

ENDGAME OR A PAUSE?

Legal Perspectives on
India's Online Money
Gaming Ban

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1. INTRODUCTION

Marking a pivotal move that is set to reshape India's online real-money gaming sector valued upwards of USD 3.7 billion,¹ the Indian Government notified the Promotion and Regulation of the Online Gaming Act, 2025 ("**Gaming Act 2025**") on August 22, 2025, in the official Gazette. The legislation delivers a major blow to the online real-money gaming ("**RMG**") industry by imposing a blanket ban on online games involving real money or other stakes. The ban extends to advertisements related to RMG and facilitation of fund transfers in relation to RMG. This signals a transformative regulatory shift that will fundamentally alter business models, revenue streams, and the overall future of online gaming in India. The Gaming Act 2025 has not yet come into force, but it is expected to take effect soon.²

On the plus side, the Gaming Act 2025 provides statutory recognition to e-sports and recreational online games while enabling the Central Government to regulate them through a designated authority.

2. KEY PROVISIONS OF THE ACT

- **Extra-territorial Applicability:** The Gaming Act 2025 applies to the whole of India and also extends to any "online money gaming service" which is offered within the territory of India even if operated from outside the territory of India.³

Accordingly, offshore online RMG platforms that are accessible by users in India will also be subject to the prohibitions under the Gaming Act 2025. Importantly, the Gaming Act 2025 does not intend to apply to offshore non-RMG operators offering recreational, educational, and skill-development games.

- **Prohibition of online money games:** All online money games (skill or chance-based or both) which are played by depositing money or "other stakes", where the player expects to earn monetary rewards or other rewards with monetary value, have been prohibited under the Gaming Act 2025. This prohibition applies to offering, aiding, abetting, inducing, or otherwise indulging or engaging in the offering of online money games or related services.⁴ The Gaming Act 2025 broadly defines "other stakes" to mean anything recognised as equivalent or convertible to money, and includes credits, coins, tokens, or objects (real or virtual) which is purchased by paying money directly or by indirect means or as part of an online game.⁵
- **Regulation of e-sports:** The Gaming Act 2025 seeks to regulate and promote e-sports, i.e., competitive digital sports not involving bets, wagers, or stakes, requiring strategy, coordination, and decision-making

¹India's online gaming sector may cross \$9 billion by 2029: Report (Economic Times, March 19, 2025), available at <https://economictimes.indiatimes.com/tech/technology/indias-online-gaming-sector-may-cross-9-billion-by-2029-report/articleshow/119209014.cms?from=mdr> (Last accessed on September 16, 2025).

² Enactment of the Gaming Act may also be subject to constitutional challenges that are currently pending before Indian courts. Please see paragraph 5.1 below for more information.

³ Section 1(2), Gaming Act 2025.

⁴ Section 5, Gaming Act 2025.

⁵ Section 2(1)(j), Gaming Act 2025.

skills which are duly recognised under the National Sports Governance Act, 2025.⁶ E-sports may be required to be registered with the online gaming authority⁷ which will be established under the Gaming Act 2025.⁸

- **Regulation of online social games:** The Gaming Act 2025 also recognizes and regulates online social games played for entertainment, recreation, or skill development purposes that could be skill or chance-based, and do not involve staking of money or other stakes.⁹ However, charging a subscription fee for playing online social games has been permitted.
- **Advertising online money games:** The Gaming Act 2025 prohibits advertisements¹⁰ that directly or indirectly promote online RMGs or induce any person to play an online RMG or indulge in any activity promoting online RMG.¹¹
- **Facilitating transactions or funding:** Engaging in, permitting, aiding, abetting, inducing, or otherwise facilitating the transfer of funds to facilitate any transaction or authorisation towards payment for online money gaming services by banks and financial institutions or other facilitators has also been prohibited.¹²
- **Penalties:**

Srl. No.	Offence	Penalty
1.	Offering an online money gaming service.	Imprisonment of up to 3 (three) years or a fine of up to INR 1 Crore or both.
2.	Engaging in transactions or authorizing funds towards payments for online money games.	Imprisonment of up to 3 (three) years or a fine of up to INR 1 Crore or both.
3.	Making or causing to make advertisements promoting online money games in any media.	Imprisonment of up to 2 (two) years or a fine of up to INR 50 Lakh or both.
4.	Repeat offenders with respect to (1) and (2).	Imprisonment for the second and every subsequent offence for a term of at least 3 (three) years, which may extend to 5 (five) years, and a fine of at least INR 1 Crore, which may extend to INR 2 Crore.
5.	Repeat offenders with respect to (3).	Imprisonment for the second and every subsequent offence for a term of at least 2 (two) years, which may extend to 3 (three) years, and a fine of at least INR 50 Lakh, which may extend to INR 1 Crore.

