

Research Article

Online Gaming Regulations in India

Dr. Suman Mawar

Associate Professor, Government Law College, Ajmer, Rajasthan.

Corresponding Author: Dr. Suman Mawar

Abstract: India's online gaming business is booming expeditiously. As compared to global markets, Indian online gaming market is at a nascent stage but is among the fastest growing online gaming markets in the world. India, while having the world's second highest number of gamers, faces various challenges in the present world.

The present article is a wholesome study on the online gaming regulation in India. The study begins with a brief recap of the origin of online gaming.

This article also aims to examine various online gambling activities like online poker, casinos, sports betting etc. in detail. An examination of current regulations on online gambling in India along with the 276th Law Commission report is also done. A comparative analysis of the offline and online gaming with the help of recent landmark case laws is also made in this research. The regulation of gambling is necessary to ensure that gaming sites are run legally, ethically and the online gamblers are treated fairly and safely.

Keywords: Gaming, India, Online, Poker, Regulations, Casinos.

INTRODUCTION

The online gaming sector in India is booming. It is currently worth \$930 million, but according to forecasts, it will be worth more than \$112 billion by 2025. The rise of India's gaming business is fueled by a variety of causes. One of them is the fact that India has one of the world's youngest populations. According to the latest recent statistics, India has over 560 million Internet users. In addition, India has a smartphone user population of 748 million people. All of these variables together resulted in the exponential growth of online gambling industry in India. Gambling and gambling-related harm would almost certainly expand in India in the future years. Lack of public awareness about gambling's potential for addiction, lax anti-gambling legislation, plans in some Indian states to allow casinos and more lotteries as a means of generating tax revenue for the government, and the growing popularity of online gambling opportunities with more Indians accessing the internet on their phones, laptops, and other devices are all possible reasons.

THE ORIGIN OF ONLINE GAMES- A RECAP

Internet became possible in the mid-1990s as the medium matured, technology in the areas of computer graphics and transaction processing advanced, and entrepreneurs saw the Internet's gambling potential.

The rapid expansion of Internet wagering was aided by two crucial advances.¹ First was the development of the first fully operational Internet gambling software in 1994 by Microgaming, a

¹ Robert Williams and Robert Wood, Internet Gambling: A Comprehensive Review and Synthesis of the

software company now licensed and incorporated in the Isle of Man. Second was the development of encrypted communication protocols in 1995 by Cryptologic, which provided secure online monetary transactions.² The Free Trade & Processing Zone Act, passed by the government of Antigua and Barbuda in 1994, established a legal jurisdiction and permitted licences to be granted to operate online casinos, albeit without any effective regulation. The first official online casinos began play for fun operations in 1995, and several sports books, including Interops, Sports Book, and Ladbrokes, put up websites listing odds and providing toll-free telephone numbers for placing bets. The first case of money wagered over the Internet by the general public appears to be the online purchase of International Lottery tickets for a manual drawing that occurred on October 7, 1995, in Lichtenstein. Both The Gaming Club and Intercasino claim to be the first online casino, while Intercasino, which was situated in Antigua and started with an initial offering of 18 online games and access to the National Indian Lottery, is credited with placing the first money wager on casino games in January 1996.

The Kahnawake Gambling Commission was established in 1996 to supervise online gaming from the Mohawk Territory of Kahnawake and to award gaming licences to many of the world's online casinos and poker rooms. This was an endeavour to ensure that regulated online gambling companies operate in a fair and transparent manner.

Online gambling grew in popularity in the late 1990s; in 1996, there were only fifteen gambling websites, but by the following year, there were 200. According to a report published by Frost & Sullivan, online gambling income exceeded \$830 million in 1998 alone. The first online poker rooms were launched the same year. Soon after, in 1999, the US Senate presented the Internet Gambling Prohibition Act, which would have prohibited any corporation from offering any online gambling product to any US resident. However, it was not approved. In 1999, multiplayer online gambling was also developed.

