



## Draft Promotion and Regulation of Online Gaming Rules, 2025

On 02 October, 2025, the Ministry of Electronics and Information Technology (“**MeitY**”) released the Draft Promotion and Regulation of Online Gaming Rules, 2025 (“**Draft PROG Rules**”) (available [here](#)) under Section 19 of the Promotion and Regulation of Online Gaming Act, 2025 (“**PROG Act**”) (available [here](#)). The Draft PROG Rules are open for public consultation and comments till 31 October, 2025, can be submitted at [ogrules.consultation@meitv.gov.in](mailto:ogrules.consultation@meitv.gov.in) in MS Word or PDF format. The Explanatory Note to the Draft PROG Rules is available [here](#).

The Draft PROG Rules are organized into eight Parts. They set out the recognition, categorization, registration, and compliance framework for e-sports and online social games, establish the Online Gaming Authority of India (“**Authority**”), prescribe procedures for determinations on “online money games,” and lay down penalties and grievance redressal mechanisms.

### Key themes under the Draft PROG Rules

**Voluntary registration and regulation of “online social games”:** The Draft PROG Rules assign dual roles for the governance of online social games. While the Authority notified by MeitY will be responsible for registering online social games, the Ministry of Information and Broadcasting (“**MIB**”) has been tasked with the overall administration of online social games under Rule 4. The MIB also has powers to issue code of practices for content and age-appropriateness and guidelines for categorization of online social games. Registration of online social games is voluntary, and they may be offered in India without registration as per Rule 4 (3). If an online game service provider chooses to register an online social game, it needs to establish a grievance redressal mechanism as per Rule 23 and be subject to provisions relating to cancellation, renewal, and suspension of their registration.

**Promotion of e-sports:** The Ministry of Youth Affairs and Sports (“**MYAS**”) has been tasked with the administration of e-sports under Rule 3(1), whereas the Authority is responsible to review

their application and grant registration. Registration of e-sports is mandatory and is preceded by mandatory recognition under the National Sports Governance Act, 2025 (“**NSG Act**”). Under Rule 13 (3), while making a determination on whether an online game is an e-sport, presence of a member from MYAS is mandatory.

**Determination of “online money games”:** Under Rule 13, the Authority has the power to determine, either *suo moto* or upon an application made to it, whether an online game qualifies as an “online money game”. The Authority may take into consideration several parameters to determine whether an online game is an online money game by virtue of it accepting any money, fee, deposit, in-app purchase, or other stake from users and it being used as a stake or wager for winnings. If an online game is determined as an “online money game”, the Authority may direct that such game: (a) be ceased from being offered; (b) shall not be advertised or promoted; and (c) subject to action under Section 14 of the PROG Act, wherein the Government can exercise its blocking powers under Section 69A of the Information Technology Act, 2000. In addition, as per Section 9 of the PROG Act, the person offering the online money game may be subject to imprisonment of up to 3 years or a fine of up to INR 1 crore, or both. Notably, under Rule 22, if the penalty is not paid, it can be recovered as an arrear of land revenue.

**Application process and registration of online games:** Online social games and e-sports have similar application processes. Under Rule 12, an applicant seeking registration of either online social games or e-sports, must submit information such as: name and contact details; game description; category of the online game; target age group; revenue model; grievance redressal mechanism; user safety features; and any other details that the Authority requires. Applicants must also provide a self-declaration on their website stating that they abide by applicable law. The Authority is required to make a determination within 90 days from the date of receiving the complete application.



*Grant of certificate and its validity:* A certificate of registration granted to an online game service provider can be valid for a maximum of 5 years. If the service provider wants to renew registration, they are required to make a fresh application. Under Rule 17, all certificate-holders are expected to inform the Authority in case of any “material change” in their online game post receipt of registration. In case of e-sports, this additionally includes change in the status of their recognition under the NSG Act. The PROG Rules provide expansive powers to the Authority for cancellation and suspension of registration provided to an online social game or e-sports.

*Establishment of the Authority:* The Draft PROG Rules formally establish the Online Gaming Authority of India as a corporate body with powers of a civil court. The head office of the Authority shall be the National Capital Region, and it may function as a digital office. It will be chaired by an officer of MeitY in the rank of Additional Secretary. Three members shall be ex-officio representatives from MIB, MYAS, and the Ministry of Finance, whereas two other members shall be not below the rank of Director to the Central Government, with at least one having special knowledge and expertise in law. A Secretary to the Authority may be appointed by MeitY.

*Powers of the Chairman and the Authority:* The Chairman has the power over all administrative matters of the Authority and can authorize performance of any function as well as decide allocation of proceedings amongst its members. The Authority has the powers equivalent to a civil court in India. It can additionally issue guidelines and code of practice in consultation with other Union Ministries; undertake *suo moto* enquiry; cancel or suspend registration; issue advisories; entertain appeals from the Grievance Appellate Committee, among other things.

*Inquiry and manner of imposing penalty:* Rule 21 explains the manner in which penalties under the PROG Act may be imposed. Upon a complaint or *suo moto* action, a notice may be issued to the online game service provider along with a date of hearing and details of the alleged non-compliance. The service provider will be provided with an opportunity to defend the allegations or accept the allegations. The Authority will hear and decide each complaint within 90 days. While determining the penalty, due regard will be given to the amount of unfair gain made by the service provider; amount of loss caused to the user; gravity and duration of non-compliance; nature of mitigative measures taken by the service provider; among other things.