- **Regulatory oversight and blocking:** All persons are required to comply with any direction issued by the Central Government in relation to online money gaming services.¹³ The Central Government has also been given the authority to issue blocking orders with respect to any information “generated, transmitted,

⁶ Section 2(1)(c), Gaming Act 2025.

⁷ To be established under Section 8, Gaming Act 2025.

⁸ Section 2(1)(c)(iii) read with Section 3(1), Gaming Act 2025.

⁹ Section 2(1)(h)(i), Gaming Act 2025.

¹⁰ The definition of “advertisements” under the Gaming Act has been adopted from the Consumer Protection Act, 2019, which defines “advertisements” to mean any audio or visual publicity, representation, endorsement or pronouncement made by means of light, sound, smoke, gas, print, electronic media, internet or website and includes any notice, circular, label, wrapper, invoice or such other documents.

¹¹ Section 6, Gaming Act 2025.

¹² Section 7, Gaming Act 2025.

¹³ Section 13, Gaming Act 2025.

received or hosted” in relation to online money gaming.¹⁴ Further, the Central Government may authorize any officer to conduct investigations of any physical or virtual place, including virtual digital spaces, for any of the offences under this Gaming Act 2025,¹⁵ including powers of search and seizure and arresting without obtaining a warrant.¹⁶

3. AFFECTED STAKEHOLDERS

3.1 Online RMG Operators

- 3.1.1 The Gaming Act 2025 renders a fatal blow to any direct or indirect offerings of online RMG platforms by Indian as well as overseas operators. This would mean the end of any type of games, contests, rounds, matches, hands, etc. that require an initial stake/wager where a player expects to win monetary or other rewards, even if the ultimate game is played predominantly on skill.
- 3.1.2 Offshore RMG operators would have to ensure their RMGs are not accessible online in India. Measures such as geo-blocking may be adopted. This is especially important for offshore operators who may have back offices or R&D centers in India, which may be directly affected by any investigations into violations under the Gaming Act 2025. Government-authorized officers under the Gaming Act 2025 have been given broad powers of search and seizure in both physical and virtual spaces.¹⁷ This could mean gaining access to the source code, development, and live environment of the online RMG platform, etc. Such access may be through overriding any access control or security code, if necessary, as may be the case with the investigation of “virtual digital spaces” under the incoming Income Tax Act, 2025.¹⁸ While the Gaming Act 2025 does not define a “virtual digital space”, the definition provided under the Income Tax Act, 2025, includes social media accounts, email servers, online banking and trading accounts, cloud storage platforms, remote servers, and digital apps.¹⁹ It remains to be seen how such investigations will be practically carried out by the authorities virtually under the Gaming Act 2025.
- 3.1.3 RMG operators in India or offshore offering online games to users in India would have to move to alternate free-to-play models or subscription fee models without prize pools contributed to by users. It should also be noted that any money that is deposited or stakes that are paid directly *or indirectly* to an online platform can also be deemed a prohibited online RMG, where any expectation of winnings is involved. The sweeping prohibition language means that, say, any virtual points that are offered as a free bonus when a user pays a subscription and which may be used to enter a free game with prizes, may also be up for debate to be a prohibited online RMG. Another broad application of this prohibition would be that any virtual objects or tokens (such as in-game objects, skins, etc.) which can be traded between the platform or house or with other players can also be deemed a stake inadvertently in a game which offers rewards for winning. However, games which ultimately do not offer any rewards to players that may be linked to winning, trading of such virtual objects for the purpose of gameplay (i.e., for moving to the level or unlocking a new character/feature) should be permissible. RMG operators may have to be wary of such risks once the Gaming Act 2025 is in force.

3.2 Game Studios, Federations, and Gaming Tournament Operators

- 3.2.1 The Gaming Act 2025 gives e-sports legal recognition and legitimacy. For the e-sports industry, the Gaming Act 2025 allows for positioning e-sports as a high-skill, competitive sport instead of a mere gambling or

¹⁴ Section 14, Gaming Act 2025.

¹⁵ Section 15, Gaming Act 2025.

¹⁶ Section 16, Gaming Act 2025.

¹⁷ Section 15 and Section 16, Gaming Act 2025.