The Interactive Gambling Moratorium Act was passed by the first Australian Federal Government in 2000, making it unlawful for any online casino that was not licenced and functioning before May 2000 to operate. As a result, Lasseter's Online became Australia's only legal online casino; nevertheless, they were unable to accept wagers from Australian nationals. Despite ongoing legal obstacles, the estimated number of players who have participated in internet gambling had risen to 8 million by 2001, and growth has persisted. H2 Gambling Capital expected global online gambling revenue to be \$21 billion in 2008. According to Statista, the online gambling market is anticipated to reach \$45.86 billion in 2016, and \$56.05 billion in 2018.³

ONLINE GAMBLING ACTIVITIES- SOME INSTANCES

New sorts of gambling have become available as a result of the Internet. Technology has altered betting behaviours in the same way that video lottery terminals, keno, and scratchcards altered the gambling business in the twentieth century. Online gambling generally means the use of internet to place bets and earn money. It is similar to playing in a casino but the difference is that it is held in a virtual environment. This includes playing of poker, sport games, casino games, etc. Users can place bets through online payment modes such as credit, debit card,

Literature, University of Lethbridge, Alberta, Canada, August 2007.

² The History of Internet gambling, 777.com, Online Entertainment, Ltd.

³ "Internet Gambling Developments in International Jurisdictions: Insights for Indian Nations", SPECTRUM GAMING GROUP, <http://www.indiangaming.org/info/alerts/Spectrum-Internet-Paper.pdf> (last visited Jan. 23, 2024).

internet banking or UPI (most preferred). After placing a bet, wins or losses are paid or collected accordingly. Some instances of online gambling activities are:

1. Poker

Poker games are available on hundreds of Internet sites, offering play 24 hours a day, seven days a week, for dozens of poker variants. "Ring" games are ongoing games in which players join the action at any time by purchasing chips, play as long as desired, and are free to leave anytime with their remaining chips. In "on demand" poker tournaments, players choose the poker variant and betting limit, and play begins when enough players (typically 9 or 10) have signed up to complete a table. Players bring a set amount of money to the table, and play continues until only one player survives. For scheduled tournaments players sign up to play for a set amount of prize money. They must pay a "buy-in" fee, and they each receive the same number of chips for play. They play until there is a single winner.

How to play poker:

1. Every player is dealt two cards facedown. These are your hole cards.
2. You then either check, bet, raise, or fold.
3. Once betting has finished, three community cards are dealt faceup in the middle of the table. This is called 'the flop'.
4. Another round of betting starts, and then the fourth community card is dealt faceup. This is called 'the turn'.
5. Another round of betting starts, and then the final community card is dealt faceup. This is called 'the river'.
6. There is a final round of betting. If all but one player has folded their hand by this point, the last remaining player takes the pot. Otherwise, players reveal their cards in a 'showdown'.
7. The player with the best final five-card hand wins the pot.

Different online poker platforms:

1. Pokerstars
2. Ggpoker
3. Americas cardroom
4. Royal panda
5. Betway casino
6. Spin casino
7. Leovegas.com
8. Jackpot city
9. Europa casino
10. Play zee

2. Casinos

There are numerous online casinos where people may play casino games including roulette, blackjack, pachinko, baccarat, and a variety of others. These games are played against the "house," which profits from the advantage of the odds.

Online casinos are broadly divided into two categories based on the software they use: web-based and download-only casinos. Traditionally, online casinos would include only one of the two platforms. However, with advanced technological changes, an online casino can now accommodate both.

Web-based

Web-based online casinos (also known as no-download casinos) are websites where users may play casino games without downloading software to their local computer. A stable internet connection is required to have a seamless gaming experience as all graphics, sounds, and animations are loaded through the web. Most online casinos allow gameplay through an HTML interface, previously this was done through browser plugins, such as Flash Player, Shockwave Player, or Java.

Download-based

Download-based online casinos require the download of the software client in order to play and wager on the casino games offered. The online casino software connects to the casino service provider and handles contact without browser support. Download-based online casinos generally run faster than web-based online casinos since the graphics and sound programs are cached by the software client, rather than having to be loaded from the Internet. On the other hand, the initial download and installation of the casino's software take time. As with any download from the Internet, the risk of the program containing malware exists, which makes it less popular among skeptical casino players.

