



# THE PROMOTION AND REGULATION OF ONLINE GAMING ACT, 2025:

WHAT PROGA MEANS FOR INDIAN GAME  
DEVELOPERS, PUBLISHERS, AND ESPORTS  
ORGANISERS

Knowledge Partner

**IGAP**

# I Overview of PROGA's Framework

The Promotion and Regulation of Online Gaming Act, 2025 (**PROGA**), which received Presidential Assent for enactment on 22 August 2025, represents the single largest regulatory change for the online gaming sector in India. The following brief provides an overview of the implications of the law for entities within India's diverse gaming sector.

It introduces a **classification framework** with **three distinct categories** of online gaming:

Category	Status	Scope and Post Implementation Impact
Online Money Games (OMG)  [Section 2(1)(g)]  <i>Colloquially known as Real Money Gaming (RMG)</i>	Complete ban; platforms must pivot to non-OMG or shut operations	<p>Includes all games played with monetary stakes, whether skill or chance based.</p> <p>Post-implementation, offering or promoting any OMG will trigger penalties including</p> <ul style="list-style-type: none"><li>● Offering OMGs or unauthorized fund transactions → up to 3 years' imprisonment and fines up to ₹1 crore.</li><li>● Unlawful advertisements → up to 2 years' imprisonment and fines up to ₹50 lakh.</li><li>● Repeat offences → imprisonment up to 5 years and fines up to ₹2 crore.</li></ul>

<p>Online Social Games (OSG)</p> <p><b>[Section 2(1)(i)]</b></p> <p><i>Colloquially known as Free to Play (F2P) and includes ad supported games and games that include in-app purchases</i></p>	<p><b>Registration and Categorization</b></p>	<p>An OSG is one which meets four criteria:</p> <ul style="list-style-type: none"> <li>● No staking or monetary gain expectation.</li> <li>● May charge subscription or access fees, but not as a stake/wager.</li> <li>● For entertainment, recreation, or skill development only.</li> <li>● Must not fall within the definition of OMG or esport.</li> </ul>
<p>Esports</p> <p><b>[Section 2(1)(c)]</b></p>	<p><b>Formal recognition of competitive esports</b></p>	<p>To qualify as esports, six conditions have been outlined:</p> <ul style="list-style-type: none"> <li>● Is played as part of a multi-sports event.</li> <li>● Involves organised competition with predefined rules in multiplayer format.</li> <li>● Is recognised under National Sports Governance Act and registered with the designated Authority.</li> <li>● Outcome based <b>only on player skill</b> (physical, mental, strategic).</li> <li>● May include entry or administrative fees and performance-based prize money <u>by the players.</u><sup>1</sup></li> <li>● <b>No betting, wagering, or staking</b> allowed.</li> </ul>

## II Key Powers of Central Government

### Authority/Agency Established under PROGA:

PROGA provides for the establishment of an authority or designation of an existing authority/agency to register and recognize online games, and issue directions to regulate, or support, online games through various government schemes and initiatives **[Section 8]**.

#### Powers of the Authority/Agency

- Recognize esports and prescribe related standards and guidelines. Section 3
- Recognize, categorize, and register OSGs; develop prescribed measures and support initiatives for safe and age-appropriate social gaming access. Section 4
- Inquire into whether any game or application, qualifies as an OMG and decide on its classification. Section 8(2)(a)
- Issue directions, orders, guidelines, or codes of practice to any person offering, facilitating, or organizing online games. Section 8(3)
- Address complaints relating to online games that may harm user interests. Section 8(4)(h)
- Impose penalties up to ₹10 lakh, suspend registration, or prohibit the offering of any game for non-compliance with Authority's directions or orders. Section 12

### III Intended Impact of PROGA

The Act is positioned as a **consumer protection and industry growth measure** with the following objectives:

**Promoting Esports and OSG:** Provide formal recognition and regulatory clarity for competitive gaming and online games not involving stake/wager.

**Building Trust in Digital Gaming:** Through grievance redressal mechanisms, complaints to authority, age-appropriate content, and advertising standards, and codes of practice.

**Supporting the Ecosystem:** Schemes for developer training, funding for innovation, and infrastructure development for esports.

PROGA has a direct impact on **game publishers, app stores, esports organizers, digital advertisers, online intermediaries, self-published games**, and any person facilitating or organizing an online game.

