

How 28% GST can be the death knell for India's gaming industry

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The \$3-billion Indian online gaming industry caught the eye of the world. But the 28 per cent GST on real-money gaming has brought its dream run to a screeching halt

Khushbu Trivedi, Associate Director at Nangia Andersen LLP, says the taxability of online gaming is a matter of debate due to the complexity created from contrary deliberations by industry players and lawmakers.

“The Finance Act, 2023, has introduced new provisions seeking to tax winnings from online games at 30 per cent and a corresponding withholding tax provision with a computation mechanism prescribed,” she notes.

The increase in GST could discourage players from subscribing to such gaming platforms, and that might impact the profitability of the industry and could make the sun set on this “sunrise” sector, she notes. (See box The GST Burden)