Examples

A typical selection of gambling games offered at an online casino might include:

- Baccarat
- Blackjack
- Craps
- Roulette
- Sic bo
- Slot machines
- Poker
- Keno
- Bingo

3. Sport betting

Sports betting is the activity of predicting sports results and placing a wager on the outcome. The frequency of sports bet upon varies by culture, with the vast majority of bets being placed on association football, American football, basketball, baseball, hockey, track cycling, auto racing, mixed martial arts, and boxing at both the amateur and professional levels. Sports betting can also extend to non-athletic events, such as reality show contests and political elections, and non-human contests such as horse racing, greyhound racing, and illegal, underground cockfighting.

There have been a number of sports betting scandals, affecting the integrity of sports events through various acts including point shaving (players affecting the score by missing shots), spot-fixing (a player action is fixed), bad calls from officials at key moments, and overall match fixing (the overall result of the event is fixed). Examples include the 1919 World Series, the alleged (and later admitted) illegal gambling of former baseball player Pete Rose, and former NBA referee Tim Donaghy.

4. Horse racing betting

Horse racing betting accounts for a sizable portion of all online gambling bets, and all major Internet bookmakers, betting exchanges, and sports books provide a diverse range of horse

racing betting markets. Using internet techniques to bet on horses across state boundaries is permissible in a number of places.

At many horse races, there is a gambling station, where gamblers can stake money on a horse. Gambling on horses is prohibited at some tracks; Springdale Race Course, home of the nationally renowned TD Bank Carolina Cup and Colonial Cup Steeplechase in Camden, South Carolina, is known as one of the tracks where betting is illegal, due to a 1951 law. Where gambling is allowed, most tracks offer parimutuel betting where gamblers' money is pooled and shared proportionally among the winners once a deduction is made from the pool. In some countries, such as the UK, Ireland, and Australia, an alternative and more popular facility is provided by bookmakers who effectively make a market in odds. This allows the gambler to 'lock in' odds on a horse at a particular time (known as 'taking the price' in the UK).

How to place a wager on a horse race

Betting on horse racing isn't a complicated procedure. Most often, you place your bet, take your ticket, and tear it up when your bet doesn't pay off. However, if you're lucky or skilled you get to take your ticket back to the window and collect your winnings. The following list spells out the betting procedure step by step:

1. State the name of the racetrack.
2. State what number race you're betting.
3. State the dollar unit of your bet.
4. State the type of wager. You can bet on a single horse to win, place, or show or on a combination of horses.
5. State the number of the horse or horses you're using.
6. Check your ticket before you leave the window.

5. Mobile Gambling

Playing games of chance or skill for money utilising a remote device such as a tablet computer, smartphone, or mobile phone with a wireless Internet connection is referred to as mobile gambling.

Examples of common mobile gambling games include slot games, table games, new games, and classics like roulette, blackjack, poker, and baccarat. There are also live casino versions that are streamed from real casinos or studios.

6. In-play gambling

Many online sports betting firms offer in-play betting, which allows users to place bets while the game is still in process. One of the advantages of live in-play gambling is that there are far more markets available. In association football, for example, a user could wager on who would be the next player to receive a yellow card or which team will be given the next corner kick.

7. Bingo

Online bingo is a version of bingo (US/UK) that is played over the Internet. It was first introduced in 1996. Online bingo sites, unlike traditional bingo halls, use a random number generator. Because bingo hall guests are frequently in the target demographic, most bingo halls also provide links to online poker and casino offerings.

How to Play:

Playing bingo online, players can make use of optional features which make playing the game easier, such as auto-daub. Auto-daub automatically marks off the numbers on cards as they are called, so players don't have to. Most software providers support other gaming features as "Best Card Sorting" and "Best Card Highlighting" where players cards are sorted and highlighted by closest to bingo.

There is variety among the different kinds of bingo games that can be played. For example, some inexpensive game rooms appeal to the player who may want to play for as little as 3 cents or 3 pence per card, some bingo games only allow players to purchase the same number of cards so they are not competing against the "high rollers" out there who buy many cards for the same game.

8. Lotteries

A lottery is a form of gambling that involves the drawing of numbers at random for a prize. Because of their propensity to create huge taxable revenue flows, most lotteries are managed by governments and are strongly protected against competition. Small countries granted licences to operate the first online lotteries, which were administered by private persons or organisations. Most private online lotteries have ceased operations as a result of new legislation enacted by governments to protect themselves and their own lotteries.⁴

Lotteries come in many formats. For example, the prize can be a fixed amount of cash or goods. In this format, there is risk to the organizer if insufficient tickets are sold. More commonly, the prize fund will be a fixed percentage of the receipts. A popular form of this is the "50-50" draw, where the organizers promise that the prize will be 50% of the revenue. Many recent lotteries allow purchasers to select the numbers on the lottery ticket, resulting in the possibility of multiple winners.

