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INFORMATION TECHNOLOGY & EMERGING TECHNOLOGY

1. Ministry of Electronics and Information Technology (MeitY) notifies additional amendment to the 'Draft amendments to Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021'

MeitY on April 21, 2026 proposed amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 **(IT Rules, 2021)**.

These build on the amendment rules notified on February 10, 2026 (effective from February 20, 2026), which introduced the first set of rules specifically governing AI-generated content including requirements for labelling, traceability and expedited takedown of unlawful synthetic media. MeitY has since issued two further draft amendments dated March 30, 2026, and April 21, 2026.

Context - February 2026 Amendment Rules

In February 2026, MeitY notified the IT (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026, which amended the IT Rules, 2021 to create a regulatory framework for 'synthetically generated information' **(SGI)**, a term that covers deepfakes and other AI-generated media.

A few key highlights of the February 2026 amendments include:

Introduction of the concept of SGI - covering audio, visual or audio-visual AI-generated or algorithmically altered content that looks realistic or is indistinguishable from real persons or events, with exceptions carved out for good-faith editing, accessibility tools, research and educational use, etc. Text-only AI outputs are not treated as SGI (though they remain subject to the general unlawful content framework).

Due-diligence requirements for online platforms and apps (intermediaries) - that enable users to create, host or share SGI. These include displaying a clear and prominent label on synthetic content, embedding permanent metadata or a unique technical identifier to trace the content back to where it was created/modified, and an obligation not to remove or tamper with those labels or identifiers.

Heightened obligations for large social media platforms (called Significant Social Media Intermediaries (SSMIs) that are platforms with over 50 lakh registered users in India) - such as requiring users to declare whether their content is AI-generated, deploying reasonable and appropriate technical measures (including automated tools) to verify those declarations, and ensuring swift takedown of unlawful synthetic content (timelines provided are 2-3 hours for specified cases).

The March and April 2026 draft amendments should be read as *further refinements* and additions to this existing framework.

The March 2026 draft amendments primarily clarify and expand the due-diligence duties of online platforms under the IT Rules, 2021. A few key highlights of the March 30, 2026 draft amendments include:

Retention of records - Rules 3(1)(g) and 3(1)(h) clarify that the requirement to retain information related to content that has been removed or taken down, along with associated records, for a minimum of 180 days, is a floor - not a ceiling. Platforms must continue to comply with any longer or stricter retention periods required under sector-specific laws (for example, in telecom or financial services), and the IT Rules, 2021 do not override those obligations.

Compliance with MeitY guidance - Rule 3(4) expressly requires platforms to comply with written clarifications, advisories, orders, directions, standard operating procedures, codes of practice and guidelines issued by MeitY for implementing their obligations under these rules. These instruments must state their legal basis, scope and applicability, and must be consistent with the Information Technology Act, 2000 **(IT Act)** and IT Rules, 2021. Importantly, compliance with such MeitY guidance will be treated as part of the intermediary's 'due diligence' under Section 79 of the IT Act. This means that ignoring MeitY guidance could jeopardise a platform's legal protection (safe harbour) from liability for user-generated content.

The Digital Media Ethics Code - applies not only where a registered 'publisher' posts content, but also where ordinary users post news or current affairs content on a platform. In other words, platforms hosting user-generated news content - not just professional news outlets - now fall more squarely within the digital media oversight framework.

Inter-Departmental Committee (IDC) - Rules 14(2) and 14(5) - IDC is an appellate body that reviews complaints about online content and is empowered to direct content removal. Its powers are being broadened so that, in addition to acting on user complaints, it can take cognisance on matters directly referred to it by MeitY - effectively allowing the Government to proactively escalate content-related issues without waiting for a user to first file a complaint.

Proposed changes in April 2026 draft amendments include:

On-screen labelling of SGI - Rule 3(3)(a)(ii) - The consolidated draft circulated on April 21, 2026 introduces an additional requirement relating to on-screen labelling of AI-generated content, by inserting a new sub-clause under Rule 3(3)(a) of the IT Rules, 2021.

Continuous on-screen label for SGI - Rule 3(3)(a)(ii) - The existing requirement that synthetic or manipulated audio-visual content (including AI-generated or deepfake material) be 'clearly and prominently' labelled is being strengthened. The proposed rule clarifies that the label must remain continuously and clearly visible on-screen throughout the entire duration of the content - it is not

sufficient to show the label only at the start, at the end, or in a description box below the video. This change tightens what platforms need to do in practice: they must ensure a persistent, always-visible on-screen label indicating that content is synthetic or AI-generated - not just a one-time disclosure.

Practical implications for intermediaries

From a practical standpoint, platforms and intermediaries should consider the following:

Data retention and logs - Platforms should review, and where necessary update, their policies for retaining records of content that has been removed or disabled. The clarified minimum is 180 days, but platforms must also check whether their specific sector (e.g., banking, telecom) requires longer retention periods under other laws.

Digital media oversight for news and current affairs - Platforms that host news or current affairs content including posts by ordinary users who are not registered news publishers, should assess whether they fall within the Digital Media Ethics Code framework, and prepare for greater scrutiny from the IDC.

AI-generated content labelling and user experience - To comply with both the February 2026 requirements (prominent labelling and embedded metadata) and the April 2026 proposal (continuous on-screen display), platforms will likely need to update their user interfaces, content upload processes, media processing systems and moderation tools. Specifically, this includes:

a) Designing and implementing persistent visual labels that remain on-screen for the full duration of any synthetic or manipulated video or image content;

b) Aligning audio-based disclosures and embedded metadata or appropriate ownership identifiers with the requirements of the IT Rules, 2026; and

c) Ensuring that users cannot strip, hide or modify labels or provenance identifiers once content has been generated or uploaded to the platform.

The intermediaries will have to redesign their compliance and playback systems so synthetic, manipulated, AI-generated, or deepfake audiovisual content carries a label that remains continuously and prominently visible throughout viewing, not just in captions, metadata, or at the start or end of the video; this will increase technical, moderation, and compliance costs, especially for identifying and labelling such SGI particularly for social media, short-video, and content-sharing platforms, while also reducing misuse risks and making enforcement more stringent for smaller and larger platforms alike.

2. **Indian Computer Emergency Response Team (CERT-In), releases 'Guidelines regarding AI-Accelerated Vulnerability Protection and Response Requirements for Original Equipment Manufacturers (OEMs), and Technology Providers'**

CERT-In on June 10, 2026, has issued comprehensive guidelines for OEMs and Technology Providers operating in India, setting out a framework for securing India's digital infrastructure against the threat of AI-driven cyber-attacks.

