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New Delhi, the ..... August, 2025

**DRAFT NOTE FOR THE CABINET**

**Subject: Proposal for introduction of The Promotion and Regulation of Online Gaming Bill, 2025**

**1. INTRODUCTION**

1.1 Online gaming has witnessed exponential growth in India due to increased internet penetration and smartphone usage. The IT revolution has resulted in the emergence of new forms of digital entertainment and competitive participation, most prominently in the form of online gaming. These activities have become an important means of engagement for the youth of the country and contribute to cognitive development, technological literacy and the promotion of innovation. This being an emerging sector of the creative economy contributing significantly to innovation, cultural expression, employment generation and export earnings, needs to have a structured, dedicated institutional mechanism for strategic support, co-ordination and capacity building. Simultaneously, this sector and in particular, online money gaming raises significant concerns, like addiction among children and youth, mental health issues, financial losses leading to suicides, manipulate practices including opaque algorithms & bots, lack of uniform regulation across states, cross-border & inter-State operations facilitating in some cases money laundering and terror financing.

1.2 There is an urgent need to regulate Online Gaming—on the one hand, promoting online social games and e-Sports while prohibiting the online money gaming in the larger public interest.

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1.3 This note seeks approval of the Cabinet to introduce The Promotion and Regulation of Online Gaming Bill, 2025, in Parliament.

## 2. BACKGROUND

2.1 Online gaming in India has witnessed an explosive rise in recent years, driven by rapid digitalization, affordable smartphones, and widespread internet access. and a young, tech-savvy population.

2.2 Among the fastest-growing segments within this industry are e-Sports and online social games. Despite the sector's growth and immense potential, the regulatory environment remains fragmented and inadequate, leading to a range of policy, legal, and consumer protection concerns. Currently, there is no uniform legal framework to regulate these and there exists no central authority to oversee content standards, user safety, data protection, or financial practices within social games.

2.3 In the absence of a clearly defined framework, both e-Sports and online social games in India continue to function in a regulatory grey zone, limiting the sector's potential while exposing users—especially young audiences—to various risks. Also, the unregulated and unchecked growth of online money gaming platforms has led to severe socio-economic and psychological consequences, posing a grave risk to public welfare. Several concerning developments have emerged, necessitating urgent government intervention

2.4 The immersive and addictive nature of online games, particularly with monetary incentives, has led to significant mental health issues among users — especially children, adolescents, and young adults. Clinical evidence and field

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studies have shown a rise in anxiety, depression, sleep disorders, and behavioral problems linked to prolonged gaming.

2.5 A growing number of individuals have fallen victim to financial losses due to online money gaming, sometimes resulting in extreme outcomes such as suicide, as widely reported in national and regional media. In many cases, players are lured into a cycle of gaming with little awareness of the risks or legal protections. These platforms frequently employ predatory monetization tactics, including microtransactions, loot boxes, and reward systems designed to exploit psychological triggers and increase spending.

2.6 Online money gaming has provided channels to facilitate money laundering, fraudulent financial transactions, and use of gaming platforms for illicit activities, including cybercrime and terror incitement. Law enforcement agencies face serious difficulties in tracking and regulating these platforms, particularly those hosted or operated from outside India.

2.7 Inadequate Legal Framework and Regulatory Gaps: The current legal architecture is staggered and not well equipped to deal with the complexities of digital gaming ecosystems. There is no central regulatory framework governing online money gaming, and judicial interpretations on the matter have been inconsistent, resulting in legal uncertainty and enforcement paralysis.

2.8 Online money gaming content, often influenced by foreign platforms, promote violence, obscenity, or anti-social behavior. Such content not only undermines Indian cultural values but also creates long-term behavioral conditioning among impressionable users.



2.9 In light of the above, and considering in the interest of the general public the overarching responsibility of the State to protect the health, safety, welfare of its citizens and potential of the online gaming industry, there is a pressing need to regulate the e-Sports and online social games while prohibit harmful online money gaming activities through a comprehensive central legislation.