Lotteries, like any form of gambling, are susceptible to fraud, despite the high degree of scrutiny claimed by the organizers. Numerous lottery scams exist.

Some advance fee fraud scams on the Internet are based on lotteries. The fraud starts with spam congratulating the recipient on their recent lottery win. The email explains that in order to release funds the email recipient must part with a certain amount (as tax/fees) as per the rules or risk forfeiture.

Another form of scam involves the selling of "systems" which purport to improve a player's chances of selecting the winning numbers in a Lotto game. These scams are generally based on the buyer's (and perhaps the seller's) misunderstanding of probability and random numbers. Sale of these systems or software is legal, however, since they mention that the product cannot guarantee a win, let alone a jackpot.

A SCRUTINY OF GAMBLING AND THE LAW

The state government of India regulates online gambling and betting. There is no explicit law or regulation that forbids anyone from engaging in internet gambling. According to the Indian Constitution, gambling or online betting is a state topic. As per Entry 34 of List II of the Indian

⁴ WIKIPEDIA, https://en.wikipedia.org/wiki/Online_gambling#cite_note-16 (last visited Jan. 23, 2024).

Constitution's Seventh Schedule, states have the ability to enact their own betting and gambling laws and policies within their territories.

When it comes to online gambling, each state has its unique set of rules. Various Indian states recognise one common act, the Public Gambling Act of 1867. Online gambling, on the other hand, is not governed by any particular laws.

Online gambling is sometimes also regulated under the Information Technology Act of 2000. This Act makes no mention of online gambling provisions or penalties. However, this Act grants the government the authority to restrict certain foreign or unlawful websites that may be damaging to people or are contrary to national policy. This Act also gives the government the authority to block any website that it believes to be harmful.

The current legal status of gambling in India is as follows-

- In India, horse racing and lottery are both legal. Horse racing requires some prior knowledge, so it isn't just a game of chance.
- Lotteries have been allowed in a number of Indian states. Goa, Kerala, Arunachal Pradesh, Assam, Maharashtra, Madhya Pradesh, Mizoram, Manipur, Meghalaya, Punjab, Nagaland, West Bengal, and Sikkim are the states in this list.
- Under the Public Gaming Act of 1976, online gambling and land-based casinos are authorised in Goa, Sikkim, Nagaland, and Daman.
- The Bombay Prevention of Gaming Act, 1887, prohibits gambling and declares it illegal in Maharashtra.
- E-gaming (casino games) is now permitted in Sikkim and Nagaland.
- According to the Telangana State Gaming Act of 1974, skill games are outlawed in Telangana and Arunachal Pradesh.
- For all of their advertisement, the All India Gaming Federation, The Rummy Federation, and the Federation of Indian Fantasy Sports have adopted a self-regulation code.⁵

The Lotteries (Regulation) Act of 1988 and the Prize Competitions Act of 1955, respectively, control lotteries and games employing letter arrangements. The reason for this is that lotteries are treated differently in the Constitution than gaming and betting, and fall under Entry 40 of List I (which is administered by federal regulations). Furthermore, games of skill that give prizes for solutions based on the arrangement of letters, such as crossword puzzles, rarely include a wagering or betting aspect.

The following are some examples of state laws governing online gambling:

- [Nagaland Prohibition of Gambling, Prohibition, and Regulation of Online Games of Skills Act, 2015](#)
- [Sikkim Online Gaming Regulation Act, 2008](#)
- [Kerala Gaming Act, 1960](#)
- [West Bengal Gambling and Prize Distribution Act, 1957](#)
- [Rajasthan Public Gambling Ordinance, 1949](#)
- [Payment and Settlement Act, 2007](#).⁶

⁵ HINDUSTAN TIMES, <https://www.hindustantimes.com/brand-post/whats-the-legal-status-of-gambling-regulations-in-india-in-2021-101623671189683.html> (last visited Jan. 23, 2024).

