

Online Gaming in India

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What's in today's article?

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- **What are the different types of online gaming?**
- **How big is the online gaming market in India?**
- **What are the challenges faced by online gaming sector?**
- **What are the steps taken by the government to regulate this sector?**

Why in news?

- According to an official gazette, the Ministry of Electronics and IT (MeitY) is now the nodal ministry regulating online gaming.
- MeitY will soon publish rules for online gaming platforms and start public consultation on the regulations.

What are the different types of online gaming?

e-Sports:

- These are video games that were played privately or on consoles in video game stores in the 1990s, but are currently played online in a structured manner between professional players, either individually or in teams.

Fantasy sports

- These are games in which the player selects a team of real sports players from several teams and earns points based on how well the players perform in real life. **For example,** Dream11.

Online casual games:

- These could be **skill-based**, where the outcome is heavily impacted by mental or physical skill or **chance-based**, where the outcome is heavily influenced by some randomised activity, such as rolling a die.
- A game of chance may be considered as gambling if players bet money or anything of monetary value.

How big is the online gaming market in India?

- The online gaming industry grew exponentially during the Covid-19 pandemic.
- The revenue of the Indian mobile gaming industry is expected to exceed \$1.5 billion in 2022, and is estimated to reach \$5 billion in 2025.
- The industry in the country grew at a CAGR of 38% between 2017-2020, as opposed to 8% in China and 10% in the US.
- India's percentage of new paying users (NPU) in gaming has been the fastest growing in the world for two consecutive years, at 40% in 2020 and reaching 50% in 2021.

What are the challenges faced by online gaming sector?

Lack of regulatory oversight:

- Online gaming exists in a regulatory grey area and there is no comprehensive legislation with respect to its legality or its boundaries.
- Also, there is currently no regulatory framework to govern various aspects of online gaming companies such as –

- Having a grievance redressal mechanism, Protection of data and intellectual property rights, and Prohibiting misleading advertisements.

Online gaming is a state subject (Under Entry 34, List II ‘Gambling’ and ‘Betting’):

- However, state governments have stated that it is extremely difficult for them to implement some restrictions, such as geo-blocking specific apps or websites within their state’s borders.
- Also, state governments (unlike the Centre), lack the necessary blocking authority to issue blocking orders for offshore betting sites.
- There is also concern that legislation passed in one state may not be relevant in another, resulting in inconsistencies across the country.

Societal concerns:

- A number of reported incidences of persons losing big amounts of money on online games, resulting to **suicides** in various parts of the country.

What are the steps taken by the government to regulate this sector?

- An inter-ministerial task force was set up by the MeitY to propose contours of a national-level legislation to regulate online gaming. It submitted its report in October 2022.
 - It suggested that MeitY may act as the nodal ministry to regulate online gaming, except for the e-sports category on which the Department of Sports can take the lead.
 - Among other things, it also recommended:
 - the creation of a central regulatory body for the sector,
 - clearly defining what games of skill and chance are and
 - bringing online gaming under the purview of the Prevention of Money Laundering Act, 2002.
- In December 2022, the Union Ministry of Finance announced that the online gaming would attract 28 percent Goods and Services Tax (GST).
- Recently, the Ministry of Electronics and IT (MeitY) has been made the nodal ministry regulating online gaming.
- These decisions are in line with the government’s initiative to push for the growth of the animation, visual effects, gaming and comics (AVGC) sector and making India a global hub for online gaming.

Q1) How big is the online gaming industry in India?

India's gaming market, which stood at \$2.6 billion in 2022, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 27 per cent to reach \$8.6 billion by 2027.

Q2) Who regulates online gaming in India?

Ministry of Electronics and IT (MeitY) is now the nodal ministry regulating online gaming.

Source: [MeitY becomes nodal ministry for online gaming](#) | [Indian Express](#) | [CNBC](#)

Source: <https://vajiramandravi.com/current-affairs/online-gaming-in-india/>

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