### 3. PROPOSAL

3.1 This proposal is for the approval of the Cabinet for the introduction of "The Promotion and Regulation of Online Gaming Bill, 2025", in Parliament [Annexure-I (page: 18 to 28)].

3.2 The proposed Bill incorporates a number of features, including the following:

- (a) It enables the promotion of e-Sports and Online social games.
- (b) It facilitates creation of an authority or designating an existing authority or agency to perform any of the functions under this Act related to online games including e-Sports and Online social games.
- (a) It prohibits offering, aiding, abetting, inducing or otherwise in the offering of any online money gaming service and declares it as an offence.
- (c) It prohibits the offering, aiding, abetting, inducing or otherwise being involved in the making or causing to be made of advertisements that promotes any person to play any online money game and declares it as an offence.
- (d) It also prohibits transfer of funds by permitting, aiding, abetting, inducing or otherwise facilitating any transaction or authorisation of funds by bank, financial institution or any other person towards payment for any online money games and declares it as an offence.

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- (e) It lays down punishments and fines for the offences and enhanced punishments and fines for the repeat offences.
- (f) It provides for blocking of the any information related to online money games, investigation of offence, power to search and seizure of property.

#### **4. JUSTIFICATION**

4.1 The proposal to regulate e-Sports and Online Casual games and prohibit online money gaming in India is justified on multiple constitutional, legal, social, and technical grounds.

4.2 The absence of a clear regulatory framework for e-Sports and online social games has led to a fragmented policy environment, resulting in ambiguity for industry stakeholders and insufficient safeguards for users. With India emerging as one of the fastest-growing digital gaming markets, it is imperative to ensure that this growth is aligned with national interests, public safety, and ethical business practices. A structured regulatory approach will help address critical concerns such as content moderation, age-appropriate access, and addiction risks targeting vulnerable user groups, especially minors.

4.3 Moreover, formal recognition and governance of e-Sports will enable India to tap into the global competitive gaming ecosystem, promote sportsmanship, and open new career opportunities for youth. Establishing institutional mechanisms for both e-Sports and online social games will support innovation, attract responsible investment, and ensure alignment with international best practices. The proposed regulatory framework is thus essential to create a safe, inclusive, and well-governed digital gaming environment that contributes to India's economic and social development goals.



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4.4 Under Article 21 of the Constitution, every citizen has the right to life and personal liberty, which includes the right to live with dignity, mental well-being, and safety. The unregulated and unchecked growth of online money gaming has demonstrably contributed to addiction, debt traps, suicides, and mental health issues, thereby infringing upon the right to life of vulnerable populations, including minors and economically weaker sections.

4.5 Article 47 of the Constitution places a duty upon the State to raise the level of nutrition and standard of its living and to improve public health. The State is, therefore, constitutionally obligated to intervene when a digital ecosystem threatens public health, order and societal well-being.

4.6 The current scenario involves online money gaming platforms operating across state and national borders, including through offshore servers. This transforms it from a state subject to a matter of national importance involving cross-border regulation, digital finance, and cybersecurity.

Accordingly, Parliament has legislative competence under the following:

- Entry 31 of the Union List (List I) – Posts and telegraphs; telephones, wireless, broadcasting, and other like forms of communication.
- Entry 36 of the Union List – Currency, coinage and legal tender, foreign exchange.
- Entry 41, of the Union List – Trade and commerce with foreign countries; import and export across customs frontiers; definition of customs frontiers.
- Entry 42 of the Union List – Inter-State trade and commerce.
- Entry 52 of the Union List – Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest

4.7 There exists no uniform national law on online gaming. States have enacted varied laws on gambling, and courts have given inconsistent interpretations regarding the distinction between "games of skill" and "games of chance." This inconsistency has created a regulatory vacuum. Moreover, many games monetizing through in-app purchases, virtual currencies, and rewards systems blurs legal boundaries, making it extremely difficult for law enforcement to ensure compliance or protect consumers.

