

Draft Rules for Regulation of Online Gaming in India

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Regulation of Online Gaming in India Latest News

- The Ministry of Electronics and IT has released **draft rules** under **the Promotion and Regulation of Online Gaming Act, 2025**.
- The Act, which received Presidential assent in August 2025, aims to **regulate online gaming in India, ensure user safety, and curb societal and security concerns** linked to money-based online games.

Key Provisions of the Draft Rules

- **Establishment of the Online Gaming Authority of India:**
 - **Composition:** A chairperson and five members from various government ministries.
 - **Powers:**
 - Decide whether a game qualifies as an “online money game.”
 - **Register online games.**
 - Issue directions and impose penalties.
 - **Cancel registration** in case of material changes (e.g., revenue model shift to betting).

- **Scope of regulation:**
 - **Prohibited:** All forms of online money games (poker, fantasy sports, wagering).
 - **Permitted:** “Online social games” and e-sports, for purposes like **recreation, education, and skill development.**
- **Registration process:**
 - **Mandatory** for all online game operators.
 - Companies must provide:
 - Revenue model.
 - **User safety measures.**
 - Proof that revenue comes from ads, subscriptions, or one-time fees (not wagers).
- **Penalties and liabilities:**
 - Violations classified as **non-bailable offences.**
 - **Entire company staff can be held liable.**
 - **Penalty quantum** to be decided based on:
 - Profits earned through non-compliance.
 - Losses caused to users.
 - Repeated nature of violation.
- **Grievance redressal mechanism (3-tiered system):**
 - **Internal** redressal by the gaming service provider.
 - **Appeal** to the Grievance Appellate Committee (under IT Intermediary Rules, 2021).
 - **Appeal** to the Online Gaming Authority.
- **Role of Ministry of Information and Broadcasting:**
 - **Issue codes of practice** for classification of online social games.
 - **Provide guidelines for games** related to recreation, education, and skill development.

Significance of the Draft Rules and Way Forward

- **Significance:**
 - **Addresses security and societal concerns** over online gaming.
 - **Introduces comprehensive regulation** for a growing digital sector.
 - **Balances innovation** in e-sports and gaming **with public safety and consumer protection.**
- **Way forward:**
 - **Ensure clarity** in defining “online money games” vs. “social games.”
 - **Build stakeholder consensus** through public consultation (Example, draft rules open for public consultation till October 31).
 - **Develop technological tools** to monitor compliance.
 - **Encourage responsible gaming** while supporting India’s gaming and e-sports industry growth.

Conclusion

- The draft rules mark **a decisive step** in regulating India’s fast-growing online gaming industry.

- The government seeks to safeguard consumers, curb societal harms, and promote e-sports and skill-based gaming.
- The **balance between regulation and innovation** will determine the effectiveness of this legislation in **shaping a responsible digital gaming ecosystem in India**.

Source: IE

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