These guidelines are applicable across OEMs, software vendors, cloud service providers, managed service providers and other technology suppliers operating in India. A few key highlights of the guidelines include:

Introduction of compressed, risk-tiered patching timelines - in direct response to identification/confirmation of vulnerabilities likely to be exploited by AI. The prescribed timelines for IT vulnerabilities are as follows:

a) Emergency release - for critical vulnerabilities,
b) 7 days - for high-risk vulnerabilities; and
c) 14 days - for medium risk vulnerabilities.

Further, in cases where an immediate patch is not feasible, interim mitigation measures such as access restriction, disabling the service or features, firewall protection are to be deployed.

A 6-hour reporting obligation - for cyber security incidents, mirroring the reporting obligations provisioned in the CERT-In directions.

Security compliance requirements - including specific obligations to maintain continuous vulnerability assessment mechanisms, protocols for immediate disclosure of critical and high-severity vulnerabilities, notification protocol for zero-day vulnerabilities to affected organisations and CERT-In.

Obligation to prepare and maintain a remediation plan containing - vulnerability identifiers, severity ratings, affected product versions, exploitation prerequisites, patch availability status, interim mitigation measures, testing requirements, deployment timelines, roll-back procedures, operational impact considerations.

Provisioning for Indian organisations, including CERT-In - to conduct independent security assessments, vulnerability verification, patch validation, penetration testing, configuration reviews and compliance verification in respect of products, software, services, APIs and infrastructure supplied/offered by OEMs and Technology Providers.

3. Supreme Court of India releases a preliminary draft of 'Regulations for Use of Artificial Intelligence in Courts, 2026'

The Supreme Court of India on June 3, 2026, released a preliminary draft of the Regulations for Use of Artificial Intelligence **(AI)** in Courts, 2026 **(Draft Regulations)** inviting views and suggestions from all stakeholders and the general public.

The Draft Regulations have been prepared by the Artificial Intelligence Committee, Supreme Court of India, after due deliberations and consultation. They seek to govern the use, deployment and integration of AI in the Supreme Court, High Courts, subordinate courts, Tribunals and Statutory Commissions performing adjudicatory functions.

A few key highlights of the Draft Regulations include:

Human primacy and judicial independence - AI systems to function only in an assistive capacity and judicial officers retaining ultimate authority.

Permissible use of AI - for uses such as case management, defect scrutiny, cause-list preparation, transcription, translation, legal research, citation verification, document summarization, guided chatbots, accessibility tools, auto-generation of prescribed formats, anonymization and backlog monitoring.

Absolute prohibition - no AI-only judicial decision-making, risk scoring, bail or recidivism prediction, witness credibility assessment, surveillance, profiling, opaque AI systems affect rights/liberty and any AI use compromises judicial deliberations.

Mandatory disclosure of AI-assisted filings - parties or lawyers using AI in pleadings, documents, submissions or evidence are required to disclose said use to the Court via declaration/certificate in a prescribed format, along with steps taken towards verification of accuracy if requested by the Court.

Responsibility for AI-generated material - lawyers/litigants cannot blame AI hallucinations or AI-generated character of material as a defence for false, fabricated, misleading or inaccurate filings.

Institutional oversight - creation of an Apex Body at the Supreme Court level, AI Committees, AI Secretariats, a Centre of Research and Excellence on AI, an AI Register, AI Incident Database and Annual Transparency Reports.

Audits and testing - Technical and Ethical Impact Assessments in a format prescribed by the Appropriate Authority, which shall be the Apex Body at the Supreme Court of India or AI Committee at the respective High Court/Tribunal/Commission, Controlled Environment Testing by the AI Secretariat, periodic in-house technical/legal/ethical audits, emergency and fallback protocols as prescribed by every High Court in consultation of the AI Secretariat specifying procedures to be followed in the event of failure, malfunction or unavailability of any AI system/tool in Court.

Data protection and cybersecurity safeguards - requirement to comply with the Digital Personal Data Protection Act, 2023 **(DPDP Act, 2023)** and the IT Act, data minimization, purpose limitation, anonymization, protection of sensitive judicial data and restrictions on transfer to external systems.

Training and capacity building - for judges, advocates and court staff on AI bias, hallucinations, cybersecurity, data protection and reporting AI incidents.

The Draft Regulations emphasize responsible AI adoption in the justice delivery system and create a presumption in favour of introducing AI tools that improve access to justice, reduce delays and enhance administrative efficiency. At the same time, they draw clear limits around the use of AI in adjudicatory functions by preserving human oversight, accountability, transparency, fairness and non-discrimination. The consultation window for the Draft Regulations is now closed.

FINTECH

4. Reserve Bank of India (RBI) releases draft 'Guidance on Regulatory Principles for Model Risk Management, 2026'

The RBI on June 24, 2026 released draft 'Guidance on Regulatory Principles for Model Risk Management, 2026'. **(Draft Guidance)**

The Draft Guidance has been issued in view of the increasing use of models, including AI and Machine Learning **(ML)** models, by RBI-regulated entities across business and decision-making processes.

A system under the Draft Guidance is a 'model' whether developed internally, sourced from third-parties, or a combination thereof, that incorporates data, applies theoretical, empirical, or judgement-based assumptions (input component), uses statistical, mathematical, economic, financial, or such other cognitive techniques (including AI/ML) to analyse, interpret relationships and process inputs (processing component) and produce results that are used for business or any other operations and decision making (output component). It includes algorithms, analytics, interfaces, applications, decision-based rules, and other computational tools which, by virtue of their use, have a material impact on decision-making in various business processes, irrespective of whether such tools are recognised as models by the regulated entities.

The Draft Guidance seeks to establish a broad governance and risk management framework across the model lifecycle, including for third-party models and AI/ML models. It is applicable to Commercial Banks, Small Finance Banks, Payments Banks, Local Area Banks, Regional Rural Banks, Co-operative Banks, All India Financial Institutions, NBFCs, Asset Reconstruction Companies and Credit Information Companies.

RBI has noted that while such models may improve efficiency, customer service and risk management, weaknesses in model governance, oversight, controls and risk management may expose regulated entities to financial, operational, compliance and reputational risks. If not managed effectively, a model may also lead to inaccurate outcomes, flawed decisions, financial losses, operational disruptions and adverse consequences for consumers and the financial system.

A few key highlights of the Draft Guidance include:

Board-approved Model Risk Management Framework - Regulated entities are required to have a Board-approved framework for all models, including models developed internally, sourced from third parties or involving AI/ML. The framework must cover model governance, risk appetite, policies, model tiering and lifecycle management.