4.8 Unregulated online money gaming platforms pose significant national security and economic threats, including:

- Use of digital wallets and cryptocurrencies for money laundering and illicit fund transfers
- Use of online gaming platforms as messaging helping the terror organizations
- Cross-border data flows without compliance with Indian data protection laws
- Offshore entities circumventing Indian tax and legal obligations

4.9 Modern online games are often integrated with social media, digital wallets, and real-time multiplayer networks, making them difficult to monitor or control at the state level.

4.10 In view of the serious legal, social, financial, and security threats posed by unregulated online money gaming and to enhance ease of living, and the limitations of current laws in addressing these challenges, a central prohibition framework is not only justified but imperative. The proposed legislative action would ensure legal clarity, protect public health and order, and establish India as

a digitally responsible nation, across the world, in alignment with constitutional values.

4.11 The Bill seeks to regulate e-Sports and online social games while prohibit the online money gaming in India in a comprehensive manner.

4.12 The justification covering the points of: (i) Ease of Living; (ii) Ease of Doing Business; (iii) How provisions envisaged in the proposed Bill compare with the best global standards and practices; and (iv) Decriminalization of minor offences is placed at **APPENDIX-I**. (Refer page: 11)

## **5. INTER-MINISTERIAL CONSULTATIONS**

5.1 The Draft Cabinet Note is being circulated vide Office Memorandum No: CLDG/13/2025-CL and DG dated 18.08.2025 to the Ministry of Home Affairs, Department of Expenditure, Department of Revenue, Department of Legal Affairs, Department of Economic Affairs, Department of Financial Services and Department of Sports for seeking their comments. (Refer **APPENDIX-IV**, page: 17)

## **6. TECHNICAL IMPLICATIONS**

6.1 The proposal was not referred to the Empowered Technology Group since there is no acquisition of any technological product or any R&D involvement.

## **7. FINANCIAL IMPLICATIONS**

7.1 The bill envisages creation of authority on online gaming. Since the structure of the authority is to be notified after the enactment of the bill, at this stage, the financial implication of setting up and functioning of the authority is



estimated to be about Rs. 50 crores towards initial capital expenditure and Rs. 20 crores for annual recurring expenditure.

**8. EMPLOYMENT GENERATION POTENTIAL**

8.1 The Bill is shall generate employment in the Online gaming industry.

**9. ATMANIRBHAR BHARAT**

9.1 the proposed regulatory framework will significantly support the vision of Atma Nirbhar Bharat by fostering a structured and secure environment for indigenous game development and innovation. It will encourage Indian startups to build culturally relevant content, reduce dependence on foreign platforms, and promote self-reliance in the digital gaming ecosystem. By creating clear guidelines and institutional support, the initiative will position India as a global hub for responsible and competitive game development.

**10. APPROVAL SOUGHT**

10.1 Approval of the Cabinet is solicited for the introduction of The Promotion and Regulation of Online Gaming Bill, 2025 in Parliament, subject to such changes of drafting or consequential nature, if any, as may be considered necessary by the Legislative Department [Annexure-I (page: 18 to 28)].

**11. STATEMENT OF IMPLEMENTATION SCHEDULE**

11.1 The Statement of Implementation Schedule is placed at **APPENDIX-II** (Refer page: 13).

**12. STATEMENT OF EQUITY, INNOVATION AND PUBLIC ACCOUNTABILITY**

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12.1 A Statement of Equity, Innovation and Public Accountability is attached at  
**APPENDIX-III** (Refer page: 15).

**13. THE STATEMENT ON MAJOR MILESTONES AND CORRESPONDING  
TARGET DATES**

13.1 Necessary action as per the decision of the Cabinet would be taken within  
six months from the receipt of the Cabinet approval.