¹⁸ Introduced vide Income-tax (No. 2) Bill, 2025, which was passed by the Parliament on August 12, 2025. The Income Tax Act, 2025, will come into force on April 1, 2026.

¹⁹ Section 261(j), Income Tax Act, 2025.

entertainment product. With e-sports set for its debut in the 2027 Olympic Esports Games,²⁰ the legislation offers the industry formal recognition, marking a new era for gaming in India.

- 3.2.2 The e-sports industry is now awaiting the next steps in terms of regulatory clarity, i.e., clear definitions, structured governance, and policy support. Industry leaders are asking for investments in infrastructure, training academies, and grassroots programs for the development of e-sports, as well as to give e-sports the same recognition and structure as traditional sports. In this regard, the government has been asked to consider implementing athlete welfare policies, anti-doping and fair play norms, international visa facilitation for pro players, and structured league/tournament regulations, all of which already exist for traditional sports such as cricket or football.²¹
- 3.2.3 The online social gaming sector is also expected to grow, with the expectation of receiving government support for social and educational games that build skills and cultural values.²² Under the Gaming Act 2025, online social gaming operators have been permitted to operate on a subscription-based model. Upon implementation of a clear set of rules regarding the recognition and registration of online social games, this industry may see a sizeable growth in investment.
- 3.2.4 However, given the broad ambit of the prohibition under the Gaming Act 2025, there may be certain recreational gaming models that could face the brunt of this as well. Recreational games offering loot boxes, or e-sports offering bonus rewards such as character skins, etc., may also be deemed online money games and prohibited, if such rewards are won as a consequence of depositing any money or other stakes (which may also be bundled with other costs). This may lead to regulatory ambiguity and a potential grey area, as the Gaming Act 2025 does not expressly address contemporary features of online gaming models, including formats incorporating in-app purchases, battle passes, or microtransactions. The definition of online social games excludes online money games, thus making them mutually exclusive. Further, the definition of online money games excludes e-sports thus providing a carveout. Hence, offering such loot boxes or other bonus rewards may amount to a prohibited online RMG and subject game studios to penalties, if such rewards form part of unrecognized e-sports. Even in the case of online social games, merely offering in-game purchases that are tradeable or retain value and act as entry barriers to contests, matches, etc. could make them online money games, if such purchases are made with an expectation of winning money or other stakes.

3.3 Investors

- 3.3.1 The all-encompassing nature of the prohibition on RMG operators under the Gaming Act 2025 means that what was a profitable industry with judicial precedents backing the business model of skill-based RMGs, would now see a vacuum for capital infusion. At the state level, at least, there have been instances of prohibitive gaming legislations being struck down (*see paragraph 4.2.7*). But even if such instances are not uncommon in this industry, the online gaming industry generally may see a loss of investor confidence due to the sustained regulatory uncertainty, non-uniform regulatory framework amongst different states, and the Indian Government's firm stand against any form of online RMGs.

²⁰ *Inaugural Olympic Esports Games to be held in Riyadh in 2027 – Road to the Games to start this year* (International Olympic Committee, September 11, 2025), available at <https://www.olympics.com/ioc/news/inaugural-olympic-esports-games-to-be-held-in-riyadh-in-2027-road-to-the-games-to-start-this-year> (Last accessed on September 16, 2025).

²¹ *Is India finally betting big on the right gaming industry?* (ET Edge Insights, September 4, 2025), available at <https://etedgeinsights.com/industry/media-and-entertainment/is-india-finally-betting-big-on-the-right-gaming-industry/> (Last accessed on September 15, 2025).

²² See page 4 of the *Background on the Promotion and Regulation of Online Gaming Bill, 2025*, published by the Press Information Bureau of India, available at <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/aug/doc2025821618101.pdf> (Last accessed on September 16, 2025).

3.3.2 With respect to investments that have already been made into the RMG industry, online RMG operators may look to force majeure provisions, if they have been contemplated in their agreements with investors (as they have already done in relation to sponsorship contracts). This could help limit the impact on their overall revenue and indebtedness to investors and ensure business continuity. Investors are undoubtedly poring over their investment agreements to see if the representations and warranties in relation to the business model and related indemnities give them any coverage, or if well negotiated disclosures have made their investment documents less than watertight.

3.3.3 While the statutory endorsement of e-sports and online social games, together with a focused central authority to oversee growth signals a promising landscape for investment and business expansion, the revenue certainty of RMG is now gone for good and valuations will need to be revised downwards to reflect this.