Indirect impact → **game studios and investors.**

# IV Open Questions and Clarifications

PROGA provides the **broad framework**, but its **practical impact** will depend on **forthcoming rules and guidelines**. Key issues requiring additional details include:

## 1. Institutional Framework for Regulation:

**Esports (Section 3):** PROGA envisions an Authority, either newly established or an existing designated body, to oversee esports. Esports must also be recognized under the National Sports Governance Act, 2025 (which is yet to be implemented), presumably as a designated sport, a status to be formally notified by the Central Government. In its current form, the legislation may not fully cover esports, and a legislative amendment could be required for effective governance.

**Online Social Games (Section 4):** PROGA assigns oversight of OSGs to an Authority, which may be the same body as for esports or a separate designated authority, though it is likely to be the same.

The Authority is expected to have an initial capital allocation of ₹50 crore. It remains unclear whether a new body will be created or existing authorities will be designated, and how this will affect compliance for different game formats. Statements by the Secretary, Ministry of Electronics & Information Technology (MeitY) indicate that effective implementation will require coordination across multiple ministries, including the Ministry of Information and Broadcasting (MIB) and Youth Affairs & Sports (MYAS)<sup>2</sup>, as well as technology upgrades to support the regulatory framework.

## 2. Clarity on Definitions:

Under PROGA, OSGs and esports are treated as distinct categories. Consequently, an online game recognized as esports may not be regulated as an OSG. This bifurcation, if followed rigidly, could create practical challenges. Key clarifications needed, include:

- a. Hybrid or community-based formats:** Certain esports events, such as community tournaments or casual competitive play, share features with social games - small prize pools, recreational participation, or subscription models. Guidance will be valuable to clarify how these should be classified.
- b. Games outside defined categories:** PROGA does not specify whether some online games might fall outside all sub-categories (esports, OSGs, or OMGs). New or experimental game formats that do not fit neatly into existing definitions require clarification on how they will be assessed to provide certainty for developers and investors.



## Blurred Lines: OSGs v. Esports

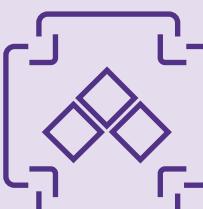
With PROGA introducing separate classifications, certain scenarios may require clarity on whether they fall under esports, OSG, or both. For instance, while esports is often integral to online game ecosystems, the in-game functionality of a gaming platform can be distinct from its esports component.



**Publisher driven esports:** Krafton, as the publisher of popular online gaming title 'Battlegrounds Mobile India' (**BGMI**) also runs esports tournaments, such as the 'BGMI India Series 2025', for this game title through a specialized esports vertical.<sup>3</sup> Such tournaments often have a dedicated registration process, start/end date and prize pool, which may be distinct from the published online game.



**Dedicated esports organisers:** Many esports tournaments may be organised by dedicated third-parties separate from the publisher of the online game. Examples include the 'VALORANT Conquerors Championship' organised by NODWIN in South Asia.<sup>4</sup>



**Community driven esports:** Published online games may also be organised into esports tournaments through local community institutions, including universities. One of the largest fighting esports tournaments 'EVO', was initially conceptualized as a grass-roots gaming event.<sup>5</sup>

*How these esports formats will be treated under PROGA remains an open question.*

### 3. Scale of Online Social Games and Thresholds for Regulation

India's OSG ecosystem is among the largest in the world, with lakhs of casual and social games available across app stores and accessible through the web. Many of these titles may not be backed by a formal physical entity in India, creating challenges for oversight and compliance. Applying uniform obligations to every such game may not be practical or efficient.

To ensure proportional regulation, the Authority may consider threshold-based criteria - such as number of downloads, active user base, or revenue when determining which games require formal registration and oversight. Such an approach would balance regulatory objectives with ease of compliance, while supporting innovation by smaller developers and indie studios.

### 4. Power to regulate content and other aspects of online games

Beyond prohibiting OMGs, PROGA empowers the Central Government to regulate many aspects of legal online games. This includes the issue of binding directions, guidelines, and codes of practice governing their operation, content, and user protections for any online game or category.

Regulatory oversight under PROGA extends beyond financial aspects to cover advertising, age-appropriate access, grievance redressal, and the broader digital environment in which games are offered. In India, there is currently no legally mandated gaming content-rating system, though the industry often refers to international rating labels such as the **ESRB** (Entertainment Software Rating Board) or **PEGI** (Pan European Game Information) for distribution.

*[A proposal for a national age-rating standard for India is also pending before the Bureau of India Standards (BIS). Clarifying the approach to content regulation will provide predictability and help publishers ensure smoother compliance.]*

It should be noted that multiple operational details relating to the registration and regulation of online games have been delegated to the Central Government and Authority established under PROGA. Upon the enforcement of this law, these rules, guidelines and directions will identify critical elements such as registration procedures, categorization of games, compliance norms and oversight mechanisms. While these implications cannot be clearly anticipated at this stage, AIGDF will be proactively involved in monitoring new implications.