Board and Risk Management Committee oversight - The Draft Guidance places responsibility on the Board and the Risk Management Committee for oversight of model risk. This includes approval of model risk appetite, review of high-risk models, oversight of implementation and periodic review of model risk policies.

Enterprise-wide model risk assessment - Regulated entities are required to assess model risk at both individual model level and enterprise level on an ongoing basis. Where model risk exceeds the approved risk appetite, timely remedial action must be taken, including enhanced controls, restricted use, remediation or decommissioning.

Three lines of defence - The Draft Guidance adopts the three-lines-of-defence approach, comprising model owners as the first line, an independent model risk management/validation function as the second line, and independent internal audit as the third line.

Risk-based model tiering - Models are required to be classified based on materiality, complexity, business impact, consumer implications, explainability and regulatory relevance. Higher-risk models would be subject to enhanced validation, monitoring and oversight.

Model inventory and lifecycle controls - Regulated entities must maintain a comprehensive and up-to-date inventory of active, inactive and decommissioned models. The Draft Guidance also covers model selection, development, validation, approval, deployment, monitoring, change management, business continuity and decommissioning.

Independent validation - All models, including third-party models, must be independently validated before and after deployment, upon modification, on relevant triggers and periodically. Validation is intended to test model assumptions, methodology, data quality, outputs, limitations and continued fitness for purpose.

Third-party model accountability - Regulated entities remain responsible for outcomes of models sourced from external providers. The Draft Guidance requires due diligence and contractual safeguards for third-party models, including assessment of the provider, model methodology, data quality, documentation, audit rights, continuity and exit arrangements.

AI/ML-specific safeguards - The Draft Guidance sets out additional controls for AI/ML models, including safeguards relating to explainability, bias, hallucinations, discriminatory outputs, overfitting, data quality issues, data drift, concept drift and unexplained variation in outputs.

Red-teaming and cybersecurity controls - RBI proposes red-teaming or equivalent testing, particularly for models involving customer interaction or generative capabilities. It also requires deployment safeguards against unauthorised access, cyber risks, external interfaces, APIs and integration pipelines.

Customer-facing AI/ML systems - For customer-facing AI/ML systems, the Draft Guidance requires disclosures that users are interacting with an AI/ML system, disclosure of system limitations, detection of anomalous usage and an option to switch to human assistance.

Human oversight - The Draft Guidance requires human oversight over AI models, including automated decision-making use cases, through human-in-command arrangements, override mechanisms, suspension/deactivation tools, kill-switches and periodic review of model outputs.

The Draft Guidance is significant because it seeks to regulate the growing use of AI/ML and model-based tools in the financial sector by placing responsibility on regulated entities to ensure appropriate governance, validation, monitoring, documentation, accountability and human oversight. Comments on the Draft Guidance are now closed.

5. RBI releases 'Draft Master Direction on Prepaid Payment Instruments (PPIs), 2026'

The RBI on April 22, 2026, released the draft Master Directions on Prepaid Payment Instruments, 2026 **(Draft PPI Directions)**, following a comprehensive review of the existing 'Master Directions on Prepaid Payment Instruments, 2021.' The Draft PPI Directions have been issued afresh under Section 18, read with Section 10 (2) of the Payment and Settlement Systems Act 2007.

The Draft PPI Directions examine the proposed framework governing the issuance and operation of prepaid payment instruments in India. They cover the categorisation of PPIs, rules applicable to Full KYC and Small PPIs, loading and usage restrictions, co-branding arrangements, cross-border usage, issuance to non-residents, and related compliance obligations for banks and non-bank PPI issuers.

A few key highlights of the Draft PPI Directions include:

Revised categorisation of PPIs - RBI proposes a revised structure for PPIs by classifying them into General Purpose PPIs and Special Purpose PPIs. General Purpose PPIs would include Full KYC PPIs and Small PPIs, while Special Purpose PPIs would include Gift PPIs, Transit PPIs, PPIs for foreign nationals or NRIs.

Exclusion of digital currency from PPI scope - The Draft PPI Directions clarify that the value stored in a PPI would not include digital currency.

Restriction on closed system exemption for marketplaces - While PPIs usable only for purchase of goods or services from the issuing entity remain outside the authorisation requirement, the Draft PPI Directions propose that this exemption would not be available where such instruments are issued by a marketplace. This could require marketplace-based PPIs to be issued only by a licensed PPI issuer including where loyalty points are being utilised as money's equivalent in a marketplace model.

Rules for Full KYC PPIs - RBI proposes to restrict each issuer to issuing only one Full KYC PPI per holder. The Draft PPI Directions also introduce an overall monthly debit cap of INR 2,00,000 and a separate cap of INR 25,000 per month for person-to-person transfers, while reducing the cash-loading limit for Full KYC PPIs to INR 10,000 per month.

Rules for Small PPIs - Small PPIs are proposed to have a maximum validity of two years, after which the outstanding balance must be transferred back to the source account. The Draft PPI Directions also remove the earlier distinction between Small PPIs with and without cash.

Restrictions on loading and closure of inactive PPIs - The Draft PPI Directions propose that credit card loading would be permitted only for Special Purpose PPIs. They also require PPI issuers to close PPIs after one year of inactivity and refund outstanding balances to the source account or a verified bank account of the holder, replacing the earlier regime under which unclaimed balances could eventually be transferred to the issuer's profit and loss account.

Relaxation of co-branding compliances - The Draft PPI Directions remove the existing one-time RBI approval requirement for non-banks entering into co-branding arrangements. They also do away with several governance requirements currently applicable to co-branding arrangements, though the PPI issuer would continue to remain liable for the acts of its co-branding partner.

Prohibition on cross-border use of PPIs - RBI proposes to prohibit the use of PPIs for cross-border transactions. This marks a departure from the earlier framework, under which certain INR-denominated PPIs could be used for specified outward or inward cross-border transactions.

Revised rules for PPIs issued to foreign nationals and NRIs - The Draft PPI Directions provide that PPIs may be issued to foreign nationals and NRIs visiting India, subject to physical verification of passport and visa, for making person-to-merchant payments during their stay in India. The total amount debited from such PPIs during any month is proposed to be capped at INR 5,00,000.

The Draft PPI Directions are significant because they seek to recalibrate India's PPI regulatory framework by combining tighter controls on issuance, loading and transfers with a reduction in certain procedural and governance burdens on issuers. If implemented, the framework could materially affect fintechs, banks, wallet issuers, co-branding partners, marketplaces, and non-resident-facing payment products.

