

Draft promotion and regulation of Online Gaming Rules, 2025

17 October 2025

Introduction

The Ministry of Electronics and Information Technology (MeitY) has, on 2 October 2025, released the Draft Promotion and Regulation of Online Gaming Rules 2025 (Draft Rules) and invited comments from public stakeholders. The parliament of India had earlier approved the Promotion and Regulation of Online Gaming Act 2025 (PROG Act 2025) which received presidential assent and was notified in the Gazette of India on 22 August 2025. Our analysis of the PROG Act 2025 is available [here](#).

The Draft Rules have been formulated pursuant to Section 19 of the PROG Act 2025. The explanatory notes released by MeitY along with the Draft Rules suggest that the Draft Rules will enable structured growth of legitimate e-sports and social games, prescribe framework for recognition and categorization of such games and provide for a grievance redressal mechanism to safeguard users' interests.

The Draft Rules have been divided into 8 (eight) parts to set out a comprehensive framework for promotion and regulation of the online gaming ecosystem. Key features of the Draft Rules are set out below.

Analysis of the Draft Rules

Registration and Nodal Authority

- The Draft Rules provides for dual role of the authorities for promotion of e-sports and online social games. The Ministry of Youth Affairs and Sports has been recognized as the administering authority for e-sports and the Ministry of Information and Broadcasting (MIB) is responsible for administering online social games. The Online Gaming Authority of India (established under Section 8 of the PROG Act 2015 read with rule 5 of the Draft Rules) (Authority) shall be the nodal authority responsible for registration of e-sports and online social games.
- Rule 6 of the Draft Rules provide for constitution of the Authority comprising 6 members - 1 (one) Chairperson, 3 (three) members in the rank of Joint Secretary and 2 (two) members in the rank of Director to the Government of India.
- Per Rule 12 of the Draft Rules, registration of e-sports being offered by an online game service provider is mandatory and can be made only upon providing a proof of recognition of e-sports under the National Sports Governance Act 2025 (NSGA 2025). Accordingly, recognition under the NSGA 2025 has been provided as a pre-condition to registration of the e-sport under the Draft Rules.
- Per the Draft Rules, registration of online social games is voluntary and at the discretion of the online social games service provider. Accordingly, an online social game can be offered without obtaining a registration under the PROG Act 2024, subject to compliance with code of practices for content and age-appropriateness and guidelines for categorization of online social games as may be issued by MIB from time to time. It is also important to note that such unregistered online social games do not need to formulate the internal grievance redressal mechanism, which is mandatory for a registered service provider under Rule 23 of the Draft Rules.

- Upon completion of registration, the Authority shall issue a Certificate of Registration which shall be valid for a period of up to 5 (five) years. Without such Certificate of Registration, the service provider cannot represent, advertise or offer a game as an e-sport or a registered online social game. If the nature of a registered online social game or e-sport materially changes or the status of recognition of a registered e-sport under the NSGA 2025 changes, the online gaming service provider is required to promptly inform the Authority.

Determination of 'online money games'

- Per Rule 13, the Authority is also empowered to determine, *suo moto* or upon receipt of an application under Rule 12, whether an online game is an 'online money game' as defined under the PROG Act 2025. Such determination must be completed within 90 (ninety) days of making the application and in assessing the nature of the game, the Authority shall give due regard to prescribed parameters such as involvement of money or other stakes, payment of fees or deposit as consideration, provision for winning, rewards or payouts, in-app purchases, etc. among other relevant factors deemed necessary by the Authority for such determination. Determination of whether an online game qualifies as an 'e-sport' can be made only in the presence and concurrence of a member representing the Ministry of Youth Affairs and Sports.
- If a game is determined by the Authority to be an 'online money game', the Authority shall direct the service provider to cease operations immediately, prohibit its advertisements and promotions, and initiate further actions under Section 14 of the PROG Act 2025. The Authority shall also publish a list of online money games and such other associated details of the online money games, as deemed necessary, on its website.

