



Indian Fantasy Sports: Whether Dream Run is Over?

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A recent video of Maharashtra Agriculture Minister Manikrao Kokate apparently playing an online rummy game on his mobile phone during a legislative assembly session went viral and sparked widespread political criticism. While Mr. Kokate, defended himself by stating that he was not playing rummy but was trying to close a pop-up ad for a solitaire game that had appeared on his phone, the incident led to him being moved from the Agriculture Ministry to the Ministry of Sports and Youth Welfare.[2] This incident underscored the pervasive reach of Indian fantasy sports platforms, which is ingrained in the daily lives of people across all sections of society.

With a staggering total loss estimated at Rs 20,000 crore annually, the Indian government moved to address a growing crisis. 'There is a rough estimate that 45 crore people lose money every year,' a source stated, as the Promotion and Regulation of Online Gaming Bill, 2025 was tabled and passed in the Lok Sabha.[3]

The drop of a legislative gavel sent shockwaves through India's vibrant online gaming industry, a sector that had been soaring to unprecedented heights. The instrument of this seismic shift was the "Promotion and Regulation of Online Gaming Act, 2025" ("Act")[4], which was signed into law on August 22, 2025. With a single stroke, the new law enacted a blanket ban on all online real-money games that involve a monetary stake, irrespective of whether they are classified as games of skill or chance. [5] While the act was hailed as a measure to curb addiction and financial distress, its most immediate and staggering casualty was the fantasy sports industry, whose very business model was based on the now-outlawed concept of real-money gaming.

[1] The article reflects the general work of the authors and the views expressed are personal. No reader should act on any statement contained herein without seeking detailed professional advice.

[2] <https://timesofindia.indiatimes.com/india/videos-of-maharashtra-minister-playing-rummy-in-house-sparks-row/articleshow/122801644.cms>

[3] <https://timesofindia.indiatimes.com/india/people-lose-rs-20000-crore-per-year-in-online-gaming-data/articleshow/123418963.cms>

[4] <https://www.meity.gov.in/static/uploads/2025/08/4f673438a686e3fa81dd2d277b445f42.pdf>

[5] https://www.linkedin.com/posts/ynz-legal_match-of-the-day-fantasy-sports-v-gambling-activity-73207

