

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
STARRED QUESTION NO.*93
TO BE ANSWERED ON: 8.2.2023

PROMOTION OF GAMING START-UP ECOSYSTEM

***93 SHRI K. MURALEEDHARAN:
 SHRI BENNY BEHANAN:**

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government intends to give any incentives to start-ups for promotion of gaming startup ecosystem and if so, the details thereof;
- (b) whether national-level rules will supersede State-level legislation and end regulatory fragmentation and if so, the details thereof;
- (c) the reasons for classifying publishers of online games as intermediaries;
- (d) whether the Government is considering regulation of content in gaming platforms; and
- (e) if so, the details thereof?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

- (a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. *93 FOR 08.02.2023 REGARDING PROMOTION OF GAMING START-UP ECOSYSTEM

.....

(a): Government has supported development of startup ecosystem and will continue to nurture fast growing startup ecosystem where thousands of entrepreneurs and startups all over the country have been supported through various startup promotional schemes/ programmes. Ministry of Electronics & Information Technology (MeitY) is continuing to support the tech startups including those engaged in developing online gaming technology through the following initiatives:

- **TIDE 2.0 Scheme:** Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme was initiated in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies such as IoT, AI, Block-chain, Robotics etc. The Scheme is being implemented through 51 incubators through a three tiered structure with an overarching objective to promote incubation activities at institutes of higher learning and premier R&D organisations. The scheme is expected to provide incubation support to approximately 2000 tech start-ups with an overall outlay of Rs. 264 Crore over a period of five years.
- **Centre of Excellence on Gaming, VFX, Computer Vision & AI:** MeitY has established a Centre of Excellence on Gaming, VFX, Computer Vision & AI at Hyderabad which is being implemented by Software Technology Parks of India (STPI) with Govt. of Telangana and Industry as key stakeholders. The total outlay of the project is Rs. 19.68 Crore with MeitY's contribution of Rs. 3.5 Crore. The Centre has been branded as IMAGE. IMAGE offers integrated programs, CVLAB and Game Lab, for start-ups to scale up through its incubation facility. The IMAGE accelerator program includes premium plug and play co-working space for start-ups and offers access to the ecosystem which comprises of IP owners, mentors, investors and a platform to support Go-To-Market strategy. This CoE has been made operational on 17.02. 2020. So far, 20 start-ups have been onboarded.
- **Domain specific Centres of Excellence:** MeitY has envisaged and operationalised 26 Centres of Excellence (CoEs) in diverse areas of national interest for driving self-sufficiency and creating capabilities to capture new and emerging technology areas. These domain specific CoEs are act as enablers and aid in making India an innovation hub in emerging through democratisation of innovation and realisation of prototypes.
- **SAMRIDH Scheme:** Ministry of Electronics and Information Technology (MeitY) has launched the 'Start-up Accelerator Programme of MeitY for Product Innovation, Development and Growth (SAMRIDH)' in August 2021 with an aim to support existing and upcoming Accelerators to further select and accelerate potential software product based start-ups to scale. The total cost of the scheme is Rs. 99 Crore for a duration of 3 years. A total of 300 startups are to be supported under the SAMRIDH Scheme.
- **Next Generation Incubation Scheme (NGIS):** NGIS has been approved to support software product ecosystem and to address a significant portion of National Policy on Software Product (NPSP) 2019. The Scheme is proposed to be launched from 12 locations i.e. Agartala, Bhilai, Bhopal, Bhubaneswar, Dehradun, Guwahati, Jaipur, Lucknow & Prayagraj, Mohali/ Chandigarh, Patna & Vijaywada. The Scheme has solution oriented architecture and aims to handhold 300 Tech Start-ups in Tier-2/3 cities over a period of 3 years with the total budget outlay of Rs. 95.03 Crores.
- **Support for International Patent Protection in E&IT (SIP-EIT) Scheme:** Ministry of Electronics & Information Technology (MeitY) had initiated a scheme titled "Support for International Patent Protection in E&IT (SIP-EIT) that encourages international patent filing by Indian

MSMEs and start-ups so as to encourage innovation and recognize the value and capabilities of global IP. Reimbursement provided under the scheme is upto a

maximum of Rs.15 lakhs per invention or 50% of the total expenses incurred in filing and processing of patent application upto grant whichever is lesser.

- **GENESIS (Gen-Next Support for Innovative Startups):** Ministry of Electronics and Information Technology (MeitY) has launched an umbrella program Digital India-GENESIS (Gen-Next Support for Innovative Startups) to discover, support, grow and make successful startups in Tier-II and Tier-III cities with emphasis on collaborative engagement among startups, government and corporates for promoting digitization based on the principals of inclusivity, accessibility, affordability, leading to growth in employment and economic outputs.

(b) to (e): As per the provisions of article 246 of the Constitution, State Legislatures are competent to legislate on matters enumerated List II (State List) and List III (Concurrent List) of the Seventh Schedule to the Constitution, while Parliament is competent to legislate on matters enumerated in List I (Union List) and the List III. Entry 34 of the State List “Betting and gambling” and by virtue of the said entry, States have legislated on matters related to betting and gambling.

On the other hand, Parliament has enacted the Information Technology Act, 2000 (“IT Act”), the competence for which is relatable to entries 31 (“telephones, wireless, broadcasting and other like forms of communication”), 42 (“Inter-State trade and commerce”) and 97 (“Any other matter not enumerated in List II or List III”). Clause (c) of sub-section (2) of section 79 of the IT Act provides that the exemption from liability of an intermediary for any third-party information, data or communication link made available or hosted by it shall apply if it observes due diligence while discharging its duties under the Act and such other guidelines as the Central Government may prescribe by rules in this behalf. Further, sub-section (2) of section 69A of the IT Act provides for the Central Government to prescribe by rules the procedure and safeguard subject to which blocking for access by the public may be carried out. In exercise of powers under the said provisions, Central Government has prescribed the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Rules, 2021”), which provide for due diligence to be observed by intermediaries while discharging their duties under the Act. These rules are not in derogation of laws enacted by State Legislatures.

With regard to classifying of online games as intermediaries, it is informed that the term “intermediary” is defined in clause (w) of sub-section (1) of section 2 of the IT Act, and as per sub-rule (2) of rule 2 of the IT Rules, 2021, this term has the same meaning in the IT Rules as well. The said definition does not include publishers within the meaning of the term “intermediary”.

In the context of rapid growth in online games, the Ministry of Electronics and Information Technology has prepared draft amendments to the IT Rules, 2021 relating to online gaming, and initiated extensive consultation on the same. The said draft amendments have been formulated to provide for due diligence to be observed by the intermediaries in this connection.
