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India: Online Gaming Bill 2025

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By Dr Subhrajit Chanda and Anurag Satishan Menon, Jindal Global Law School, Sonipat, India

On 21 August 2025, the Indian Parliament passed the *Promotion and Regulation of Online Gaming Bill, 2025*.

The Indian Government has highlighted the dangers associated with money games, ranging from addiction and deceptive advertising to sizable financial losses, and the Act aims to curb them and deliver legal clarity by removing grey areas that previously allowed operators to package gambling as “skill gaming”.

Moreover, centralised approach of the Act creates a baseline that allows uniform administration, a much-needed shift away from the previously fragmented regulatory landscape in India. The High Courts, also, were split on the question of legality regarding fantasy sports. The Act, therefore, is a significant departure from the past, when regulation was inconsistent and state driven.

Finally, the Act represents a major milestone for e-sports in India. For the first time, e-sports are formally recognised as a competitive sport, with a mandate for tournament standards, training academies, and integration into sports policy. It is, therefore, a highly progressive move, perfectly aligned with India’s ever-growing sporting ambitions, including participating in future e-sports Olympic events.

However, this Act risks judicial challenges on several Constitutional grounds.

Indian Courts have consistently clearly distinguished between games of chance (betting/gambling) and games of skill; the latter being protected as legitimate businesses under Article 19(1)(g). Landmark decisions by the Supreme Court have reinforced the principle. For example, in *State of Andhra Pradesh v K Satyanarayana*, rummy was held to involve substantial skill. Moreover, in *K.R. Lakshmanan v State of Tamil Nadu*, horse racing was deemed skill-based and constitutionally valid. Fantasy sports platforms have also found judicial recognition.



The India Supreme Court has firmly established proportionality as the test for restrictions on fundamental rights in the 2016 case of *Modern Dental College v State of Madhya Pradesh* and *K.S. Puttaswamy v Union of India*. As a result of this precedent, blanket prohibition on money games may be deemed disproportionate, especially when narrower regulatory alternatives, such as licensing requirements and stake limits, exist.

Additionally, the Act creates cognisable and non-bailable offences, empowering the police to arrest without a warrant and seize property. Whilst this may have been introduced to act as a strong deterrent, such provisions risk being challenged as excessive, particularly in view of the limited enforcement capacity in cyber-crime cells.

Also, in the realm of taxation, problems may arise where potential contradictions in fiscal policy caused by the Act may result in a “taxation whiplash”.

By prohibiting money games in 2025, the State has effectively dismantled its own tax base, having aggressively taxed the sector for two years, thereby undermining fiscal predictability and investor confidence. As India seeks foreign investment in its digital economy, this “tax then ban” approach risks being perceived as regulatory volatility.

The global trend of regulation and not prohibition shows that India is an outlier in the betting/gambling field.

As mentioned, although the Act prohibits online money games, it does, however, have one undeniable positive, namely, the formal recognition of e-sports as a legitimate competitive activity. The Indian Ministry of Youth Affairs and Sports will now be tasked with setting tournament standards, creating academies, and integrating e-sports into policy frameworks. However, for e-sports to fully flourish in India, robust legal frameworks will need to be implemented. This entails harmonisation with anti-doping codes (WADA/NADA); robust integrity safeguards against match-fixing; standardised player contracts with effective dispute resolution mechanisms; and clearly defined intellectual property and broadcasting rules. If India implements these frameworks properly, e-sports could emerge as the biggest beneficiary of the Act, even though money games disappear.

The decision to impose a ban on online gaming, ironically, is a gamble in itself and whether it will pay off or not remains to be seen.

Either way, the result is likely to shape the future digital economy of India!

The Authors will be contributing to the December 2025 issue of the Sports Law and Taxation Journal a full-length article on the Act and its legal and tax implications.