RBI had invited comments from regulated entities, members of the public and other stakeholders until May 22, 2026. Comments on the Draft PPI Directions are now closed.

BROADCASTING & MEDIA

6. Telecom Regulatory Authority of India (TRAI) releases Consultation Paper on 'Formulation of a Regulatory Framework for Application-based Linear Television Distribution (ALTD) Services, including Free Ad-Supported Streaming Television (FAST) Services'

TRAI on April 6, 2026 released a Consultation Paper on Formulation of a Regulatory Framework for ALTD Services, including FAST Services, inviting comments from stakeholders.

The Consultation Paper was issued after the MIB, via its reference dated December 15, 2025, sought TRAI's recommendations under Section 11(1)(a) of the TRAI Act, 1997 on an appropriate regulatory framework for FAST services in India.

The Consultation Paper notes that FAST services are currently being offered through internet-based applications, including preloaded or built-in applications on connected televisions, and operate largely on an advertisement-supported model without a specific licensing or registration framework. TRAI in its earlier recommendations on (a) 'Regulatory Framework for Ground-Based Broadcasters' and (b) 'Framework for Service Authorization for Provision of Broadcasting Services under the Telecommunications Act 2023' had noted industry concerns that such services may create regulatory gaps in relation to content accountability, consumer protection, and parity with regulated distribution platforms such as cable, DTH, HITS and IPTV.

TRAI also notes that different business models are being used for FAST/ALTD services in India. These include (a) services operated by manufacturers of television sets through their own secure application platforms, (b) services operated by affiliated overseas entities through third-party content aggregators by distributors of smart-TVs and (c) app-store based models on smart-TV operating systems, and websites/applications providing access to linear channels from multiple countries by smart-TV operating system provider.

A few key highlights of the aforesaid Consultation Paper include:

Definition and scope of ALTD Services - TRAI examines how ALTD services should be defined and whether the framework should cover only FAST services or also include other application-based linear television distribution models such as value added services in the form of on-demand content. The Consultation Paper seeks to identify which internet-based linear television offerings should fall within the proposed regulatory framework.

Primary stakeholders in the ecosystem - The Consultation Paper identifies several stakeholders involved in ALTD/FAST services, including TV manufacturers, operating system providers, application providers, content aggregators and platform operators. TRAI examines which of these entities should bear regulatory responsibility for compliance.

Treatment of television channels on ALTD platforms - TRAI examines whether only permitted/registered television channels should be carried on ALTD platforms, and whether these channels should be subject to an authorisation under Satellite-based Broadcasting or Ground-based Broadcasting prior to provision of services to customers.

Paid television channels available free on ALTD platforms - The Consultation Paper also considers the issue of paid channels being made available free of charge on ALTD platforms. TRAI notes stakeholder concerns that this may affect the regulated broadcasting distribution ecosystem and raise questions of parity with distribution platforms.

Consumer protection - The Consultation Paper examines consumer-facing issues in ALTD services, including accessibility of customer care, transparency in service offerings, accountability towards grievance redressal. This is relevant because FAST services may be offered through multiple entities, including overseas entities, platform operators and device manufacturers, making responsibility for consumer complaints less clear.

The Consultation Paper is a step towards traversing the regulatory gap between traditional broadcasting distribution platforms and internet-delivered linear television services. The outcome will impact smart-TV manufacturers, FAST platforms, application providers, broadcasters, content aggregators and telecom/distribution platforms offering ALTD services. Comments on this Consultation Paper are now closed.

7. Ministry of Information and Broadcasting (MIB), releases 'Draft Telecommunications (Television, Radio and Associated Services) Rules, 2026'

The MIB on June 12, 2026, released the draft Telecommunications (Television, Radio and Associated Services) Rules, 2026 (**Draft Rules**) for public consultation, to implement the Telecommunications Act, 2023 (**Telecom Act**) for television, radio and related broadcasting services. These rules aim to replace the current patchwork of guidelines under the Telegraph Act, 1885 (**Telegraph Act**) framework with a single, modern rulebook for the broadcasting sector.

A few key highlights of the Draft Rules include:

Unified rulebook - The Draft Rules bring together existing guidelines for satellite TV channels, DTH, HITS, private FM radio, community radio and IPTV into a single consolidated set of rules, instead of multiple overlapping policy documents.

Types of Authorization - Six types of authorisations are defined under the Draft Rules (a) TV channels (news and non-news), (b) TV distribution platforms (DTH and HITS), (c) teleports, (d) TV news agencies, (e) private FM radio, and (f) community-radio. Further, existing and new operators in the above categories will fall under this framework, once implemented.

Standard authorisation periods - The Draft Rules fix validity periods for each category - 10 years for TV channels, teleports and community radio and TV news agencies, 20 years for TV distribution services, and 15 years for private FM radio.

Migration from current licences - Existing permissions/licences issued under earlier guidelines of the Telegraph Act, may be migrated to the new authorisation regime by applying under the Draft Rules, subject to clearance of dues. If an entity does not migrate, its old permission continues only on existing terms and will not be renewed.

Basic eligibility and ownership rules - Applicants must be companies or LLPs (with specific forms required for community radio), meet minimum net-worth thresholds and comply with foreign investment rules. There are detailed cross-holding caps to reduce vertical integration and concentration. For private FM radio, there are conditions on Indian ownership, limits on the number of channels a group can run in a city, and restrictions on control by political/religious bodies or advertising agencies.

Content and public-interest obligations - All authorised entities must comply with existing programme and advertising codes. Private TV channels must carry at least 30 minutes of daily public-interest programming on themes such as education, agriculture, health, and similar topics. Private FM stations must broadcast at least one hour of public-interest content daily, with a minimum prescribed share for local content. Community radio must focus on content relevant to the local community, establish a community advisory/content committee (with at least half women), and is largely barred from producing its own news except unaltered Akashwani bulletins.

Fees and revenue-linked charges - The Draft Rules set out a structure of application fees, one-time entry fees (for some services) and recurring annual authorisation fees, often calculated as a percentage of 'adjusted gross revenue' of the entity. The Government also reserves the right to audit accounts to verify the correctness of revenue declarations.

Monitoring, inspection and record-keeping - Authorised entities must keep recordings of all programmes and advertisements for at least 90 days (longer if a dispute or proceeding is ongoing), and produce them to the Government or its agencies when asked. The Draft Rules allow inspection of premises, equipment and records, including inspections without notice in specified situations.

