

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION No. 2808
TO BE ANSWERED ON 24.3.2023

ONLINE GAMING

2808. DR. ASHOK KUMAR MITTAL:

Will the Minister of Electronics and Information Technology be pleased to state:

- (a) the details of all the online gaming ecosystems established by Government in the last three years;
- (b) whether Government has details of New Paying Users in gaming in the country;
- (c) whether Government is planning to generate revenue from online gaming in the country; and
- (d) the steps undertaken by Government to regulate online gaming in the country?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): The policies of the Government are aimed at ensuring an Open, Safe and Trusted and Accountable Internet for its users.

The online gaming ecosystem in India, driven by the industry, has gotten established and grown over the last few years. As per a report brought out by BCG and Sequoia in November 2021 regarding mobile gaming in India, the digital gaming industry in India grew at a compounded annual growth rate of 38% between 2017 and 2020 to achieve a revenue base of US\$ 1.8 billion in 2020. With the user base of online games growing in India, need has been felt to ensure that such games be offered in conformity with Indian laws and that the users of such games be safeguarded against potential harm, while enabling the growth of the online gaming industry in a responsible manner.

(b): No details regarding users in gaming are maintained with the Ministry of Electronics and Information Technology.

(c): As per inputs received from the Department of Revenue, Ministry of Finance, the Income-Tax Act, 1961 contains provisions relating to deduction of tax at source from winnings from online games and the overall taxation of such winnings from online games. At present, the provisions for deduction of tax on any income by way of winnings from online games are contained in section 194B of the Act. The Finance Bill, 2023 includes amendment to section 194B to exclude online games from the purview of section 194B and insertion of a new section 194BA on deduction of tax at source on winnings from online games.

(d): To help achieve the aim at ensuring an Open, Safe and Trusted and Accountable Internet for its users and with a view to enable consideration of issues related to online gaming in their totality, the Ministry of Electronics and Information Technology has prepared draft amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, made by the Central Government in exercise of its powers under the Information Technology Act, 2000. The draft amendments are aimed at enabling consideration as aforesaid, including by enabling the growth of the online gaming industry in a responsible manner. The Government has undertaken extensive public consultation on the same to gather feedback for formulating the amendments.