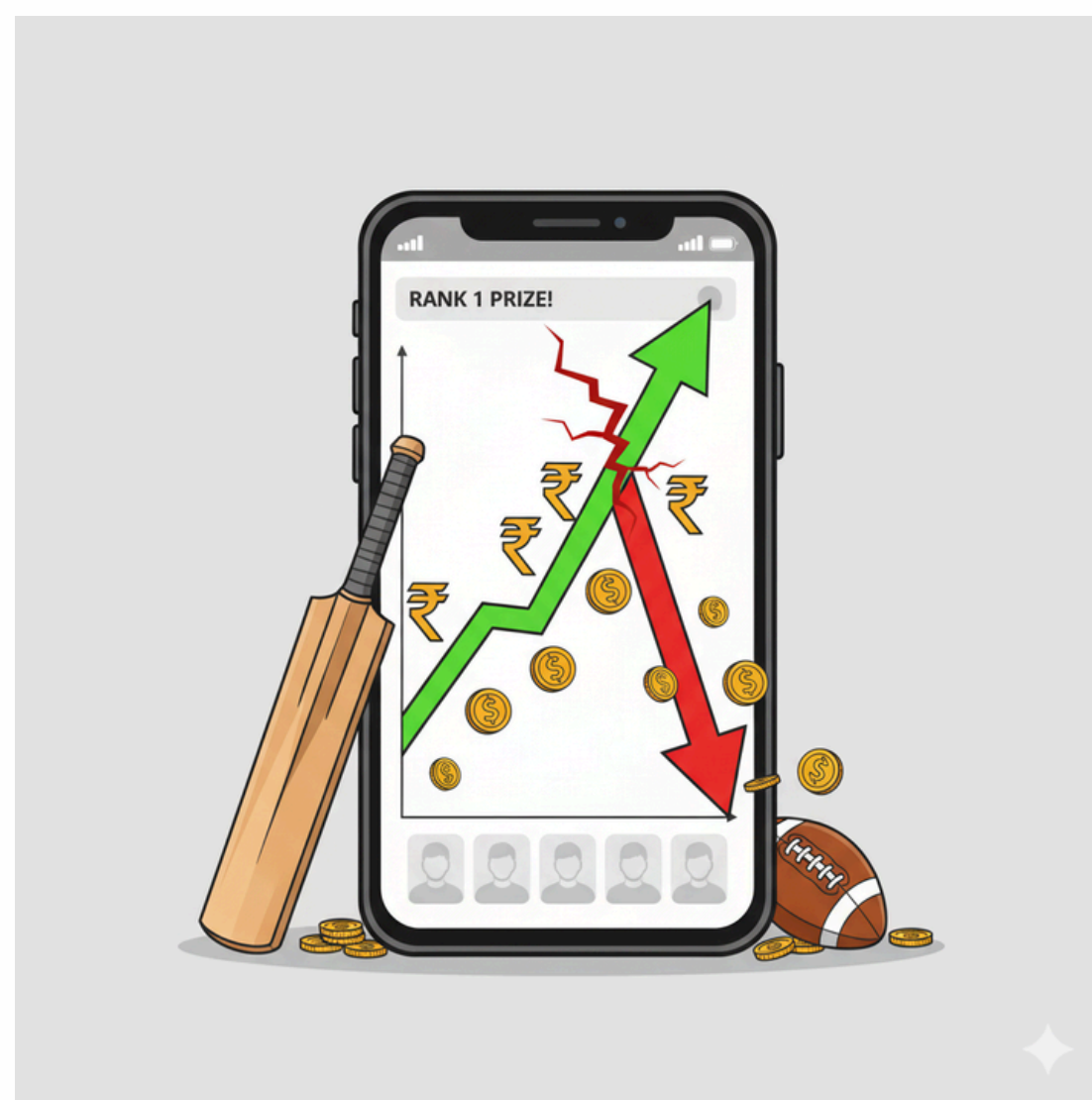
Pre- Ban Era: Investment Structure of two of the Indian Fantasy Sports Business Behemoths-

Dream11:

Prior[6] to the ban, Dream Sports parent company of Dream 11) raised a total of **\$942 million** in funding across six rounds, with a 2021 valuation of \$8 billion. The company attracted major global investors, including **Tiger Global Management, TCV, D1 Capital Partners, Falcon Edge, and ChrysCapital**, solidifying its position as a major player in the global sports tech ecosystem.

Nazara Technologies [7]:

As a publicly traded company, Nazara Technologies is also a major recipient of investor confidence. The company has raised significant capital, including a notable ₹495 crore from investors in 2025. Other key institutional investors include WestBridge Capital, Sequoia Capital, and IIFL Asset Management.