Penalty

- The Authority may, *suo moto* or upon receipt of a complaint, issue notice to an online gaming service provider in case of non-compliance under the PROG Act 2025. Rule 21 of the Draft Rules prescribes the procedure to be followed by the Authority in adjudicating a proceeding under the PROG Act 2025 and requires the Authority to resolve all complaints within 90 (ninety) days. If the gaming service provider is found to be liable under Section 12 of the PROG Act 2025, the Authority may impose penalty, suspend the registration certificate of the service provider and prohibit the service provider from providing services for a definite period of time. Rule 21(9) states that in adjudicating the quantum of penalty, due regard shall be given to material facts of the case such as amount of gain or unfair advantage to the service provider, amount of loss to the user, repetitive nature, gravity and duration of non-compliance, number of users affected, etc.
- The quantum of penalty may be recovered by the Authority '*as if it were an arrear of land revenue*' and shall be credited to the consolidated Fund of India upon collection. In accordance with the Revenue Recovery Act, 1890, recovery '*as an arrear of land revenue*', allows the government to bypass slower civil court procedures for recovery with provisions for arrest, attachment of moveable and immoveable property, providing the Authority with a swift tool to avoid lengthy litigation.

Grievance Redressal Mechanism

- Part VII of the Draft Rules prescribes a 3 (three) tiered system for redressal of user grievance. Per Rule 23 of the Draft Rules, every online gaming service provider offering a registered social game or e-sport is required to formulate a functional grievance redressal mechanism which can be availed by the user as a first port of remedy.
- If the user is dissatisfied with the resolution provided by the online gaming service provider or the service provider's redressal system fails to provide a resolution within a specified period, the user can approach the Grievance Appellate Committee which shall deal with the appeal in a time bound manner.
- If the Grievance Appellate Committee is of the opinion that the service provider has failed to adhere to the directions of the Authority or the user is dissatisfied with the resolution of their appeal by the Grievance Appellate Committee, the issue may be referred to the Authority for final adjudication in a time bound manner in accordance with the PROG Act 2025 and the Draft Rules. An appeal against the order issued by the Authority can further be made to the Appellate Authority (*being the Secretary to Government of India in the MeitY*), pursuant to Rule 11 of the Draft Rules. It is important to note here that while the Appellate Authority is deemed to be a civil code under the Draft Rules, it shall not be bound by the Code of Civil Procedure 1908 but shall be guided by the '*principles of natural justice*'.

Conclusion

The PROG Act 2025 upon notification received widespread criticism from the stakeholders. The constitutional validity of the legislation has also been challenged before various High Courts across the country, including the High Courts of Karnataka, Delhi, Madhya Pradesh, etc. on grounds of the law being violative of fundamental rights under Article 14, Article 19 and Article 21 of the Constitution of India. The Supreme Court has, upon receipt of petition from the Government of India, allowed transfer of all pending cases against the PROG Act 2025 to itself and the same is expected to be heard by Supreme Court bench comprising Justices JB Pardiwala and KV Viswanathan. Amidst the legal challenges to the parent legislation, the Draft Rules inviting public comments will also be subject to the final adjudication by the Supreme Court of the validity of the PROG Act 2025.

The Draft Rules have been formulated in line with the Government of India's overall intent to curb all forms of online money games. Accordingly, it is focused towards regulation of e-sports and online social games, with enabling provision allowing the Authority to restrict games which do not fall under these categories. Certain guiding principles have been provided to clear the ambiguity surrounding the scope of 'online social game'.

Given that registration of 'online social game' has been made voluntary, it remains to be seen how the Authority views and adjudicates upon compliance of such unregistered games with the Draft Rules. While unregistered online social game service providers are exempt from certain compliances such as formulation of internal grievance redressal mechanism, it may be preferable for service providers to obtain a certificate of registration even for online social games to ensure certainty and provide comfort to their investors and stakeholders. Further, only registered e-sports and online social games will be eligible for government schemes, tournaments, training academies, and promotional incentives.

The Appellate Authority has been deemed to be a civil court, and the proceedings shall be considered a judicial proceeding. In light of this, the non-application of Code of Civil Procedure 1908 and the 'principles of natural justice' being the guiding path for the Appellate Authority raises concern around the transparency and fairness of the procedure followed by the Appellate Authority in adjudicating cases.

The Authority shall also maintain a list of online social games and e-sports registered under the Draft Rules in the National Online Social Games and E-sports Registry, along with the names of their online game service provider and associated details. This will certainly increase investor and other stakeholders' confidence in the service provider's platform as such list will be publicly available.

Lastly, it should be noted that platforms with outstanding user balances will be permitted to facilitate refunds through their payment partners even after enforcement of the PROG Act, 2025 for a period of 180 days, without risk of prosecution for 'illegal facilitation'. This transition window should be used to resolve legacy payment flows.

The above is our preliminary analysis of the Draft Rules. Given that this is an important development directly impacting the Indian online gaming industry, we encourage the stakeholders to participate in the consultation process by submitting their comments to the Draft Rules. The comments can be submitted by email to ogrules.consultation@meity.gov.in in MS Word or PDF format until 31 October 2025.

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