3.4 Advertisers and publishers

3.4.1 Many online media platforms, broadcasters, and publishers across different media earn significant portions of revenue from advertising online RMG operators. They may now be facing the need to diversify their portfolio of advertisers. Advertiser policies would also need to be revised to carefully filter out online money games, while advertising online social games is still permitted.

3.4.2 Celebrities and influencers who promote online RMG operators would now be prohibited from doing the same. However, promoting online social games is still allowed, and hence discretion must be exercised for brand endorsements, promotional campaigns, sponsorships, etc.

3.5 Financial services providers

3.5.1 Banks, payment aggregators, and other service providers facilitating transactions may need to double down on their merchant vetting processes, KYC policies, and transaction monitoring to ensure no funds are directed towards online money gaming services.

3.5.2 Lenders must ensure proper KYC measures and contractual safeguards to prevent the end use of disbursed loans towards online money gaming.

3.6 E-commerce service providers

3.6.1 Many e-commerce service providers offer games and prizes for customer engagement and traction. Such providers should be wary of offering promotional campaigns, contests, scratch cards, draws, prize competitions, etc. that involve “winning” anything in return for money or its equivalent paid by a user/player, which is not a subscription fee but may qualify as a stake.

3.6.2 Once again due to the sweeping language in the Gaming Act 2025, it may not always be a straightforward answer since “lucky draws”, “play-to-win” games, slot machines, etc. offered with even virtual coins which are ‘indirectly’ won by a consumer (e.g. reward points credited in lieu of a purchase) could also be deemed as “other stakes”. If such rewards are won as a consequence of depositing any money or other stakes (which may also be built into the product cost), it could make the contest or campaign a prohibited RMG.

3.6.3 In the event the Central Government prescribes that online social games should be registered, such added compliance may have to be undertaken by any e-commerce service provider running any sort of contest while justifying that it does not involve wagering or staking.

3.7 Offline skill gaming providers

3.7.1 Since the Gaming Act 2025 renders only online RMGs illegal, there could be a claim questioning the differential treatment of offline RMGs offered too. Hence, public gaming houses, including carrom tournaments, chess tournaments, and other such in-person games, may be up for debate too in this friendly fire.

4. IS THE LAW ‘BULLETPROOF’?

4.1 Legislative Competence of the Central Government

4.1.1 The Central Government and the State Governments, separately or commonly, are empowered to legislate on different subject matters by the Indian Constitution.²³ This paves the way for a much-debated question on whether the Central Government has the competence to legislate on RMG.

4.1.2 The Union Government appears to have anchored its legislative competence to pass the Promotion and Regulation of Online Gaming Act, 2025, on several entries of the Union List (List I) of Schedule 7 of the Constitution.²⁴ These include subject matters such as:

- (a) digital communication networks and broadcasting infrastructure (owing to the electronic nature of online RMG);
- (b) regulation of currency and cross-border financial transactions (owing to foreign exchange transactions on platforms of offshore RMG operators);
- (c) inter-state and international commerce (owing to users playing on platforms of RMG operators based in different states and outside India too); and
- (d) industries of national importance under public-interest grounds.

4.1.3 Typically, State Governments have legislated on RMG under the “betting and gambling” entry of the State List (List II) of Schedule 7 of the Constitution,²⁵ alongside ancillary entries such as public health,²⁶ public order,²⁷ and intra-state trade.²⁸ Many State Governments have adopted the pre-independence Public Gambling Act, 1867, as state enactments.²⁹ While other states, such as Goa³⁰ and Sikkim,³¹ have enacted permissive licensing schemes, Tamil Nadu has also mandated restrictions on online skill-based RMGs, such as age restrictions and cooling-off limits.³² Further, states such as Andhra Pradesh³³ and Telangana³⁴ have previously passed legislations completely banning RMGs, including skill games, although these laws are currently under challenge before the Supreme Court of India.

²³ Seventh Schedule read with Article 246 of the Constitution of India.

²⁴ The Preamble of the Gaming Act 2025 states that online money games accessed through the internet and electronic devices have been linked to financial fraud, money-laundering, financing of terrorism, cross-jurisdiction and cross-border enforcement challenges endangering national security, public order and the integrity of India.

²⁵ Entry 34 of List II under the Seventh Schedule read with Article 246 of the Constitution of India.

²⁶ Entry 6 of List II under the Seventh Schedule read with Article 246 of the Constitution of India.

²⁷ Entry 1 of List II under the Seventh Schedule read with Article 246 of the Constitution of India.