**14. APPROVAL OF THE MINISTER-IN-CHARGE**

14.1 This Note has been seen and approved by the Hon'ble Minister of  
Electronics and Information Technology.

New Delhi

Date: \_\_ August, 2025

(Ajit Kumar)  
Joint Secretary to the Government of India  
Tele: 011-24364751

Justification for Legislative Proposal

**Subject: Proposal for introduction of The Promotion and Regulation of Online Gaming Bill, 2025**

- A. Ease of Living:** The proposed regulation will support Ease of Living by ensuring that digital games—especially those accessed by children and youth—are safe, age-appropriate, and free from exploitative or harmful content. Additionally, grievance redressal mechanisms and transparency requirements will empower users to make informed choices, promoting a healthier and more secure digital entertainment environment
- B. Ease of Doing Business:** The proposed regulatory framework will enhance Ease of Doing Business by providing clarity, consistency, and predictability for developers, publishers, and investors in the gaming sector. With well-defined rules on content classification, monetization, and compliance standards, businesses will face fewer regulatory uncertainties and delays. A single nodal agency can streamline approvals, reduce compliance burdens, and encourage both domestic startups and global companies to operate confidently within India. This will create a more conducive environment for investment, innovation, and job creation in the digital gaming industry.
- C. Comparison with best Global Practices:** (i) Globally, countries like South Korea and Germany have recognized e-Sports as a formal sport, with dedicated policies for athlete welfare, tournament regulation, and



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infrastructure development. The proposed Indian framework aligns with these practices by aiming to formally recognize e-Sports and support its professional ecosystem. For online casual games, regions like the European Union and United States use standardized rating systems (PEGI, ESRB) and enforce consumer protection laws to ensure safe, age-appropriate content. India's proposal to introduce content classification, user safeguards, and monetization guidelines follows similar principles. However, it also addresses India-specific needs, such as regional content diversity and youth protection. This ensures that the regulatory model is both globally benchmarked and locally responsive.

(ii) Harping on the global best practices, where many countries have implemented highly specific and strict laws that significantly limit or prohibit certain games or game types, the Bill draws represents a balanced, forward-looking approach that prioritizes public welfare while keeping pace with international norms in digital safety and consumer protection.

**D. Decriminalisation of minor offences: N.A.**

New Delhi

Date: \_\_ August, 2025

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**APPENDIX-II**  
(Refer para:11, page: 9 of the Note)

**STATEMENT OF IMPLEMENTATION SCHEDULE**

**Subject: Proposal for introduction of The Promotion and Regulation of Online Gaming Bill, 2025**

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<b>Gist of decision required</b>	<b>Project benefits/ results</b>	<b>Time-frame and manner of implementation/ reporting to Cabinet Secretariat</b>
Approval of the Cabinet is solicited for the introduction of The Online Games Bill, 2025 in Parliament, subject to such changes of drafting or consequential nature, if any, as may be considered necessary by the Legislative Department	Enactment of Bill promote the Online Gaming industry, especially e-Sports and online social gaming while protecting residents from addiction and safeguard their public mental health and curbing financial losses, suicides, and illegal activities like money laundering and digital fraud. A uniform law will ensure legal clarity, strengthen national security, and uphold	Upon approval, notice will be given for introduction of the Bill in the ensuing session of Parliament and a copy of the same shall be forwarded to the Cabinet Secretariat.

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Gist of decision required	Project benefits/ results	Time-frame and manner of implementation/ reporting to Cabinet Secretariat
	constitutional welfare obligations.	

New Delhi

Date: \_\_ August, 2025

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**APPENDIX-III**  
(Refer para.12, page.9 of the Note)

**STATEMENT OF EQUITY, INNOVATION AND PUBLIC ACCOUNTABILITY**

**Subject: Proposal for introduction of The Promotion and Regulation of Online Gaming Bill, 2025**

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S. No.	The required goal	How does the proposal advance this goal?
1.	<b>Equity or Inclusiveness</b>	The proposed legislation seeks to ensure equitable access to safe and responsible online gaming opportunities across all sections of society. By promoting a structured and inclusive gaming ecosystem, the Bill aims to foster digital literacy, skill development, and socio-economic participation while protecting vulnerable users from exploitative practices associated with online money gaming.
2.	<b>Innovation</b>	The Bill aims to foster innovation by providing a clear and enabling legal framework for the growth of e-sports, educational, and casual online games. It encourages the development of indigenous technologies, responsible game design, and the use of emerging technologies such as

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		AI and AR/VR. This will help position India as a global hub for creative and cutting-edge digital gaming content.
3.	<b>Public Accountability</b>	The Bill establishes a statutory regulatory authority to ensure transparency, oversight, and accountability in the online gaming sector. It provides for mandatory registration, complaint mechanisms for online gaming platforms. These measures will help safeguard user interests and uphold public trust in the digital gaming ecosystem.