Security checks - Key managerial personnel and governing body members must remain security-cleared, and certain services (e.g., news channels, TV distribution, private radio) must have a majority of directors/KMPs who are residents in India. Foreign personnel involved in installation, operation or maintenance of networks require prior security clearance.

Use of spectrum and satellites - Grant of an authorisation under these rules does not automatically give spectrum rights; where spectrum is required, a separate process under the Telecom Act (including application within 30 days) applies. Satellite use must be based on capacity authorised by the Department of Space or other designated agency, and changes must be intimated.

Digital, portal-based implementation - Applications, registrations, clearances, and other filings are envisaged to be handled through designated digital portals notified by the Government.

Adjudication, appeals and penalties - Breach of authorisation terms is linked to the penalty framework under Section 32 of the Telecom Act, with Adjudicating Officers and Designated Appeals Committees set up for inquiries and appeals, and provisions for recovery of dues as arrears of land revenue.

The Draft Rules consolidates the scattered framework for broadcasting, routinely simplifying the regulations in the broadcasting sector.

GAMING

8. MeitY notifies the 'Promotion and Regulation of Online Gaming Rules, 2026' and formally constitutes the Online Gaming Authority of India (OGAI)

MeitY on April 22, 2026 notified the Promotion and Regulation of Online Gaming Rules, 2026 (**PROGA Rules**) operationalising the underlying framework for regulation of online gaming.

MeitY also via a distinct gazette notification on the same date, appointed May 1, 2026 as the date on which the provisions of Promotion and Regulation of Online Gaming Act, 2025 (**PROGA**) shall come into force across India.

A few key highlights of the PROGA Rules include:

OGAI - Detailed provisions have been included on the composition, functioning, powers and procedures of the OGAI, including its role in determination of online games, maintenance of records and lists of online money games, and issuance of directions, orders, guidelines and codes of practice.

Determination of online games - A structured process for determining the category of an online game has been delineated in Part III of PROGA Rules. Part III provides factors for determining whether a game is an 'online money game' (including the role of fees/stakes, expectation of monetary or other enrichment, revenue model and treatment of rewards/in-game assets), along with the validity and review of determination orders issued by OGAI.

Registration and Certification of online games - A registration framework for online social games and e-sports has been delineated in Part IV of the PROGA Rules. The framework highlights when registration of an online game is mandatory, the process and timelines for registration, validity of the certificate of registration (up to 10 years) and determination orders, grounds for suspension/cancellation, and rules on representation of the determination/registration status of an online game, among other requirements.

Obligations on online game service providers - Online game service providers are now required to designate a point of contact under PROGA Rules which shall include publication of their contact details as may be specified. Further, they will be required to retain and store traffic data, metadata or other related information on computer resources located in India (data localisation) as may be prescribed. Routing, settlement and authorisation of user funds in relation online social games and e-sports shall also be governed by specified directions under PROGA Rules. This will be accompanied with corresponding obligations on banks and financial institutions to verify registration/determination status of such online games and to act on OGAI directions in respect of online money games.

Grievance redressal - A three-tier mechanism under the PROGA Rules (internal grievance redressal by the online game service provider and appeals to OGAI), timelines for disposal (generally 30 days at

the OGAI level), and a further statutory appeal to the Appellate Authority (Secretary, MeitY) under rule 7 has been provided.

These rules will be the primary delegated legislation governing implementation of PROGA, alongside any future guidelines and codes of practice that OGAI or the Central Government may issue.

Constitution of the OGAI

Further, via a distinct gazette notification, the Central Government has formally constituted the OGAI, with the following ex officio composition:

a) Chairperson, ex officio - Additional Secretary, MeitY

b) Members, *ex officio* - Joint Secretaries of Ministry of Home Affairs; Department of Financial Services, Ministry of Finance; Ministry of Information and Broadcasting; Ministry of Youth Affairs and Sports; Department of Legal Affairs, Ministry of Law and Justice.

The notifications also records that OGAI's head office will be in the National Capital Territory of Delhi and that it will function, as far as practicable, as a digital office. The detailed powers and procedures of OGAI are then set out in the PROGA Rules.

Further Central Government also notified the delegation of investigative powers to State/UT cyber cells and nodal officers

Acting under Section 15 of PROGA, the Government has authorised the following officers to investigate offences under PROGA –

a) the police officer in charge of a cyber cell in any State or Union territory; and

b) any nodal cyber cell officer in the State Government or Union territory administration, including officers at the police station, district or commissionerate level.

This effectively vests investigative jurisdiction for PROGA offences in specialised cyber units at the State/UT level, in addition to OGAI's regulatory and adjudicatory role under the Act and Rules.

These operationalization of this framework has compliance implications on not just online games but also on online game service providers, payment intermediaries, advertisers and other relevant stakeholders.

It is pertinent to note that the Hon'ble Supreme Court is still hearing the validity of PROGA in Union of India *vs.* Head Digital Works Pvt. Ltd. & Anr. (*T.C.(C) No. 000133 -137 / 2025*) and it remains to be seen how the aforesaid decision may impact the implementation of PROGA.

TELECOMMUNICATIONS

9. Department of Telecommunications (DoT) notifies the Telecom eServices Portal and new Authorisation / Migration Rules under the Telecom Act.

The DoT on June 23, 2026, operationalised the authorisation framework delineated under the Telecom Act. This marks a significant step in India's transition from the earlier license-based framework under the Indian Telegraph Act to the authorisation-based regime under the Telecom Act.

The DoT via several gazette notifications dated June 23, 2026 notified the Telecommunications (Authorisation for Provision of Principal Telecommunication Services) Rules, 2026 (**PTS Rules**), the Telecommunications (Authorisation for Provision of Miscellaneous Telecommunication Services) Rules, 2026 (**Miscellaneous Rules**), the Telecommunications (Authorisation for Captive Telecommunication Services) Rules, 2026 (**Captive Rules**), the Telecommunications (Terms and Conditions for Migration) Rules, 2026 (**Migration Rules**) and further notified the **Telecom eServices Portal** as the designated portal under this framework.

Telecom eServices Portal

DoT has notified the Telecom eServices Portal as the designated platform for digital implementation of the Telecom Act and the aforesaid rules, including for filing applications, or for undertaking other processes connected with authorisations under the telecom framework.

Migration to authorisation regime

The Migration Rules set out the mechanism for migration of existing licenses granted under the earlier framework to corresponding authorisations under the Telecom Act, provided that the applicant meets the eligibility requirements of the corresponding authorisation. This is relevant for existing access service providers, internet service providers, Virtual Network Operators (**VNOs**) and other entities operating under legacy permissions.