⁶ Smaranika Sen, *Online gambling: still a confusion*, IPLEADERS (Jan. 23, 2024, 1:00 PM).

Law Commission Report- 276th “Legal Framework: Gambling and Sports Betting including in Cricket in India”

The 276th Law Commission Report⁷ provides a comprehensive overview of the gambling scenario and how laws are enacted or regulated in our society. In early July 2018, we saw a spate of headlines and news reports stating that the Law Commission of India (the Commission) had recommended that betting and gambling be legalised in India. These arose from the release of the Commission’s 276th Report, titled ‘Legal Framework: Gambling and Sports Betting Including in Cricket in India (the Report)’, prepared by the Commission pursuant to the Supreme Court of India’s reference in the case of Board of Control for Cricket in India v. Cricket Association of Bihar & Ors.⁸ In the BCCI case, the Supreme Court was considering the recommendations of the Supreme Court appointed Justice R.M. Lodha Committee in its ‘Report on Cricket Reforms’, wherein the Committee suggested that legalising sports betting could help reduce sporting fraud and curtail the influence of unethical elements on the sport and its participants. From this, arose the Supreme Court’s reference to the Commission to examine the issue of legalising betting in India. While it was only asked to examine the issue of sports betting, the Report addresses betting as well as other forms of gambling, as the Commission reasoned that these are closely associated, and considering one without the other would render the exercise incomplete. What followed the extensive publicity for the Report was a quite remarkable Press Note issued by the Commission the very next day, seeking to clarify its position that it had not recommended legalising betting and gambling and, quite to the contrary, had categorically recommended that these practices remain totally banned.

The commission’s 276th report, released on 5 July 2018, said the existing “policy of the government (National Sports Development Code of India, 2011, etc.), the current socio-economic atmosphere in the country and the prevalent social and moral values do not encourage betting and gambling”.

“Accordingly, the commission reaches the inescapable conclusion that legalising betting and gambling is not desirable in India in the present scenario.” “Therefore, the state authorities must ensure enforcement of a complete ban on unlawful betting and gambling.”

OFFLINE GAMBLING V. ONLINE GAMBLING ALONGWITH RELEVANT CASE LAWS

Since the dawn of time, casinos and gambling have been an integral part of our culture. For hundreds of years, people have enjoyed betting money on sports, casino games, and other lottery activities. There are certain distinctions in the online and offline gambling which are enumerated below:

- 1) Safety and Security: Online gambling was often thought to be fraudulent, but now there is an excess of operators that give trustworthy gambling experiences. Because you can watch what other players are doing and how dealers deal with cards, offline casinos are safer.
- 2) Availability: If visiting casinos whenever you want is more convenient, then land-based casinos are for you. If land-based casinos are too far away from your city, however, internet gambling may be the best option.
- 3) Deposits and Withdrawals: In casinos, you must make a cash deposit for receiving chips or tokens to play various games. You can now get your money back when you want to

⁷ Law Commission Report- 276th “Legal Framework: Gambling and Sports Betting including in Cricket in India”, <https://lawcommissionofindia.nic.in/reports/Report276.pdf> (last visited Jan. 23, 2024).

⁸ Board of Control for Cricket in India v. Cricket Association of Bihar & Ors. (Civil Appeal No. 4235 of 2014).

withdraw money. Online gambling, they require you to use a third-party payment method. The deposit is immediate but withdrawal may take some time.

- 4) A Wide Range of Providers: Casinos with a wide range of games are only found in major cities. On the other side, the internet has a plethora of suppliers. There are plenty of online options where you may play gambling games.
- 5) Playing the game: In online gambling have a big number of games, the gameplay experience at land-based casinos is unparalleled. Traditional casinos offer bright lighting, music, entertainment, and a gambling experience. You must play at online casinos utilising a smartphone or a computer.
- 6) Bonuses for Promotion: Because of the promotional benefits they provide, online gambling has grown in popularity. Offline casinos do not offer these types of bonuses.
- 7) Gambling Consciousness: Online gambling is the finest when it comes to providing safe gaming options. They provide a number of tools that allow you to put limits on your betting amount, gameplay time, deposit, and a variety of other things. Offline casinos do not provide such features.⁹

CASE LAWS

1) *State of Andhra Pradesh v. K. Satyanarayana and ors.*¹⁰

The Supreme Court concluded that “Rummy requires certain amount of skill because the fall of the cards has to be memorised and the building up of Rummy requires considerable skill in holding and discarding cards. We cannot, therefore, say that the game of Rummy is a game of entire chance. It is mainly and preponderantly a game of skill”.