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**APPENDIX-IV**  
(Refer para:5, page: 8 of the Note)

**INTER-MINISTERIAL CONSULTATIONS ON THE PROPOSAL**

Sl. No.	Ministry/Department	Comments (if any)	Date on which comments were received	Response of MeitY
1	Ministry of Home Affairs			
2	Department of Expenditure			
3	Department of Revenue			
4	Department of Legal Affairs			
5	Department of Economic Affairs			
6	Department of Financial Services			
7	Department of Sports			

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Preamble

The Promotion and Regulation of Online Gaming Bill, 2025

An Act to promote and regulate the online gaming sector including e-sports, educational games and social gaming; to provide for the appointment of an authority for coordinated policy support, strategic development, and regulatory oversight of the sector; to prohibit the offering, operation, facilitation, advertisement, promotion, and participation in online money games through any computer resource, mobile device, or the Internet, particularly where such activities operate across State borders or from foreign jurisdictions; to protect individuals, especially youth and vulnerable populations, from the adverse social, economic, psychological, and privacy-related impacts of such games; to ensure the responsible use of digital technologies; to maintain public order and protect public health; to safeguard the integrity of financial systems and the security and sovereignty of the State; to establish a uniform, national-level legal framework in the public interest; and for matters connected therewith or incidental thereto.

**Whereas** the online gaming sector has rapidly evolved into one of the most dynamic and fastest-growing segments of the digital and creative economy, offering significant opportunities for innovation, cognitive development, employment generation, technological advancement, and global competitiveness;

**And whereas** India possesses a large and growing pool of young professionals with technological capabilities and a rapidly expanding domestic market, which together enable the country to assume a leadership role in the global online gaming value chain;

**And whereas** the online gaming ecosystem comprises diverse segments, including e-sports, casual and social games, educational games, and online money games, and is currently operating in the absence of a dedicated institutional and legal framework necessary for strategic coordination, capacity building, common infrastructure, research, and responsible innovation;

**And whereas** the lack of a coherent and enabling legal framework has hindered the sector's structured development and the promotion of responsible gaming practices, requiring urgent policy intervention and support mechanisms;

**And whereas** the parallel proliferation of online money games—accessible through mobile phones, computers, and the Internet, and offering monetary returns against user deposits—has led to serious social, financial, psychological, and public health harms, particularly among young individuals and economically disadvantaged groups;

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**And whereas** such games often use manipulative design features, addictive algorithms, bots, and undisclosed agents, undermining fairness, transparency, and user protection, while promoting compulsive behaviour and financial ruin;

**And whereas** these platforms are often aggressively marketed through pervasive advertising campaigns, including celebrity and influencer endorsements, thereby amplifying their reach and impact;

**And whereas** the unchecked expansion of online money gaming services has been linked to unlawful activities including financial fraud, money laundering, tax evasion, and in some cases, the financing of terrorism, thereby posing threats to national security, public order, and the integrity of the State;

**And whereas** many such services operate from offshore jurisdictions, bypassing domestic laws, undermining state-level regulations, and presenting significant enforcement challenges in terms of extra-territorial jurisdiction and inter-State inconsistencies;

**And whereas** considering the deleterious and negative impact of online money games on the individuals, families, society and the nation and given the technical aspects including the very nature of the electronic medium used for online money games, the algorithms applied and the national and transnational networks involved therein;

**And whereas** it is expedient in the public interest for the Union Government to assume legislative competence over the online gaming sector to ensure the creation of a secure, structured, and innovation-friendly digital environment, while addressing the associated risks to public health, consumer safety, public morality, and financial sovereignty;

**And whereas** it is necessary to clearly delineate and categorise the various forms of online games and to provide a tailored legal framework to govern each sub-sector of the industry appropriately;

**Be it enacted** by Parliament in the Seventy-sixth Year of the Republic of India

**CHAPTER I**  
**PRELIMINARY**



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1. **Short title, extent and commencement.**—(1) The Act may be called The Promotion and Regulation of Online Gaming Act, 2025 .