²⁸ Entry 26 of List II under the Seventh Schedule read with Article 246 of the Constitution of India.

²⁹ States such as Himachal Pradesh, Madhya Pradesh, Punjab and Uttar Pradesh.

³⁰ The Goa, Daman and Diu Public Gambling Act, 1976.

³¹ The Sikkim Online Gaming (Regulation) Act, 2008.

³² Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022 read with the Tamil Nadu Online Gaming Authority (Real Money Games) Regulations, 2025.

³³ The Andhra Pradesh Gaming Act, 1974.

³⁴ The Telangana Gaming Act, 1974.

- 4.1.4 The question of legislative competency was addressed as recently as June 2025 in an order of the Madras High Court in *Play Games 24X7 Private Limited vs State of Tamil Nadu*.³⁵ The Court ruled that the subject matter was in 'pith and substance' within the scope of the entries in the State List. Hence, the validity of the State of Tamil Nadu's act to regulate online gaming and gambling by issuing rules under the Tamil Nadu Prohibition of Online Gaming and Regulation of Online Games Act, 2022, was upheld even if they incidentally touch upon Union List subject matters. Incidentally, the petitioners who were RMG operators in this case argued that online gaming rules were in the legislative ambit of the Central Government. The same order of the court also relied on a 2023 judgment by its Division Bench in *All India Gaming Federation v. State of Tamil Nadu*,³⁶ holding that the State Government cannot prohibit offering skill-based RMGs like rummy and poker.
- 4.1.5 The Gaming Act 2025 could also be similarly tested on claims that it encroaches on subject matters predominantly meant for the State to regulate, such as "betting and gambling" and "public health". The Central Government may be put to adequately justify that the prohibition of online gaming falls, at its core, within the entries of the Union List mentioned above.

4.2 Is a Complete Ban a Proportional Restriction?

4.2.1 Reasonable Restriction to Fundamental Rights

- 4.2.1.1 Given that offering games of skill have been held to be a legitimate business activity by the Supreme Court of India, the Gaming Act 2025 (prohibiting skill-based online RMGs along with chance based online RMGs) may be challenged on the grounds of violation of certain fundamental rights guaranteed under the Indian Constitution, i.e., the right to practice any profession, or to carry on any occupation, trade or business.³⁷ The Supreme Court, in *KR Lakshmanan v State of Tamil Nadu & Anr*³⁸ held that games of skill are different from games of chance and observed that games of skill do not constitute as gambling and qualify as business activities safeguarded under Article 19(1)(g) of the Constitution guaranteeing the fundamental right to practice any profession, or to carry on any occupation, trade or business.³⁹
- 4.2.1.2 Reasonable restrictions on the fundamental right to carry on any occupation, trade or business can be imposed by the State in the interest of the general public.⁴⁰ However, Indian Courts have held that this reasonableness should satisfy the test of "proportionality"⁴¹ and "non-arbitrariness".⁴²
- 4.2.1.3 *Firstly*, proportionality must be evaluated against the object of the law. Therefore, even if the freedom granted under Article 19(1)(g) can be restricted, the question of whether or not a blanket ban on RMGs amounts to a proportionate restriction will need to be considered. The Central Government's justification for tabling the Bill, as well as the preamble of the Gaming Act 2025, throws light on the object of the Gaming Act 2025. These include:

³⁵ *Play Games 24X7 Private Limited vs State of Tamil Nadu*, W.P. No. 6784 of 2025.

³⁶ *All India Gaming Federation v. State of Tamil Nadu*, W.P. No. 13203 of 2023.

³⁷ Article 19 (1) (g), Constitution of India.

³⁸ *KR Lakshmanan v State of Tamil Nadu & Anr*, 1996 AIR 1153.

³⁹ *K.R. Lakshmanan (Dr) v. State of T.N.*, (1996) 2 SCC 226; *State of Bombay v. R.M.D. Chamarbaugwala*, AIR 1957 SC 699: 1957 SCR 874: 59 Bom LR 945; *R.M.D. Chamarbaugwala v. Union of India*, AIR 1957 SC 628: 1957 SCR 930: 59 Bom LR 973; *State of A.P. v. K. Satyanarayana*, (1968) 2 SCR 387: AIR 1968 SC 825 : 1968 Cri LJ 1009.

⁴⁰ Article 19(6), Constitution of India.

⁴¹ *Justice K.S. Puttaswamy v Union of India*, WP (C) 494/2012; *Anuradha Bhasin v Union of India*, Writ Petition (Civil) No. 1031/2019.

