**Real Money earnings with Online games and rules of the Indian Income-tax department!**

Real Money earnings are the best benefits from several Online Esports games. There are tournaments organized by the prestigious organizations and gaming publishers, and the winners in all the events and tournaments earn a pretty handsome amount. Several blockbuster titles including Fortnite, VALORANT, CS: GO, PUBG, and many others are the voguish ones among the prodigy gamers in India and beyond.

Not only the battle royale games, but many casual games, arcade ones, real sports-based games, and gambling games are also there for ensuring real money earning while winning the gaming championships.

Recently, with the growing Indo-China tensions, the ban of a topmost and most successful game across India and abroad, PUBG, left several of the gamers and other involved entities disheartened and disappointed. However, multiple titles emerged, making the most out of the vacancy and seeking the opportunity to be the next best and preferred titles.

Thanks to the availability of the internet and several mobile devices, accessing the top online games and the tournaments is just a matter of a few taps! Also, with the emergence of investments in online games, the gaming industry is thriving immensely.

Well, these games might offer a huge earning with a rich amount and offers!

**But, how are they taxed across India?**

The Indian government and the constitution have a separate section for the taxation of income earned through online gaming. The section is 115B of the Income Tax Act. While filing the income tax returns, the section categorizes under ‘Income from Other Sources’, and this earning includes the ones through any type of online game, including card games, Battle Royale, gambling, and every other one assuring prize money.

From online gaming, the winnings are taxed at a 30% flat rate, excluding the cess. However, with the addition of cess, the rate is 31.2%, and this excludes any further benefits of the general exemption limit. Also, according to the TDS provision of section 194B, if the winning amounts exceed 10,000INR, then before the distribution source must deduct the tax before the prize money's distribution. Additionally, the winning parties have no claims over the deducted amount.

For the avoidance of any further discrepancies, the gaming companies take the PAN of the gamers and the bank details. But the responsibility of the gamers is far beyond this, and the gamers must know that even after the deduction of TDS, they must necessarily disclose the winning in the income tax returns.

If the winning is not in real money and is in some other category type, the tax rates are still applicable to them. In such cases, the tax amount applies to the market value of the received prize. Also, in these cases too, the prize distributor must deduct the tax before giving off the prizes.

With the surge in the market value and user base of the online gaming industry, in India, it already has acquired around 300 million users. Growth has also enormously risen with the emergence of the Covid-19 and lockdown period. And there are more expectations from the near future, and this number might get doubled in a couple of years. With the growth factor, the real money winning might rise too, and that all would eventually give rise to the government’s revenue generation with the provision of tax deductions.