2) *K.R. Lakshmanan v. State of Tamil Nadu*¹¹

The Supreme Court while deciding whether a “horse-race run on the turf of the club” is a game of chance or a game of “mere skill” held that the “horse-racing is a game where the winning depends substantially and preponderantly on skill”. The Court also said that “we have no hesitation in reaching the conclusion that the horse-racing is a sport which primarily depends on the special ability acquired by training. It is the speed and stamina of the horse, acquired by training, which matters. Jockeys are experts in the art of riding. Between two equally fast horses, a better trained jockey can touch the winning-post.

3) *State of Bombay v. Chamarbaugwala*¹²

The Supreme Court authoritatively held that a competition which substantially depends on skill is not gambling. Gaming is the act or practice of gambling on a game of chance. It is staking on chance where chance is the controlling factor. ‘Gaming’ in the two Acts would, therefore, mean wagering or betting on games of chance. It would not include games of skill like horse-racing. In any case, Section 49 of the Police Act and Section 11 of the Gaming Act specifically save the games of mere skill from the penal provisions of the two Acts. We, therefore, hold that wagering or betting on horse-racing is a game of skill and does not come within the definition of ‘gaming’ under the two Acts.

⁹ THE DAILY IOWAN, <https://dailyiowan.com/2021/09/21/10-major-differences-between-online-and-offline-casinos/> (last visited Jan. 23, 2024).

¹⁰ *State of Andhra Pradesh v. K. Satyanarayana*, (1968) 2 SCR 387.

¹¹ *K.R. Lakshmanan v. State of Tamil Nadu*, AIR 1996 SC 1153.

¹² *State of Bombay v. Chamarbaugwala*, AIR 1957 SC 699.

4) *Gaussian network Pvt. Ltd. v. Monica lakhanpal and State of NCT*¹³

The plaintiffs were seeking a declaration from the Delhi District Court that online poker sites were legal as per Delhi's gambling laws. The Court's reasoning was following the lines that poker was a game of chance and even more so if played online. An appeal was filed in the Delhi High Court against this order but was withdrawn in fear of a negative judgment which would perpetuate a negative stigma of Poker. However, the Court relied on the foreign judgments that have stated that Poker is a game of chance to state otherwise primarily relying on the preponderance test.

5) *Gurdeep Singh Sachar v. Union of India and Ors.*¹⁴

The Bombay HC, in this case held that activities carried out by Dream11 are not illegal and don't amount to gambling/betting/wagering in the guise of Online Fantasy Sports Gaming. It reiterated that, if the game is preponderantly a game of skill, even if there is an element of chance, it will not render it akin to gambling/betting but it would be a game of 'mere skill'.

6) *Dominance Games Pvt Ltd v. State of Gujarat and Ors.*¹⁵

The Gujarat High Court recently ruled that poker is a game of chance and a gambling activity under the Gujarat Prevention of Gambling Act, 1887, and hence banned in Gujarat. However, an appeal is pending before the division bench of the same High Court.

7) *Geeta Rani v. Union of India & Ors.*¹⁶

In this case the Supreme Court considered whether sports betting is a skill-based game. If the court rules that sports betting is a skill game, it will be exempt from most gaming laws and can be offered in most Indian states that allow it.

8) *Junglee Games India Pvt. Ltd. v. State of Tamil Nadu*¹⁷

In this case the petitioners challenged the constitutional validity of the Tamil Nadu Gaming and Police Laws (Amendment) Act, 2021, which substantially revamped the Tamil Nadu Gaming Act, 1930.

The court said every game or like activity depends on an element of chance. Irrespective of what meanings are ascribed to these words in dictionaries, gambling is equated with gaming and the activity involves chance to such a predominant extent that the element of skill that may also be involved cannot control the outcome.

A game of skill on the other hand, may not necessarily be such an activity where skill must always prevail; however, it would suffice for an activity to be regarded as a game of skill if, ordinarily, the exercise of skill can control the chance element involved in the activity such that the better skilled would prevail more often than not.