⁴² *Play Games 24 X 7 Private Limited vs State of Kerala*, W.P.(C)Nos.7785, 7851, 7853 & 8440 of 2021; *All India Gaming Federation v. State of Karnataka*, WP 18703 of 2021.

- (a) **Public health:** Unregulated growth of online RMGs has contributed towards addiction, debt traps, suicides, and mental health issues, which in turn is an infringement of the fundamental right to life and personal liberty,⁴³ specifically of the right to life of vulnerable populations, including minors and economically weaker sections.
- (b) **National security, public order, and the integrity of the State:** 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.
- (c) **Challenges impacting sovereignty:** Many online gaming services operate from offshore jurisdictions, thereby bypassing domestic laws, undermining state-level regulations, and presenting significant enforcement challenges in terms of extra-territorial jurisdiction and inter-state inconsistencies.

4.2.1.4 The fundamental right to carry on any trade or business under Article 19(1)(g) may be restricted if the imposition of the law restricting this right is in the interest of the general public. Hence, the question of whether the enactment of the Gaming Act 2025 amounts to a “reasonable restriction” in general public interest on the basis of the above-mentioned grounds to justify restricting the fundamental right under Article 19(1)(g) and whether a complete prohibition is a proportionate restriction will also need to be considered.

4.2.1.5 *Secondly*, “non-arbitrariness” of the Gaming Act 2025 may also be a parameter for testing the reasonableness of the restriction to carry on the occupation, trade, or business of RMG operators. For e.g., an argument may be raised that prohibiting only online RMG operators while not restricting offline RMG operators is arbitrary and hence not a reasonable restriction. Arbitrary treatment may also be claimed, given that offline RMG operators are not subject to the same prohibitions as their online counterparts. Hence, public gaming houses, including carrom tournaments, chess tournaments, and other such in-person games, may be up for debate too in this friendly fire.

4.2.1.6 The question regarding proportionality and arbitrariness was discussed by the Madras High Court in *Junglee Games India Pvt. Ltd. & Anr. v The State of Tamil Nadu & Ors*,⁴⁴ where the Court had struck down the amendments introduced by the Tamil Nadu Gaming and Police Laws (Amendment) Act, 2021, which imposed a complete prohibition on all online RMGs of skill. The court had held the complete prohibition on online skill games to be unreasonable, excessive, and manifestly arbitrary, and thereby disproportionate.

4.2.2 How Previous State Enactments Have Fared

4.2.2.1 There have been various enactments made by State Governments previously, which similarly imposed a blanket prohibition on all RMGs, including skill-based games, which have either been read down to exclude certain skill-based games or are currently being challenged in courts. In *All India Gaming Federation v. State of Karnataka*,⁴⁵ the Karnataka High Court held certain provisions of the Karnataka Police (Amendment) Act 2021, which prohibited offering games of skill with stakes, to be unconstitutional. The Karnataka High Court held that such provisions cannot be justified under the umbrella of ‘public order’ as individual instances of disorder or misuse of online gambling cannot be used to enact such provisions. The Karnataka High Court also agreed with the petitioners that gaming is a mode of expression as one’s individual skill is on display, and that such provisions could also violate Article 19(1)(a) of the Constitution.⁴⁶

⁴³ Article 21, Constitution of India.

⁴⁴ *Junglee Games India Pvt. Ltd. & Anr. v The State of Tamil Nadu & Ors*, WP Nos.18022, 18029, 18044, 19374, 19380 of 2020, and 7354, 7356 and 13870 of 2021.

⁴⁵ *All India Gaming Federation v. State of Karnataka*, W.P. No. 18703 of 2021.

⁴⁶ Right to freedom of speech and expression.

