST API, Socket.io for live odds
3. Database – Firebase Firestore free tier (handles real- time listeners)
4. Smart- Contract – Solidity on Polygon Mumbai test- net (no real gas cost)

• ER & Sequence Diagrams: Created in draw.io; validated by faculty for completeness.

4.2 Phase 2 – Prototype Implementation (Weeks 5 - 10)

Module	Lines of Code	Key Learning Outcome
Market Creator (admin panel)	450	CRUD ops, Firestore rules
Odds Engine (simple LMSR function)	180	JavaScript math, state management
Wallet Interface (Metamask)	220	Web3.js basics, handling async tx
Smart Contract (Treasury.sol)	170	Solidity events, modifiers
Frontend PWA	600	React hooks, responsive design
Continuous integration via GitHub Actions; every push ran ESLint and Jest unit tests (coverage ≥ 70 %).		

4.3 Phase 3 – Pilot Testing (Weeks 11 - 14)

• Participants: 30 classmates (⩾18 yrs) volunteered; each received ₹50 test- credit (campus token, not real money).

• Test Markets:

1. “Will India win the next ODI match?”
2. “BTC price > ₹50 L on Friday?”
3. “College fest will start before 10 AM?”

• Data Collection Tools:

1. Lighthouse for page- load metrics.
2. Browser console timestamps for quote- latency.
3. Google Forms for post- trade feedback (UX & trust).

• Ethics & Safety: All wagers were notional; no real currency changed hands. Consent forms approved by Department Project Coordinator.

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4.4 Phase 4 – Analysis & Evaluation (Weeks 15 - 16)

• Performance Results: Average quote- latency = 320 ms (σ = 90 ms); page Time- to- Interactive = 1.8 s.

• Functional Accuracy: Smart contract released correct payouts in all 30 test cases (100 % reconciliation).

• Survey Outcomes: Mean UX score = 4.3/5; 87 % participants said they would trust the platform with small real-money stakes.

• Limitations Identified: Firebase free tier caps at 100 simultaneous connections; odds engine single- threaded; no tax/GST logic yet. Recommendations added for future work.

4.5 Project Management & Roles

Team Member	Responsibility	Weekly Hours
Student A	Smart- contract coding & tests	6
Student B	Backend API & odds maths	7
Student C	Frontend PWA & UX surveys	6
Student D	Documentation, results analysis	5
Weekly stand- ups with faculty mentor; Trello board tracked 34 user stories (all completed).		

4.6 Resource & Cost Summary

Item	Source	Cost
GitHub Student Pack (Azure + Heroku credits)	Free	₹0
Google Firebase Spark Plan	Free	₹0
Polygon Mumbai test- net faucet	Free	₹0
Domain (windhan.live, 1 yr)	Namecheap student discount	₹740
Misc. printing / binding	College print shop	₹260
Total Spend		≈ ₹1 000

This incremental, resource- aware methodology ensured that the Win- Dhan prototype could be conceived, built, and evaluated within a single academic year, fully meeting the learning objectives of the college capstone while generating quantifiable performance and usability data.

V. SECURITY MEASURES AND THEIR IMPLEMENTATION

Although this is a college-level project, security is essential. The following measures were considered:

1. Token System

• No real money; virtual points used.

• Prevents gambling law violations.

2. Authentication

• Simple login/signup with password hashing (e.g., bcrypt or md5).

3. Admin Controls

• Only verified admins can declare results.

• Secure admin portal with OTP or password-protected pages.

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4. Input Validation

• Protects against SQL injection and XSS using validation scripts.

5. User Privacy

• No sensitive user data stored (only username and score).

• No tracking cookies or third-party analytics used.

VI . CONCLUSION

The Win-Dhan platform introduces a novel concept in the field of web-based interactive systems by combining opinion polling, gamification, and predictive analysis in an engaging and educational format. It demonstrates how a simple idea — allowing users to "trade" on opinions — can be transformed into an immersive experience that encourages critical thinking, informed decision-making, and participatory engagement. The project reflects the increasing demand for applications that are not only functional but also educational, ethical, and enjoyable.

In traditional online interactions, polling and opinion sharing are often passive experiences, lacking any form of reward or deeper engagement. Win-Dhan seeks to challenge this status quo by turning passive votes into active bets, where users stake virtual tokens on outcomes they believe to be correct. This approach simulates real-world scenarios like stock trading or sports fantasy leagues, but within a safe and controlled academic environment. The reward mechanism ensures users are motivated to research, think critically, and follow through with interest — all of which align with modern educational goals.

The system architecture has been designed with simplicity and scalability in mind, using widely available open- source tools such as HTML, PHP, and MySQL, making it highly accessible for college students and deployable within constrained budgets. The admin dashboard allows faculty or moderators to create relevant, thought-provoking opinions tied to real-world events or subject-based scenarios, further extending the pedagogical potential of the platform.

Security and ethics were at the forefront during development. By avoiding any real monetary exchange and focusing on virtual tokens, the system adheres to legal and institutional standards, preventing misuse or ethical concerns around online gambling. Privacy-conscious design, password hashing, and basic encryption methodologies further ensure that the platform remains compliant with data safety principles.

In addition to being a functional web application, Win-Dhan also serves as a prototype for how gamification and micro-rewards can be implemented in academic projects. It showcases the real-world applicability of computer engineering principles such as backend integration, frontend design, database structuring, and system testing. This project also paves the way for future enhancements such as mobile integration, blockchain implementation for token transparency, or AI-based opinion analysis tools.

In conclusion, Win-Dhan is not just a college project — it is a proof of concept for a new mode of digital interaction where opinions carry weight, decisions have consequences, and users are rewarded for thoughtful participation. The project achieves a fine balance between innovation, engagement, technical feasibility, and ethical responsibility, making it a valuable contribution both academically and practically.

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