Notably, an application for migration must be submitted at least twelve months prior to the end of duration for a time-limited license and within four years from the appointed date in case of a non-time limited license. Further, if the remaining validity of the license is less than twelve months, then the application must be made within ninety-days from the date of enforcement of Section 3(6) of the Telecom Act (90-days from June 23, 2026).

This framework taken together regulates the establishment, operation, maintenance and expansion of telecommunication services. These rules prescribe general terms and conditions such as manner of application, service area of authorisation, term and renewal of authorisation, eligibility criteria,

disclosure and reporting obligations, and penalties for violation of these terms. Additionally, key terms and conditions relating to authorisations under the rules are discussed in detail below:

Captive Rules

Captive telecommunication services are set up for the internal use of specific organisations, industries, or enterprises. The Captive Rules recognise captive telecommunication services to include - Captive Mobile Radio Trunking Services (CMRTS), Captive Non-Public Networks (CNPNs), Captive VSAT Services, and Captive General Services.

An application for captive authorisation is submitted via the Telecom eServices Portal accompanied by prescribed fees and supporting documentation. For certain categories, a 'letter of intent' will precede the final grant, requiring fulfilment of conditions such as entry fees and performance guarantees. In case, a letter of intent has been issued to an applicant prior to the release of these rules but the license has not been granted, then the same shall be treated as having lapsed. However, any non-refundable fee paid by the applicant in pursuance of such application shall remain adjustable against the applicant's request for authorisation under this framework. These authorisations will be valid for a period specified at the time of grant of the authorisation subject to a maximum of twenty years, with provision for renewal of up to another twenty years.

The Captive Rules impose compliance obligations on authorised entities, requiring adherence to the provisions of the Telecom Act, TRAI regulations, and directions related to national security, and cyber security. Transfer or assignment of an authorisation is prohibited without prior approval. The Central Government also reserves the power to suspend or revoke an authorisation for failure to meet statutory obligations.

PTS Rules

The framework recognises principal telecommunication services to include unified service, access service, internet service, and long-distance service, covering both the Network Service Operator **(NSO)** and VNO levels.

While the general terms and conditions related to eligibility, application, term, renewal, compliance and conduct are akin to those under Captive Rules, certain additional obligations are also applicable to entities seeking authorisation for principal telecommunication services. These include (a) minimum net worth and paid-up equity requirement, (b) restrictions on cross holding between authorised entities providing services within the same service area, (c) deployment of mechanisms for providing emergency response services, (d) physical verification of premises of point of sale as part of their onboarding and more.

Notably, the PTS Rules also regulate provision of principal telecommunication services via satellite and prescribe definite eligibility criteria, technical and operating conditions, security conditions and further

prescribe rollout conditions for operationalising satellite-based telecommunication services within twelve months from the date of assignment.

Miscellaneous Rules

The framework recognises miscellaneous telecommunication services to include - public mobile radio trunking service (PMRTS), enterprise communication service, machine to machine (M2M) service, PM-WANI, in-flight and maritime connectivity (IFMC) and aeronautical data communication service.

While the general terms and conditions related to eligibility, application, term, renewal, compliance and conduct are akin to those under Captive Rules, certain additional obligations are applicable on entities offering miscellaneous telecommunication services. For instance, (a) in case where renewal of authorisation is rejected, the provider of miscellaneous telecommunication services must also notify all its users of options available to them at least thirty-days prior to the termination of services, (b) an express undertaking from the authorised entity confirming compliance with applicable laws on data privacy and confidentiality of user information, (c) additional verification and KYC obligations for onboarding users and maintaining traceable records of such users.

These notifications collectively operationalise the authorisation-based framework under the Telecom Act and provide the procedural route for new authorisations and migration of existing telecom licenses. They significantly impact access service providers, internet service providers, virtual network operators, captive telecom users and entities offering telecom services in India.

10. DoT issues the Draft Telecommunications (Spectrum Assignment by Administrative Process) Rules, 2026

DoT on June 18, 2026 issued the draft Telecommunications (Spectrum Assignment by Administrative Process) Rules, 2026. (**Administrative Assignment Rules**)

These rules propose to govern the administrative assignment of spectrum specified under Section 4 the Telecom Act. Under Section 4, the Central Government is empowered to assign spectrum on administrative basis (i.e., without holding an auction) for purposes specified under First Schedule of the Telecom Act. The purposes listed therein include assignment of spectrum for national security and defence, law enforcement and crime prevention, public broadcasting services, safety and operation of roads, railways, metro, regional rail, airports, ports, pipelines, shipping, and other transport systems, disaster management, safeguarding life and property.

The Administrative Assignment Rules impose a dual eligibility criteria for administrative allocation of spectrum - fulfilling both the terms and conditions prescribed under the said rules along with the specific purpose identified under First Schedule of the Telecom Act.

An application for administrative assignment has to be made on the Telecom eServices Portal upon payment of a non-refundable application fee and eligibility documents - including but not limited to the specified usage of spectrum, type of authorisation, proof of successful demonstration of lawful interception mechanisms among others.

Critically the Administrative Assignment Rules delineate the specific classes of entities who are eligible to apply for administrative allocation of spectrum and also provides an exhaustive list of services these entities may provide along with the applicable terms and conditions for each service.

The Administrative Assignment Rules apply to state-run firms (like BSNL and MTNL), law enforcement agencies, and private satellite/broadcasting firms operating services such as Teleports, Television Channels, DTH services, Headend in the sky, Digital Satellite News Gathering and Satellite based NLD and ILD services.

The notification of draft Administrative Assignment Rules is part of the larger effort of the Central Government to operationalise the framework under the Telecom Act and comes in the wake of the notification of several rules thereunder, such as the PTS Rules, Captive Rules, and Miscellaneous Rules. We expect the post-consultation final rules for administrative allocation of Spectrum to be notified via gazette notification soon.

11. TRAI issues amended Rating Manual 2026 for Assessment of Digital Connectivity

TRAI on May 13, 2026 notified Rating of Properties for Digital Connectivity (Amendment) Regulations, 2026 (**DCR Amendment**) and on June 9, 2026, released the amended Rating Manual 2026 (**Rating Manual 2026**) for assessment of Digital Connectivity under the Rating of Properties for Digital Connectivity Regulations, 2024 (**DCR 2024**).

TRAI had originally notified the DCR 2024 on October 25, 2024 to address challenges faced by consumers in availing adequate digital connectivity inside buildings. Followed by the release of the first rating manual on August 13, 2025, which provided a structured framework for a fair, transparent, and standardised approach to assessing digital connectivity across properties.