- 4.2.2.2 In *All India Gaming Federation v. State of Tamil Nadu*,⁴⁷ the provisions of the Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022, which prohibited online gambling, were read down to the extent that it prohibited rummy and poker. While the enactment itself was not held to be ultra vires, the schedule of the Act, including the games of rummy and poker, was set aside. In *Play Games 24x7 Private Limited v. State of Tamil Nadu*,⁴⁸ the Madras High Court emphasized that regulation by the State Government to the extent of imposing time limits and age restrictions on online games was permitted, however, a ban on skill-based games like rummy and poker was held to be invalid.
- 4.2.2.3 A few State Governments had previously introduced amendments to certain state enactments like the Andhra Pradesh Gaming Act, 1974, and the Telangana Gaming Act, 1974, to completely ban RMGs, including skill-based RMGs. The provisions of the Andhra Pradesh Gaming Act, 1974, were challenged by online rummy operators, after which a Division Bench of the Andhra Pradesh High Court directed the State Government to set up a committee to determine if online rummy is a game of skill. The State Government appealed against this order in *State of Andhra Pradesh v. Play Games 24 And 7 Private Limited*,⁴⁹ which was dismissed by the Supreme Court in August 2023. While the provisions of the legislation banning all RMGs in the State of Andhra Pradesh are still in force, the Supreme Court has directed the Andhra Pradesh High Court to re-examine the eligibility of online rummy as a game of skill or game of chance after the submission of the report of the committee that has been mandated to be submitted by the High Court of Andhra Pradesh. Subsequently, the State Government submitted the report of the aforesaid committee in March 2024, and currently the matter is pending before the High Court of Andhra Pradesh.⁵⁰
- 4.2.2.4 The Telangana State Government enacted an ordinance⁵¹ in December 2017 (in its second attempt) to amend the Telangana Gaming Act, 1974, which is currently in force. Gaming operators have challenged the amendments to the Telangana Gaming Act, 1974, before the Telangana High Court. The Telangana State Government had filed a petition before the Supreme Court requesting a transfer of the petition filed by the gaming operators so it may be heard alongside other appeals in the Supreme Court. The same is currently pending before the Supreme Court.⁵²

4.3 Central Government's Blocking Powers

- 4.3.1 Section 14 of the Gaming Act 2025 grants the Central Government sweeping authority to block any information related to online money gaming services that violate the Gaming Act 2025's core prohibitions as discussed in paragraph 2 above on offering online money gaming services, advertising them, or facilitating their financial transactions.
- 4.3.2 The provision's *non obstante* clause bypasses the need for constitutional safeguards under Section 69A of the Information Technology Act, 2000, and the accompanying Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 ("**Blocking Rules**") issued under it. These procedural safeguards, as upheld by the Supreme Court,⁵³ include written justification on specific legal grounds for every blocking order; notice provisions to intermediaries and content originators before blocking; pre-decisional hearing opportunities; and post-decisional review by designated committees ensuring ongoing oversight.
- 4.3.3 Section 14's explicit exemption from the safeguards of Section 69A of the Information Technology Act, 2000 may open it up to a constitutional challenge of arbitrary exercise of blocking powers, impermissible

⁴⁷ *All India Gaming Federation v. State of Tamil Nadu*, W.P. No. 13203 of 2023.

⁴⁸ *Play Games 24x7 Private Limited v. State of Tamil Nadu*, W.P. No. 6784 of 2025.

⁴⁹ *State of Andhra Pradesh v. Play Games 24 And 7 Private Limited*, SLP (C) No. 19057-19059/2023.

⁵⁰ *Head Digital Works Private Limited v. State of Andhra Pradesh*, WP 19732/2020.

⁵¹ Telangana Gaming (Second Amendment) Ordinance, 2017.

⁵² *The State of Telangana & Ors. v. Head Infotech India Pvt. Ltd. And Ors.* (Transfer Petition no. 2460/2022).

⁵³ *Shreya Singhal v. Union of India*, (2015) 5 SCC 1.

restrictions on free speech, and absence of adherence to principles of natural justice protected under Articles 14, 19, and 21 of the Constitution of India. That said, restrictions on freedom of speech and expression may be imposed on grounds of *inter alia* sovereignty and integrity of India, the security of the State and public order, each of which has been included as part of the objects of the Gaming Act 2025, as mentioned in paragraph 4.2.1.3 above. It may be noted that the Supreme Court, in its same judgment mentioned in the previous paragraph, had struck down Section 66A of the Information Technology Act, 2000, and one of the grounds was the lack of such safeguards against arbitrariness and overbroad restrictions under Section 66A.

- 4.3.4 However, these potential issues may be resolved by the Central Government by prescribing adequate notice, hearing, and review mechanisms under Section 14.
- 4.3.5 This is not the first time that the Central Government may rely on a process parallel to that of Section 69A read with the Blocking Rules. Earlier in 2025, the X (Twitter) platform operator had challenged the Central Government's process of blocking content under a separate notice provision under Section 79(3)(b) of the Information Technology Act, 2000, before the Karnataka High Court.⁵⁴ A principal argument was that this process sidesteps Section 69A safeguards. The court has currently reserved its judgment in this matter after hearing arguments. Section 14 may be tested on similar grounds, too.
- 4.3.6 The Karnataka High Court had also decided on a petition of X Corp challenging the blocking orders in 2023.⁵⁵ It upheld the validity of blocking whole user accounts on the X (Twitter) platform as opposed to specific posts under section 69A, citing that the intent of blocking under Section 69A is not only post-facto but preventive too. Section 14 enables blocking of not only specific content regarding online money gaming, but can also be exercised to block whole websites and apps providing online money gaming services. This may be viewed as a penalizing as well as a preventive measure.