(2) It shall extend to the whole of India and shall also apply to online money gaming service offered within the territory of India from outside the territory of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(a) **“advertisement”** shall have the same meaning as assigned to it in the Consumer Protection Act, 2019;

(b) **“authority”** means an authority under section 8;

(c) **“e-Sport” means an online game which—**

(i) is played as part of multi-sports events;

(ii) involves organised competitive events between individuals or teams, conducted in multiplayer formats governed by predefined rules;

(iii) is recognised by the National Olympic Committee or the National Paralympic Committee or the National Sports Federation or the Regional Sports Federation constituted in accordance with law;

(iv) has outcomes determined solely by factors such as physical dexterity, mental agility, strategic thinking or other similar skills of users as players;

(v) may include payment of registration or participation fees solely for the purpose of entering the competition or covering administrative costs and may include performance based prize money by the player; and

(vi) shall not involve the placing of bets, wagers, or any other stakes by any person, whether or not such person is a participant, including any winning out of such bets, wagers, or any other stakes;

(d) **“internet”** means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that transmits information based on a protocol for controlling such transmission;

(e) **“online game”** means any game, that is played on an electronic or a digital device and is managed and operated as a software through the internet or any other kind of technology facilitating electronic communication;

(f) **“online money game”** means an online game, irrespective of whether such game is based on skill, chance, or both, played by a user by paying



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fees, depositing money, or other stakes in expectation of winning in return of money or other stakes; but shall not include any e-Sport.

(g) **"online money gaming"** means playing or indulging in an online money game;

(h) **"online money gaming service"** means a service, offered to a person for playing the online money game;

(i) **"online social game"** means an online game which—

(i) does not involve staking of money or other stakes, or participation with the expectation of winning in return of money or other stakes;

(ii) may allow access through payment of a subscription fee or one-time access fee, provided that such payment is not in the nature of a stake or wager;

(iii) is offered solely for entertainment, recreation, or skill-development purposes; and

(iv) is not an online money game or e-Sport;

(j) **"other stakes"** means anything recognised as equivalent to money and includes credits, coins, token or objects or any other similar thing, by whatever name it called and whether it is real or virtual, that is purchased by paying money directly or indirectly within, or as part of, or in relation to, an online game;

(k) **"person"** includes—

(i) an individual;

(ii) a Hindu undivided family;

(iii) a company;

(iv) a firm;

(v) an association of persons or a body of individuals, whether incorporated or not;

(vi) the State; and

(vii) every artificial juristic person, not falling within any of the preceding sub-clauses;

(l) **"user"** means any person who accesses or avails online money gaming service or e-Sport or online social game;

(m) words and expressions used but not defined in this Act but defined in the Information Technology Act, 2000 (21 of 2000) and rules made thereunder

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shall have the same meaning, respectively, as assigned to them in that Act and the said rules.

CHAPTER II

DEVELOPMENT AND RECOGNITION

**3. Recognition and Promotion of e-Sports.**—(1) The Central Government shall take such steps as it considers necessary to recognise e-Sports as a legitimate form of competitive sport in India and to promote and develop e-Sports.

(2) Without prejudice to the generality of sub-section (1), such steps may include

- (a) formation of guidelines and standards for the organisation and conduct of e-sports events;
- (b) establishment of training academies, research centres, and other institutions dedicated to advancement of e-sports;
- (c) introduction of incentive schemes, awareness campaigns, and public outreach programmes to encourage innovation and establishment of new enterprises to create e-Sports technology platforms;
- (d) coordination with State Governments and recognised sporting federations for integration of e-sports within broader sporting policy initiatives; and
- (e) such other measures as may be necessary to promote the industry as may be prescribed.

(3) The Central Government may, by notification in the Official Gazette, make such rules as may be necessary for carrying out the purposes of this section.

**4. Recognition and Development of online social games.**—(1) The Central Government shall take such steps as it considers necessary to recognise, categorise and register online social games with the authority and facilitate the development and availability of online social games for recreational and educational purposes.