During implementation TRAI received feedback from Property Managers, Digital Connectivity Rating Agencies (**DCRAs**), service providers and other stakeholders on practical aspects, including concerns relating to differentiation of rating levels, assessment of under-construction properties, and categorisation of property types.

To address these concerns, TRAI released a Consultation Paper on February 27, 2026 and subsequently notified the DCR Amendment on May 13, 2026. A few key highlights of changes introduced by the DCR Amendment include:

Introduction of In-Building Solution (IBS) and IBS provider - entities providing extension and distribution of telecommunication network within a specified area including large buildings, stadiums, airports, or campuses. These entities are authorised under Section 3 of the Telecom Act.

Rating of under-construction properties - New phased mechanism inserted in Regulation 10 (a) design-stage evaluation/certificate based on approved Digital connectivity infrastructure **(DCI)** design documents; (b) post-construction DCI implementation evaluation once IBS is installed; and (c) final rating only after commissioning and performance testing, addressing stakeholder concerns about accountability for design-stage commitments.

Optional Digital Connectivity Audit - A new voluntary audit mechanism introduced for completed properties, allowing property managers to assess existing DCI without applying for a formal rating; DCRAs must declare a Maximum Chargeable Fee for this audit as well.

Star rating bands recalibrated - Regulation 26 was amended to introduce a finer nine-tier score-to-rating mapping instead of the erstwhile five-star rating bands.

The Rating Manual 2026 has been released to incorporate the amended provisions and comes into force with immediate effect. The Rating Manual 2026 introduces several structural and technical updates to refine the building assessment process bring the same up to date with the changes introduced by DCR Amendment.

A few key changes introduced in the Rating Manual 2026 include:

Incorporation of a distinct rating process for properties under construction - this introduces a seven-step application - diligence and certification process to provide for properties under construction in line with the changes introduced via the DCR Amendment.

Enabling DCRAs to conduct optional digital connectivity audits - this is a voluntary non-binding audit mechanism that a property manager may commission from a DCRA to get an indicative star rating. The Rating Manual 2026 further aligns with the National Building Construction Standards **(NBCS)**, 2026 issued by the Bureau of Indian Standards, replacing references to the earlier National Building Code, 2016, harmonizing it with the updated building regulations.

The DCR Amendment, along with Rating Manual 2026, has operationalized the scheme initiated via Consultation Paper dated February 27, 2026. It indicates TRAI's collaborative approach towards the introduction of Digital Connectivity and Rating Regulations in tandem with stakeholder concerns and requirements.

12. TRAI releases Consultation Paper on the 'Framework for Satellite Communication Network Authorisation and Assignment of Spectrum to Satellite Communication Network Providers, 2026.'

TRAI on April 8, 2026 released a Consultation Paper on the 'Framework for Satellite Communication Network Authorisation and Assignment of Spectrum to Satellite Communication Network Providers,' inviting comments from stakeholders.

The Consultation Paper was issued as part of the transition from the earlier telecom licensing regime to the authorisation framework under the Telecom Act and examines a proposed framework for entities establishing, operating, maintaining or expanding satellite communication networks in India. It covers satellite network authorisation, assignment of spectrum for gateway and user links, and the proposed role of satellite network operators in providing network capacity to authorised telecom service providers. TRAI explores several key sectoral questions via this consultation paper such as (a) the eligibility conditions, area/period of operation of the proposed satellite communication network (b) the general, technical, operating and security related terms and conditions applicable to satellite communication network authorisation, and (c) synergising the regulatory framework with extant regulations in the space sector among others

The window for submitting comments to the Consultation Paper is now closed and we expect TRAI to release the recommendations based on this consultation soon.

13. TRAI releases Consultation Paper on 'Regulatory Framework for Vehicle-to-Everything (V2X) Communication'

TRAI on April 30, 2026, released a consultation paper on the Regulatory Framework for Vehicle-to-Everything (V2X) Communication.

The Consultation Paper stems from a reference by the DoT after examining the report of a Task Force constituted by the Ministry of Road Transport and Highways **(Task Force)**. Following are DoT's recommendations in TRAI reference documents :

a) Adoption of C-V2X (Cellular V2X) as the harmonized Intelligent Transport System (ITS) technology for India;

b) Allocation of 30 MHz spectrum (5875-5905 MHz) for initial C-V2X deployment;

c) Reservation of 20 MHz (5905-5925 MHz) for future ITS applications;

d) License-exempt use of On-Board Units (OBUs) permitted under defined technical conditions (exempted by the DoT via notification dated June 10, 2026); and

e) Authorization based deployment of Roadside Units (RSUs) to ensure coordinated deployment and interference management.

The Consultation Paper emphasizes the significant impact of V2X technologies on the transport sector and identifies key issues for consultation in respect of the regulatory mechanism for assignment of spectrum, authorization requirement and pricing for roadside units including; (a) the need to introduce a Vehicle to infrastructure (V2I) authorization in the Telecom Act, eligibility conditions, service area, scope of service and more, (b) The need for inclusion of RSUs within the Mandatory Testing Certification of Telecom Equipment (MTCTE) framework and (c) standardization of the layered communication stack of ITS among others.

The Consultation Paper highlights upcoming regulatory changes, reflecting the DoT's intent to establish a defined framework for the evolving V2X ecosystem. Comments on the Consultation Paper are now closed.

LITIGATION UPDATES

14. Hon'ble Delhi High Court recognises that the continuous, permanent, and name-based searchability of digital judicial records causes ongoing harm to an individual's dignity and reputation

The Hon'ble Delhi High Court has recognised Right to be Forgotten as a constitutionally protected right under Article 21 of the Constitution of India, with specific directions for de-indexing and masking of personal information from publicly accessible digital platforms.

These directions, issued via the Hon'ble Court's judgment in the *Laksh Vir Singh Yadav v Union of India* (batch petitions) dated May 29, 2026, mark a pivotal development in the intersection of digital privacy, informational autonomy, and online intermediary accountability in India.