5. CONCLUSION

- 5.1 While the date of enforcement of the Gaming Act 2025 has not been notified yet, the legislation has invited challenges from various online RMG operators, with petitions filed before the High Courts of Karnataka,⁵⁶ Delhi,⁵⁷ and Madhya Pradesh.⁵⁸ On September 8, 2025, the Supreme Court allowed a transfer petition filed by the Union Government, seeking the consolidation and transfer of the 3 (three) writ petitions pending before the aforementioned High Courts directly before the Supreme Court.⁵⁹ Accordingly, it remains to be seen if the provisions of the Gaming Act 2025 can withstand judicial scrutiny. However, the swift surrender by major online RMG players, including Zupee,⁶⁰ Mobile Premier League (MPL),⁶¹ Dream11,⁶² and Rummy Circle⁶³ who have all declared that they are pivoting to free-to-play social gaming models suggests that stakeholders are not confident of a policy reversal.
- 5.2 Implementation of the Gaming Act 2025 may also have implications on the GST case⁶⁴ that is currently pending before the Supreme Court and vice versa. The Supreme Court is currently hearing a challenge against taxing skill-based online RMGs in the same (*higher*) bracket as "betting and gambling" activities.

⁵⁴ *X Corp v. Union of India*, W.P. No. 7405 of 2025.

⁵⁵ *X Corp v. Union of India*, W.P. No. 13710 of 2022.

⁵⁶ *Head Digital Works Private Limited and Anr v. Union of India*, W.P. No. 26233/2025.

⁵⁷ *Bagheera Carrom (OPC) Pvt. Ltd. v. Union of India*, W.P.(C) 13449/2025.

⁵⁸ *Clubboom 11 Sports & Entertainment Private Ltd v Union of India*, W.P. No. 34900/2025.

⁵⁹ *Union of India v. Head Digital Works Private Limited and Anr*, T.P.(C) No. 2484-2486/2025.

⁶⁰ https://www.linkedin.com/posts/zupee_at-zupee-we-have-always-respected-the-laws-activity-7364357157003132929-hXqF/ (Last accessed on September 15, 2025).

⁶¹ <https://www.linkedin.com/company/mobile-premier-league/posts/> (Last accessed on September 15, 2025).

⁶² https://www.linkedin.com/posts/dream11_this-morning-we-stopped-all-paid-contests-activity-7364654268760387585-jX0I/ (Last accessed on September 15, 2025).

⁶³ <https://www.rummycircle.com/> (Last accessed on September 15, 2025).

⁶⁴ *GST Intelligence Directorate v. Gameskraft Technologies (P) Ltd.*, SLP (C) No. 19366/2023.

One of the main issues being contended is whether these skill-based online RMGs can be put within the ambit of gambling activities. This question may be rendered moot for the future due to the blanket prohibition on online RMGs under the Gaming Act 2025. However, it may still impact any challenge that may be made against the Gaming Act 2025 if the Supreme Court issues an order in the interim. It is also reported that the Central Government, after requesting the Supreme Court for one more week to file supplementary submissions based on the Gaming Act 2025, has now filed its submissions and the Supreme Court's judgement on the same is currently awaited.⁶⁵

- 5.3 On the brighter side, the Gaming Act 2025 boosts e-sports and online social games offered by Indian persons. The Central Government is empowered to mandate registration, formulate guidelines, implement standards, establish training academies and research centers, and introduce incentive schemes and awareness campaigns to recognize e-sports as a legitimate competitive sport in India. To facilitate the development and availability of online social games for recreational and educational purposes, the Central Government may create a mechanism for registration of such games and promote public access to safe and age-appropriate social gaming content.

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⁶⁵ *Govt alters stand before SC, asserts Union authority over Online Gaming* (Storyboard 18, September 2, 2025), available at [EXCLUSIVE: Govt alters stand before SC, asserts Union authority over Online Gaming](#) (Last accessed on September 17, 2025).

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