(2) Without prejudice to the generality of sub-section (1), such steps may include

- (a) creating a mechanism for the registration of online social games; creation of platforms or programmes to support the development and distribution of online social games;
- (b) supporting initiatives aimed at increasing public access to safe and age-appropriate social gaming content;
- (c) undertaking awareness programmes to highlight the positive use of social games for recreation, skill-development and digital literacy;



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- (d) coordination with State Governments and educational or recreational institutions for the promotion of social gaming as part of broader digital engagement strategies; and
- (e) such other measures as may be necessary to promote the industry as may be prescribed.

(3) The Central Government may, by notification in the Official Gazette, make such rules as may be necessary for carrying out the purposes of this section.

**CHAPTER III  
PROHIBITION**

**5. Prohibition of online money game and online money gaming service.—**No person shall offer, aid, abet, induce or otherwise in the offering of online money game and online money gaming service.

**6. Prohibition of advertisement related to online money game.—**No person shall make, cause to be made, aid, abet, induce, or otherwise be involved in the making or causing to be made of any advertisement, in any media including electronic means of communication, which directly or indirectly promotes or induces any person to play any online money game or indulge in online money gaming.

**7. Prohibition of transfer of fund.—**No bank, financial institution, or any other person facilitating financial transactions or authorisation of funds shall engage in, permit, aid, abet, induce, or otherwise facilitate any transaction or authorisation of funds towards payment for any online money gaming service.

**CHAPTER IV  
AUTHORITY ON ONLINE GAMING**

**8. Establishment of an authority.—**(1) The Central Government may constitute, by notification, an authority or designate any existing authority or agency to assist it in performing any of the functions under this Act, including under section 3 and 4.

(2) The Central Government may vest with the authority with all or any of the following powers.—

- (a) to determine, on the receipt of an application from any person offering an online game or on suo-moto basis, whether a particular online game is an online money game or otherwise, after making such inquiry as it deems fit;



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- (b) to recognise, categorise and register online games in such a manner as may be prescribed; and
  - (c) such other powers and functions as may be prescribed.
- (3) Every person offering, organising, or facilitating any online game shall comply with the directions, orders, guidelines, or codes of practice issued by the Central Government or the authority in discharge of its functions under this Act.
- (4) The Central Government may prescribe the following:
- (a) composition and qualification for appointment of Chairperson and Members;
  - (b) salary, allowances payable to them and their term of office;
  - (c) disqualification for appointment and continuation as Chairperson and Members;
  - (d) resignation by members and filling of vacancy;
  - (e) proceedings of the authority
  - (f) officers and employees of authority;
  - (g) power of chairperson.
  - (h) handling of complaints and grievances related to online games; and
  - (i) any other matter to further the objective of this Act.

(5) The authority may respond to the complaint relating to online games which are prejudicial to the interests of users, may be forwarded either in writing or in electronic mode.

## CHAPTER V OFFENCES AND PENALTIES

**9. Penalty for contravention.—**(1) Any person who offers online money gaming service in contravention of section 5 shall be punished with imprisonment for a term which may extend to three years or with fine which may extend to one crore rupees or with both.

(2) Any person who makes or causes to make advertisement in any media, in contravention of section 6, shall be punished with imprisonment for a term which may extend to two years or with fine which may extend to fifty lakh rupees or with both.

(3) Any person who engages in any transaction or authorisation of funds in contravention of section 7 shall be punished with imprisonment for a term which may extend to three years or with fine which may extend to one crore rupees or with both.



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(4) If any person convicted of an offence under sub-section (1) or sub-section (3) is again convicted of an offence under the same provision, he shall be punished with imprisonment for the second and for every subsequent offence for a term which shall not be less than three years, but may extend to five years and shall also be liable to fine which shall not be less than ten lakh rupees, but may extend to twenty lakh rupees.

(5) If any person convicted of an offence under sub-section (2) is again convicted of an offence under the same provision, he shall be punished with imprisonment for the second and for every subsequent offence for a term which shall not be less than two years, but may extend to three years and shall also be liable to fine which shall not be less than five lakh rupees, but may extend to ten lakh rupees.