# V Areas of Significance

PROGA brings both opportunities and obligations. The following areas demand immediate focus:



**Esports Recognition:** Establishing clear criteria and processes for tournament recognition. **[Section 3]**



**OSG Enablement:** Setting up registration mechanisms and platforms to support development and distribution. **[Section 4(2)(a) and (b)]**



**Content Regulation and User Safety:** Implementing initiatives aimed at increasing public access to safe and age-appropriate social gaming content. **[Sections 3(2)(e) and 4(2)(c)]**



**Esports Development:** Leveraging government recognition to attract sponsorship and build competitive infrastructure. **[Section 3(2)(a-d)]**



**Compliance Norms:** Many Indian gaming startups operate with limited legal and compliance capacity. As the rules under PROGA will define obligations and processes, timely clarity will be essential to help adopt these requirements smoothly and remain competitive.

# VI Conclusion

PROGA signals a new era for regulated innovation-driven gaming in India. However, several aspects of the operational framework remain undefined, creating a need for detailed rules, and clarity on the role and structure of the designated authorities. Early clarity will be critical for ensuring smooth industry transition and enabling compliances.

If implemented with clear rules through industry consultation, it can boost Indian game development, position India as a global hub for esports and safe social gaming and enhance user trust and safety.

Industry engagement with the Government will be essential to ensure the ecosystem thrives under this new framework.

## At AIGDF, we are actively:

- Engaging with policymakers and other stakeholders on implementation clarity.
- Building frameworks for age ratings, grievance redressal, and compliance toolkits.
- Supporting members with regulatory guidance and ecosystem enablement.

We will share detailed **FAQs and compliance advisories** as rules are notified. In the meantime, AIGDF members and any other game developer or studios are encouraged to reach out with specific queries or feedback to help shape a collective, robust representation and foster the growth of India's gaming ecosystem.

# About

## All India Game Developers Forum

The All India Game Developers Forum (AIGDF) is India's premier body for gaming and interactive entertainment, uniting game creators, innovators, and emerging enterprises shaping the future of digital experiences. AIGDF is committed to making interactive entertainment a cornerstone of Digital India and a driving force in the \$1 trillion digital economy, positioning India as a global hub for gaming, technology, and digital innovation. As a key stakeholder in the AVGC sector, AIGDF champions progressive policies, industry growth, and international competitiveness to accelerate the industry's global standing.

With a strong focus on MSMEs and emerging enterprises, AIGDF ensures their representation in policymaking, regulatory frameworks, and industry-driven initiatives. It champions diversity and inclusion, fostering a more accessible and equitable gaming ecosystem. AIGDF also fuels investment, funding opportunities, and global collaborations, empowering gaming and interactive entertainment companies to scale and lead on the world stage. Beyond advocacy, AIGDF is building the foundation of India's next-generation gaming ecosystem - spearheading technology hubs, industry-driven education, and centers of excellence to drive innovation and long-term industry growth.



# About IGAP

The Indian Governance and Policy Project (IGAP) is a policy and advisory organization focused on driving growth, innovation, and development in India's digital landscape. Specializing in areas such as AI, Data Protection, FinTech, and Sustainability, IGAP promotes evidence-based policymaking through interdisciplinary research. By working closely with industry bodies in the digital sector, IGAP provides valuable insights and supports informed decision-making. Core work streams include policy monitoring, knowledge dissemination, capacity development, and fostering dialogue and collaboration.



# ENDNOTES

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**1.** Regarding the payout of performance-based prize money to players in esports, ambiguity exists regarding the collection of prize-pools. While the present draft of PROGA is accommodative of prize pools financed by participants, subsequent amendments to the phrase 'by the player' under Section 2(1)(c), as per reports, may not explicitly permit this.

**2.** Available at

<https://economictimes.indiatimes.com/markets/expert-view/gaming-bill-promotes-e-sports-while-putting-curbs-on-real-money-betting-games-s-krishnan-meity-secretary/articleshow/123408726.cms?from=mdr>

**3.** Available at

[https://esports.battlegroundsmobileindia.com/ActiveTournaments/BGIS\\_2025](https://esports.battlegroundsmobileindia.com/ActiveTournaments/BGIS_2025)

**4.** Available at

<https://nodwingaming.com/event/valorant-conquerors-championship-2021-2022/>

**5.** Available at

<https://www.vice.com/en/article/evo-the-worlds-biggest-fighting-game-competition-is-grassroots-esports-at-its-best/>

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