These directions are applicable across the board to search engines, legal database platforms and other intermediary platforms, and include, among others:

a) Establishment of a three-limb test for assessing de-indexing requests: (i) the character of the information and the outcome of the underlying proceedings (acquittal, discharge, quashing, settlement or compounding); (ii) the public role of the individual concerned; and (iii) the accuracy and continuing relevance of the information sought to be de-indexed.

b) Recognition of a masking remedy - applicable in eligible categories such as acquittal, discharge, quashing, settlement and concluded matrimonial or private civil disputes, permitting petitioners to seek removal of names and personal identifiers from publicly accessible digital versions of judicial records by moving an appropriate application before the concerned Court.

c) Carve-out of continuing public interest exceptions, whereby de-indexing relief shall not be available in cases involving: (i) convictions for offences against women or children; or (ii) offences involving breach of public trust by public servants, elected representatives or fiduciaries.

d) Direction to search engines to de-index relevant content - including judgments, FIRs, arrest records, orders, from name-based search results within two weeks, in accordance with Rule 3(1)(d) of the IT Rules, 2021, with the de-indexing obligation operating globally across all versions and domains of the search engine.

e) Direction to legal database platforms restricting name-based search functionality in respect of eligible petitioners, while clarifying that records shall remain accessible by case number, citation, court details and date, thereby balancing privacy interests against judicial transparency.

f) Direction to the MeitY to communicate these directions to all concerned intermediaries and to file a compliance affidavit within four weeks of the judgment.

15. Central Consumer Protection Authority (CCPA) fines PhysicsWallah for using dark patterns on digital platforms

The CCPA via order dated June 1, 2026 fined PhysicsWallah a penalty of INR 5 lakhs for deterrence and future compliance.

The CCPA held that PhysicsWallah had engaged in three main dark pattern practices. First, it used '**basket sneaking**' by pre-selecting a '**Donate for PW Foundation**' option at checkout, which automatically added ₹10 to the payable amount unless the consumer manually deselected it. Second, it used '**confirm shaming**' by displaying emotionally persuasive donation messages invoking social causes such as education of underprivileged children, financial assistance for marriages, and healthcare. Third, it used "forced action" by advertising courses as "free" while requiring users to mandatorily disclose personal information such as mobile number and email ID before accessing the content.

The CCPA held that these practices violated Section 2(9) of the Consumer Protection Act, 2019, concerning consumer rights; Section 2(28) on misleading advertisements; and Section 2(47) on unfair trade practices. It also found violations of the Consumer Protection (E-Commerce) Rules, 2020, especially Rule 4(9), which prohibits automatic recording of consumer consent, including through pre-ticked checkboxes. The practices were also held to fall within prohibited dark patterns under the Guidelines for Prevention and Regulation of Dark Patterns, 2023.

While determining the penalty, the CCPA considered the scale and duration of the practice, the number of consumers affected, the vulnerability of the consumer class, and the monetary benefit gained. The pre-ticked donation mechanism remained operational from February 14, 2024 to December 24, 2025, during which approximately INR 2.47 crore was collected from around 21.36 lakh users. The CCPA noted that PhysicsWallah catered substantially to students, including minors and young consumers, making the use of manipulative interface designs more serious.

16. CCPA fines McAfee for using dark patterns on digital platforms

The CCPA via order dated May 20, 2026 fined McAfee a penalty of INR 1 lakhs for deterrence and future compliance.

The CCPA found that McAfee's renewal interface used fear-based and manipulative wording such as 'Your protection ends in 26 days', 'Keep your exclusive McAfee benefits', 'Accept Risk', and 'Renew protection'. The authority held that this design nudged consumers towards renewing subscriptions by creating fear and urgency around cyber risks. It also found that the option to decline renewal was not presented in a neutral, clear and equally prominent manner. According to the CCPA, this amounted to dark patterns including confirm shaming, interface interference, trick question, and forced action.

While imposing the penalty, the CCPA considered the scale, duration, and impact of the renewal interface, and the likelihood that it affected consumer autonomy and informed decision-making. It noted that 3,55,133 subscription renewals were recorded during the relevant period before the interface was

modified on December 16, 2025. Although McAfee later modified the interface after receiving notice, the CCPA held that post-notice corrective action did not erase liability for the earlier violations.

17. Delhi High Court upholds the validity of advertisement cap for broadcasters

The Hon'ble Delhi High Court, via order dated May 29, 2026, in *9X Media Pvt. Ltd. and Others v. Telecom Regulatory Authority of India*, upheld the validity of the advertisement cap prescribed under Rule 7(11) of the Cable Television Network Rules, 1994 and Regulation 3 of the Standards of Quality of Service (Duration of Advertisements in Television Channels) Regulations, 2012.

The impugned framework imposes a ceiling of 12 minutes of advertisements per clock hour on television channels, comprising a maximum of 10 minutes of commercial advertisements and 2 minutes of self-promotional content. The challenge was brought by different categories of broadcasters, including general entertainment channels, news broadcasters and regional channels arguing the ceiling to be violative of Articles 14 and 19 of the Constitution.

The court clarified that the 12-minute ceiling is a neutral, time-based limit on the quantity of advertisements rather than a restriction on content, thereby not in violation of Article 19(1). Further, Article 19(1)(g), provides adequate scope for the state place reasonable restrictions in order to safeguard interests of viewers and the public at large.

The Court held that the impugned provisions are anchored in a discernible regulatory principle, namely the prevention of excessive commercialisation of a scarce public resource and the mitigation of viewer disruption. Hence, do not amount to arbitrariness under Article 14.

18. Goods and services tax on online gaming

The Hon'ble Supreme Court of India, via order dated May 27, 2026, in *Directorate General of Goods and Services Tax Intelligence (HQS) & Ors. v. Gameskraft Technologies Private Limited and Ors.*, ruled in favour of levying Goods and Services Tax on actionable claims arising from betting and gambling transactions, clarifying that the tax is being imposed on the supply of actionable claims.

The Court concluded that characterization as betting or gambling depends on whether participation is conditioned upon staking money on uncertain outcomes, even when it involves a substantial element of skill. And further stated that organized gaming and betting platforms create a commercial ecosystem where participants acquire contingent beneficial interests in movable property, arising upon their participation.

Thus, these interests constitute actionable claims within the framework of GST, which makes their supply taxable. Moreover, the Court found that the platforms exercise pervasive control over wallets, stakes, gameplay, and payouts, so they're primary suppliers, not marketplace facilitators and characterized them as suppliers of actionable claims, rather than mere intermediaries. Consequently, the amount staked constitutes 'consideration' under the GST framework and is liable to be charged.

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LAW OFFICES INDIA

This newsletter is only for general informational purposes, and nothing in this edition of the newsletter could possibly constitute legal advice (which can only be given after being formally engaged and familiarizing ourselves with all the relevant facts). However, should you have any queries, require any assistance, or clarifications with regard to anything contained in this newsletter, please feel free to contact Vikash Kukreti, at the below mentioned coordinates.

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