**10. Cognizance of offences.**—Notwithstanding anything contained herein contrary to the Bhartiya Nagrik Suraksha Sanhita, 2023 (No. 46 of 2023), offences under section 5 and section 7 shall be cognizable and non-bailable.

**11. Offences by companies.**—(1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of that part of the business of the company to which the offence relates, as well as the company, shall be liable to be proceeded against and punished accordingly.

(2) Nothing contained in sub-section (1) shall render any such person liable to be proceeded against and punished accordingly under this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be liable to be proceeded against and punished accordingly:

Provided that nothing in the subsection shall hold an independent director or a non-executive director of a company who is not involved in the actual decision making, liable for such offence.

**Explanation.**— For the purposes of this section, the expressions—

(a) “company” means any body corporate, and includes— (i) a firm; and (ii) an association of persons or a body of individuals whether incorporated or not.



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(b) "director" in relation to— (i) a firm, means a partner in the firm; (ii) an association of persons or a body of individuals, means any member controlling affairs thereof.

**12. Non-compliance by any other person.**—Any person who fails to comply with any direction or order issued by the Central Government or the authority under sub-section (3) of section 8 shall be liable to penalty which may extend to ten lakh rupees or may include suspension or cancellation of licence or registration, and prohibition from offering, facilitating, or promoting such games for such period as may be determined by the Central Government or the authority.

## CHAPTER VI

### MISCELLANEOUS

**13. Blocking of online money gaming service.**—In case of failure to comply with provisions of section 5, section 6 and section 7 notwithstanding anything contained in section 69A of the Information Technology Act, 2000 (21 of 2000), any information generated, transmitted, received or hosted in any computer resource in relation to online money gaming service shall be liable to be blocked for access by the public in such manner as specified in the said Act.

**14. Compliance with Central Government direction.**—Every person shall comply with any direction issued by the Central Government in relation to online money gaming services.

**15. Power to investigate offences.**—Notwithstanding anything contained in this Act or any other law for the time being in force, the Central Government may, by notification in the Official Gazette, authorize any officer or class of officers of the Central Government, Authority or State Government to exercise the powers of investigation in respect of offences under this Act.

**16. Search and seizure of property.**—(1) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023 (46 of 2023), any officer authorized under section 15 may enter any place, whether physical or digital, and search and arrest without warrant any person found therein who is reasonably suspected of having committed or of committing or of being about to commit any offence under this Act.

(2) Where any person is arrested under sub-section (1) by an officer other than a police officer as referred to in sub-section (1), such officer shall, without unnecessary delay, take or send the person arrested before a magistrate having jurisdiction in the case or before the officer-in-charge of a police station.



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(3) The provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 (46 of 2023) shall, subject to the provisions of this section, apply, so far as may be, in relation to any entry, search or arrest, made under this section.

*Explanation.*—For the purposes of this section, "any place" shall include any premises, building, vehicle, computer resource, virtual digital space, electronic records or electronic storage device and the officer may, if necessary, gain access to such computer resource, virtual digital space, electronic records or electronic storage device by overriding any access control or security code, where such code thereof is not available.

**17. Protection of action taken in good faith.**—No suit, prosecution or other legal proceedings shall lie against any public servant in respect of anything which is done in good faith or intended to be done in the discharge of his official functions or in exercise of his powers under this Act.

**18. Act not in derogation of any other law.**—The provisions of this Act shall be in addition to, and not in derogation, of the provisions of any other law, for time being in force and in case of any inconsistency of this Act with any other Act, the provisions of this Act shall, to the extent of such inconsistency, have overriding effect over any such Act.

**19. Power of the Central Government to make rules.**—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) Every rule made by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**20. Power to remove difficulties.**—(1) If any difficulty arises in giving effect to any provisions of this Act, the Central Government may, by notification in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may be necessary or expedient for removing the difficulty.

(2) No order as referred to in sub-section (1) shall be made after the expiry of two years from the date of the commencement of this Act.

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