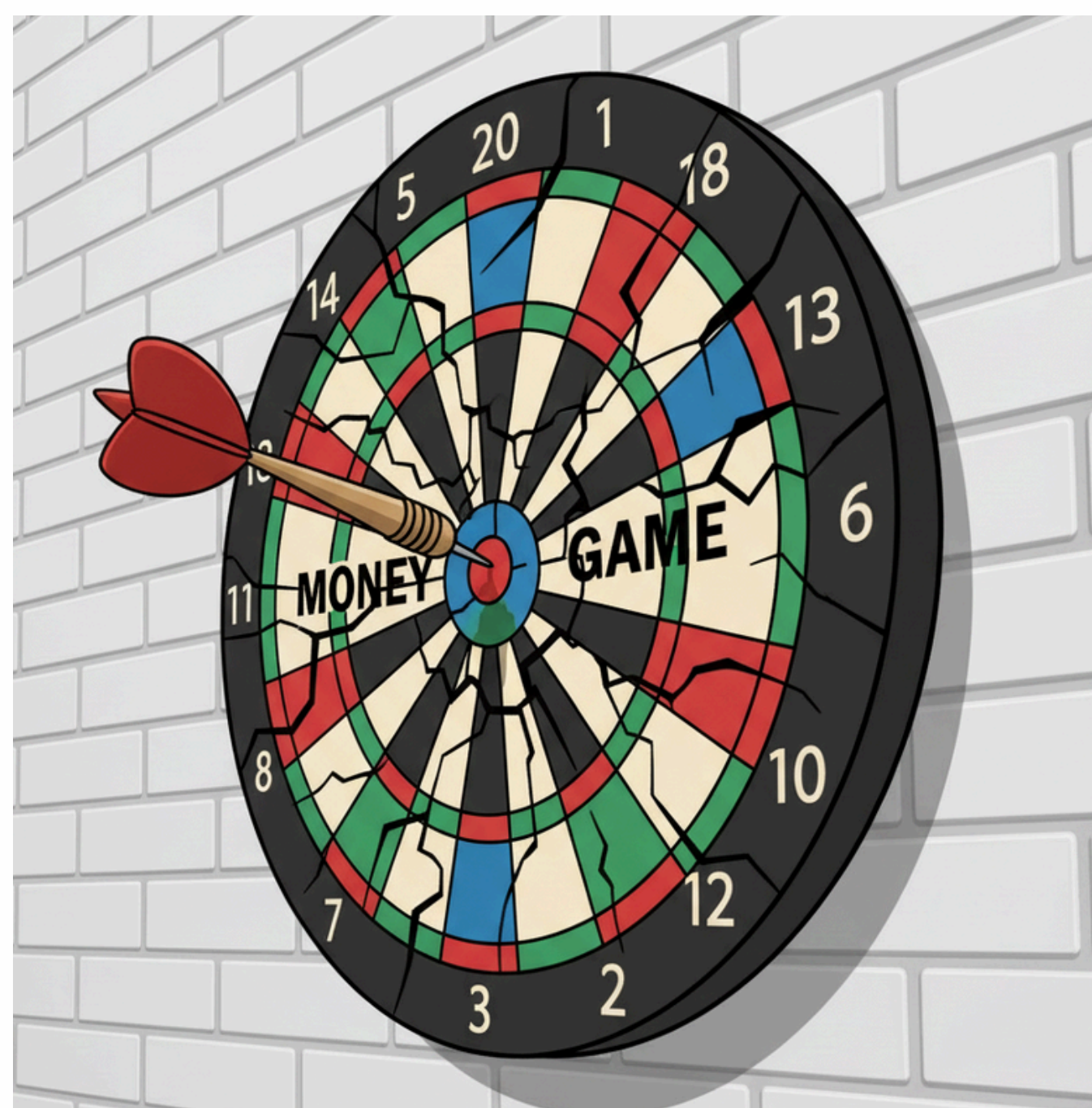


[6]<https://www.businesstoday.in/latest/corporate/story/dream11-parent-company-raises-840-mn-at-a-valuation-of-8-bn-313272-2021-11-24>

[7]<https://entrackr.com/news/nazara-raises-rs-495-cr-from-arpit-khandelwal-and-mithun-sacheti-led-axana-estates-8637532>

The Ban: Key Provisions of the Act that dart down the Fantasy Sports Business:

- Under **Section 2(1)(g)** comes the critical definition of an "online money game," which is broad enough to include fantasy sports by classifying any game with a monetary stake, regardless of skill, as a "money game."
- **Section 5** of the Act states that "No person shall offer, aid, abet, induce or otherwise indulge or engage in the offering of online money game and online money gaming service."
- The prohibition extends beyond the platform to its promotion, with **Section 6** imposing a strict ban on any and all advertising that "directly or indirectly promotes or induces any person to play any online money game."
- The Act creates a significant financial hurdle for the industry by leveraging the banking sector, with **Section 7** making it illegal for any "bank, financial institution, or any other person facilitating financial transactions" to "aid, abet, induce or otherwise facilitate any transaction... towards payment for any online money gaming service."
- Offences and penalties are covered under section 9 & 10 as follows:



Offense/Violation	First Offense Penalty	Subsequent Offense Penalty	Nature of Offense
Offering Online Money Gaming Service	Imprisonment up to 3 years or fine up to ₹1 crore, or both. (Section 9(1))	Imprisonment from 3 to 5 years, and fine from ₹1 crore to ₹2 crore. (Section 9(4))	Cognizable and Non-Bailable (Section 10)
Promoting/Advertising	Imprisonment up to 2 years or fine up to ₹50 lakh, or both. (Section 9(2))	Imprisonment from 2 to 3 years, and fine from ₹50 lakh to ₹1 crore. (Section 9(5))	Not specified
Facilitating Financial Transactions	Imprisonment up to 3 years or fine up to ₹1 crore, or both. (Section 9(3))	Imprisonment from 3 to 5 years, and fine from ₹1 crore to ₹2 crore. (Section 9(4))	Cognizable and Non-Bailable (Section 10)

Post Ban Scenario: Tantalising Numbers: An Empire's Decline to Ashes

- Prior to the legislative hammer, India's fantasy sports industry was a bona fide economic powerhouse. Valued at over \$1.8 billion in 2025, the sector was not merely a niche market but a central pillar of the nation's burgeoning digital economy, with projections forecasting its growth to over \$5 billion by 2030. [8]
- Dream Sports, the parent company of the market leader Dream11, has publicly stated that the ban has wiped out 95% of its revenue and 100% of its profits. [9]
- The gravity of this impact was starkly highlighted when Dream11, the title sponsor of the Indian Cricket Team, officially notified the Board of Control for Cricket in India (BCCI) that it would be terminating its jersey sponsorship deal, a contract valued at over ₹358 crore that was due to run until 2026. [10]

[8]<https://www.mordorintelligence.com/industry-reports/india-fantasy-sports-market>

[9]<https://economictimes.indiatimes.com/tech/technology/dream-sports-valuation-to-plummet-has-cash-runway-of-few-years-ceo-harsh-jain-on-real-money-gaming-ban/articleshow/123507169.cms>

[10]<https://www.hindustantimes.com/cricket/dream11-tells-bcci-it-will-no-longer-sponsor-the-indian-cricket-team-their-representatives-visited-the-office-and-info-101756084888685.html>

Potentials ways for Fantasy Sports Businesses in India to Repay Investors' Trust?

Ads:

Instead of being major advertisers themselves—a substantial expenditure for these platforms—companies can now transition to becoming advertising platforms. By leveraging their vast user base and high engagement, they may offer targeted ad placements to brands, turning a significant expense into a lucrative revenue stream.

Merchandise:

Recognizing the immense brand loyalty of their users, fantasy sports platforms can create and sell engaging, high-quality merchandise. This may range from team jerseys and fan apparel to collectible items, tapping into the passionate fan base and building a new, stable source of income.

Overseas Leagues:

By strengthening partnerships with overseas leagues and platforms where fantasy sports remain legal, these companies may monetize their business model on a global scale, providing a crucial and dependable source of revenue from outside of India.

Shifting to Tax Heaven Economies:

To optimize earnings from their newfound international ventures, some businesses may consider shifting their base to tax-haven economies.



Is an International Home, a viable option for survival of Indian Fantasy Sports Businesses?

The legislative ban in India has compelled the nation's leading gaming companies to pivot their strategies and look beyond their home market for survival. Is it possible for companies that once dominated a multi-billion-dollar domestic market to now set their sights on international expansion?

The **United States**, for instance, presents a significant opportunity, with most states legally differentiating fantasy sports as a game of skill rather than chance, thanks to an exemption in the Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006[11]. Similarly, the **United Kingdom** [12], with its mature and well-regulated gambling market, and **Australia** [13], which permits online sports betting, offer clear legal frameworks for operators. Mobile Premier League (MPL) has already announced significant layoffs in India and plans to expand its presence in the U.S., Europe, and Brazil. [14]

First Step of the Fight-back?