*Grievance Redressal Mechanism:* The Draft PROG Rules mandate a three-tier grievance framework under Rule 23. First, the grievances need to be redressed by the online game service provider, within a time period specified by the Authority. Second, if the complainant is dissatisfied or if the grievance is not resolved within the specified time period, an appeal can be made to the Grievance

Appellate Committee (“GAC”) under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. The user must approach the GAC within 30 days from the date of the decision of the online game service provider or after the expiry of the specified time period. The GAC must try to resolve the appeal within a period of 30 days, from the date of receipt of appeal. If the user is still dissatisfied by the order of the GAC they can approach the Authority within a period of 30 days, from the date of the order of the GAC. The Authority must endeavor to resolve the appeal within a period of 30 days, from the date of receipt of appeal. It is important to note that only registered online games are required to put in place a grievance redressal mechanism which is in accordance with the Draft PROG Rules.

*Refunds and Transitional Provisions:* Banks, financial institution, payment systems, and any other person facilitating financial transactions are provided immunity from Section 7 of the PROG Act if they enable return of funds due to be returned to users prior to the enforcement of the PROG Act. This immunity is available only for a period of 180 days from the enforcement of the PROG Act.

## Our key observations and preliminary inputs

- The demarcation of role across Union Ministries seems aligned with their overall competencies. While MeitY has the overall remit over the PROG Act as well as powers to establish the Authority, the MYAS and MIB will respectively administer esports and online social games, issue code of practices, and content and age-gating guidelines for the same.
- It clarified that “**online social games**” do not require mandatory registration as per Rule 4 (3). However, a certificate of registration will certainly provide value for businesses with proof of credibility and compliance as well as bring comfort to business partners, financial institutions, advertisers, app stores, and investors. It will remain to be seen how these industry practices evolve over time. Notably, both MIB under Rule 4 (3) and the Authority under Rule 10 (f) seem to have powers to issue guidelines and code of practices for offering online social games. It should be ensured that powers of either of these bodies are not in conflict with each other. Any guidelines on content and age-appropriateness should additionally be aligned with international ratings like PEGI and IARC to avoid inconsistency with global standards.
- “**Esports**” require mandatory registration and must first seek recognition under the NSG Act. MYAS having the power to administer e-sports is a positive step in recognizing e-sports as a legitimate professional sport in the country and paving for its growth and district and grassroot level.
- Applications for registration of online games need to be made as per Rule 12. Applicants may however find it difficult



- to submit some details requested by the Authority. For instance, applicants may not be able to provide information about the category to which their online game belongs since the same does not fit either in the category of “recreational” or “educational”. Similarly, while applicants need to provide details of their “user safety features”, the term is undefined, and it is unclear which features the Authority expects them to incorporate in their online game. It is likely that overtime the same is guided by industry best practices and the responsible gaming guidelines that the online gaming industry has followed for many years, some under the self-regulatory frameworks of industry bodies.
- The timeline of 90 days for the Authority to decide on applications for registration of online games can be revisited. A shorter timeline will aid innovation and help operators in bringing their products to the market sooner. To this end, the Draft PROG Rules should consider requiring the Authority to meet at regular intervals, at least once a month, to decide on the applications it has received.
  - The certificate of registration provided to an online game is **valid for a maximum of 5 years**. For any renewals, applicants need to make a fresh application. This requirement can be onerous and revisited for enabling innovation specifically considering if the applicant has a history of registration. The Authority can instead consider taking a fresh self-declaration under Rule 12 (4) in case of renewals, confirming the compliance of the relevant online game with the original terms. In any case, certificate holders have an obligation to inform the Authority in case of any “material change” in their online game post grant of registration and the same should comfort the Authority in dispensing with an elongated process for renewal applications.
  - Maintenance of a **National Online Social Games and E-Sports Registry** as well as an ability to publish a list of online money games will maintain transparency and aid prospective operators to understand the nature of online games they can offer in India. Over a period of time, this can serve as a reference point not only for operators but also for allied stakeholders like financial institutions, advertisers, etc. to get comfort on the legality of the online game in question.
  - Banks, financial institutions, etc. can facilitate return of funds to the users for a period of up to 180 days from the enforcement of the PROG Act, without facing the consequences of Section 7 of the PROG Act. However, it remains unclear whether the ‘funds’ that may be returned are the user’s winnings from online games or also include deposits stored with the operators. Rule 24 uses the phrase *‘funds relating to online games due to be returned to users **for which she was eligible prior to the enforcement of the [PROG] Act**’*, suggesting a reference to the user’s winning amounts, whereas Explanatory Note 8 uses the phrase ‘repayment of **funds collected before** the PROG Act’s enforcement.’ which is a reference to the user’s deposited funds.

Please note that these are our preliminary inputs only. The public consultation is open till 31 October, 2025. Considering the importance of these Draft PROG Rules and its impact on the online gaming industry in India, we encourage stakeholders to submit their valuable feedback and take part in the consultation process.

## Authors

Ranjana Adhikari

Partner

E: [ranjana.adhikari@AMSShardul.com](mailto:ranjana.adhikari@AMSShardul.com)

Sarthak Doshi

Principal Associate

E: [sarthak.doshi@AMSShardul.com](mailto:sarthak.doshi@AMSShardul.com)

Dhruv Jadhav

Associate

E: [dhruv.jadhav@AMSShardul.com](mailto:dhruv.jadhav@AMSShardul.com)

### Disclaimer

This is intended for general information purposes only. It is not a substitute for legal advice and is not the final opinion of the Firm. Readers should consult lawyers at the Firm for any specific legal or factual questions.