The Court observed that gambling is equated with gaming and the activity involves chance to such a predominant extent that the element of skill that may also be involved cannot control the outcome. Whereas, a 'game of skill' on the other hand includes the exercise of skill that can overpower that chance element involved in the activity such that the better skilled would

¹³ M/s Gaussian Networks Pvt Ltd. v. Monica Lakhanpal and State of NCT, Suit No 32/2012, Delhi District Court.

¹⁴ Gurdeep Singh Sachar v. Union of India and Ors, CRPILST/22/2019 (Stamp), decided on 30 April 2019.

¹⁵ Dominance Games Pvt. Ltd v. State of Gujarat and Ors., 2017 SCC Online Guj 1838.

¹⁶ Geeta Rani v. Union of India & Ors, W.P. (C) No. 000287/2017.

¹⁷ Junglee Games India Pvt. Ltd. v. State of Tamil Nadu, (2021) SCC Online Mad 2762

prevail more often than not. The Court held that games such as rummy and poker cannot be banned by the impugned legislation and that the legislation is 'manifestly arbitrary' and ultra vires of the Constitution.

REGULATING GAMBLING: WHY IS IT NECESSARY?

The economy of India is harmed by India's perplexing gambling rules. The booming gambling business has the potential to bring in millions of cash for Indian governments. Instead, the funds are channeled through offshore gaming sites that cater to Indian gamblers. Furthermore, the government lacks the legal authority to safeguard players' interests and handle any conflicts that may arise between players and casino operators.

India will reduce illegal gambling and enhance its economy by regulating the internet gaming business. Furthermore, the government will be able to properly estimate the number of persons who are afflicted by gambling problems and assist them in dealing with the problem.¹⁸

The following three key purposes are effectively served by online gambling regulations:

- a. To ensure that gaming sites are run legally.
- b. To ensure that gambling websites are run ethically.
- c. To ensure that online gamblers are treated fairly and safely.

There are a slew of issues that come with internet gambling's unregulated framework, including:

1. Unethical practices: There's a good likelihood that a lot of unethical practises are being used in this industry, putting customers' interests at risk. Some fraudulent gambling websites, for example, can tamper with the outcomes generated online by fixing them, increasing the risk of consumer loss. Furthermore, these websites incorporate various types of software that manipulates the results and reduces the possibilities of winning, which is detrimental to the gambler's interests.
2. The emergence of an illegal parallel economy: A total prohibition of certain activities leads to the emergence of a black market, making regulation even more difficult. It also leads to the formation of a number of coalitions that profit from the unregulated illegal actions.
3. Money laundering: Online gambling has been one of the leading causes of economic crime involving money laundering, which is a three-stage process that includes placement, layering, and integration.¹⁹

CONCLUSION

The legal position of gambling in India requires the revision of numerous gambling regulations to make them more consistent. The government needs to improve its game on this issue by establishing an appropriate legislative framework. The internet gambling industry, particularly skill games, has to develop its technology and make it easier to use so that it can reach a much larger audience. It must comprehend the customer's requirements and design accordingly. Because many online gambling apps are prohibited, they must be constructed in such a way that they gain regulatory clearance. When developing such apps, the industry must follow the rules and create them correctly.

The users of gaming websites, are unconcerned about legal and regulatory issues that do not affect them. They are solely concerned with features that safeguard them and allow to enjoy

¹⁸ THE NEWS MINUTE, <https://www.thenewsminute.com/article/online-gambling-growth-india-shows-need-progressive-law-154752> (last visited Jan. 23, 2024).

¹⁹ Sakshi Anand, *Internet Gambling In India: Regulation or Prohibition?*, ISSN 2455-4782 JCIL 173,177-178 (2022).

the online betting and gaming without worry. We can only gain from industry regulation if we use the appropriate sites. We must also recognise that, despite the fact that many forms of internet gambling are prohibited, they are widely used. Some of them are hazardous to humans and can result in significant financial loss. To prevent illegal gaming, more stringent legislation should be enacted.

Citation: Dr. Suman Mawar, 2024. "Online Gaming Regulations in India". International Journal of Academic Research, 11(3): 152-163.

Copyright: ©2024 Dr. Suman Mawar. This is an open-access article distributed under the terms of the Creative Commons Attribution License (<https://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.