While the industry's market leader, Dream Sports (parent of Dream11), has publicly stated it will not challenge the law, others are taking the fight to court. Head Digital Works, the company behind the gaming platforms A23, has become the first to file a petition in the Karnataka High Court against the Act and argues that the law criminalises the legitimate business of playing online games of skill. [15]

[11]Section 5362(1)(E)(ix) of Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006

[12] https://en.wikipedia.org/wiki/Gambling_in_the_United_Kingdom

[13]<https://www.legalsportsbetting.com/countries/australia/>

[14]<https://timesofindia.indiatimes.com/technology/tech-news/online-gaming-app-ban-mpl-to-layoff-60-of-india-staff/articleshow/123618820.cms>

[15][Online Gaming Ban: Legal Battle Over India's Online Real-Money Gaming Ban Shaping Up in Karnataka High Court, ETLegalWorld](#)

Their core legal argument is that the Act unconstitutionally disregards the long-standing judicial precedent set by the Supreme Court, which has consistently differentiated games of skill (such as rummy and fantasy sports) from games of chance. The petition further contends that a blanket ban violates the fundamental rights of companies and individuals under Article 19(1)(g) (Right to practice any profession, or to carry on any occupation, trade or business). The Karnataka High Court refused to pause and grant a stay on the government's new Promotion and Regulation of Online Gaming Act 2025, thereby setting the stage for further legal engagement.[16]

Following a major legal development, the Supreme Court of India, on 8th September 2025 has centralized the legal battle by allowing the Union Government's petition and consolidating petitions filed by Head Digital Works (pending before the Karnataka High Court), Bagheera Carrom (OPC) (pending before the Delhi High Court) and Clubboom 11 Sports & Entertainment (pending before the Madhya Pradesh High Court) from the Delhi, Karnataka, and Madhya Pradesh High Courts, bringing the entire matter under its direct jurisdiction.[17]

[16] [India Online Gaming Ban: Karnataka High Court Denies Stay on Controversial Online Gaming Ban Amid A23 Legal Challenge, ETLegalWorld](#)

[17] <https://economictimes.indiatimes.com/tech/technology/sc-transfers-all-petitions-challenging-online-gaming-law-to-itself/articleshow/123762964.cms?from=mdr>



Dream 11's CEO Answers the Ban:

According to Dream11's CEO Harsh Jain, the company's response to the ban on real-money gaming involves a fundamental "hard reset" of its business model. He stated, "We won't waste energy fighting...we'd rather build for the future than litigate the past." [18]

The company's new playbook, which Jain calls "Dream11 3.0," focuses on free-to-play fan engagement, AI-driven products, and a strategic pivot towards global expansion to build a sustainable model. "The core appeal of fantasy sports, competing with friends and showcasing sports knowledge, remains strong. Our challenge is to make it engaging without money involved and build a sustainable global model," Jain said, speaking to Storyboard18. [19]

What lies ahead for Indian Fantasy Sports Businesses?

The Promotion and Regulation of Online Gaming Act, 2025, has unequivocally tossed a multi-billion-dollar industry into a state of profound uncertainty. In the wake of the ban, their strategy has been twofold: an aggressive legal defense on the home front, challenging the very constitutional validity of the Act, and a bold pivot to the international stage in a desperate bid for survival. As these companies navigate an unprecedented crisis, the once-unassailable Indian gaming market stands at a crossroads.

[18]<https://economictimes.indiatimes.com/tech/startups/dream-sports-ceo-harsh-jain-wont-legally-challenge-real-money-gaming-ban-by-indian-govt/articleshow/123505172.cms>

[19]https://www.business-standard.com/companies/news/dream11-rmg-ban-new-strategy-revenue-loss-layoffs-125082600219_1.html

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