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# Gambling Reforms Uncovering a Buried Legal Challenge

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## ABSTRACT

*Over the last two decades, there has been a significant growth in public knowledge of capital resources, including profit-driven exchanges and games. Gambling and betting are popular financial and recreational pastimes. Although gambling is firmly ingrained in Indian culture, the Public Gambling Act of 1867, enacted during the British Empire, prohibits all forms of gaming. Despite a shift in the gaming sector, the statute remains mostly unchanged 160 years later. Sports betting and gambling laws need to be updated to reflect technology advancements and developments. Commissions established by the Supreme Court of India and Parliament have proposed reforming the gaming act to legalise betting and gambling for the country's socio-economic benefit. The paper proposes a complete legal framework to govern gambling and betting in India, emphasising skill-centric games, fair procedures, and requiring bettors to register with a licensed operator. The paper highlights the importance of a modern protocol for licensed gaming and betting, particularly with the rise of blockchain-based platforms and cryptocurrency acceptance as payment methods. This paper suggests that India should follow the lead of other nations by enacting a comprehensive gaming law that replaces any conflicting regulations.*

**Keywords:** Gambling; Betting; Skill-Based Gaming; Legal Reforms; Regulations.

## I. INTRODUCTION

Since the beginning of time, gambling has been a common form of recreation in India, profoundly ingrained in its culture. However, in recent years, this game has established a vast market in India, transforming it from a mere recreational activity to a viable business model for a significant number of individuals.

Despite the fact that wagering is a common practice in Indian society, where individuals place bets on political outcomes, play cards, or wager before cricket matches, the Indian laws have not acknowledged these activities as a legitimate form of entertainment. Conversely, it has become increasingly common for sports celebrities with substantial followings, such as

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cricketer Virat Kohli<sup>3</sup>, who has over 240 million followers, to endorse and promote sports fantasy applications<sup>4</sup>. Nevertheless, the increase in advertising for these sports fantasy apps has prompted apprehension regarding the absence of regulations to oversee and regulate the potential impact of these applications on users who are enticed to use them through such promotions<sup>5</sup>.

The Public Gambling Act of 1867, a British-era prohibitionist statute, still governs betting and gambling activities in India, despite being under the state list. In contrast to India, where gambling remains illegal except in a few states, the Gambling Act of 2005 in England regulates and legalises various forms of gambling.

The Supreme Court rulings have legalised skill-based gambling, such as horse racing and rummy, overriding the Public Gambling Act of 1867. In 2016<sup>6</sup>, the Supreme Court of India reviewed the legality of sports betting in India, which conflicted with state enactments declaring the activity unlawful in specific places. In 2018<sup>7</sup>, the 276th Law Commission Report, generally known as the Lodha Committee Report, suggested regulation of gambling activities in India, similar to the United Kingdom and Spain. The paper concludes by emphasising the necessity of establishing a comprehensive and nuanced legal framework that governs wagering activities in India.

This article provides an overview of Indian gaming regulations and examines the obsolete Public gaming Act of 1867. The paper explores how gambling's moral inhibitions drive it underground, leading to the movement of large amounts of black money. This hinders India's economic progress, while other countries, such as the US, gain from the lucrative gaming business.

The paper examines the challenges and opportunities of online sports betting and gambling, including blockchain-based platforms and the acceptance of cryptocurrencies as payment methods<sup>8</sup>. It proposes recommendations for a modern gaming industry.

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<sup>3</sup> Singh, R. (2019, April 23). *Can Virat Kohli propel the Mobile Premier League?* Forbes India, <https://www.forbesindia.com/article/m.a.d-marketing-advertising-decoded/can-virat-kohli-propel-the-mobile-premier-league/53181/1Spanish>.

<sup>4</sup> Antonio Madeira, The DAO, The Iack, *The Soft Fork and The Iard Fork*, Cryptocompare (July 26. 2016), <https://www.cryptocompare.com/coins/guides/the-dao-the-hack-the-soft-forkand-thehard-fork>.

<sup>5</sup> Altaner, C., (August 29, 2018) *Unregulated Lotteries Are Blockchain's Most Popular Products*, Gambling Compliance. <https://vixio.com/insight/gamblingcompliance/unregulated-lotteries-areblockchains-most-popular-products/>.

<sup>6</sup> *Board of Control for cricket in India v. Cricket Association of Bihar & Ors.* (2016) 8 SCC 535.

<sup>7</sup> Lodha, R.M. (2018). *Legal Framework: Gambling and Sports Betting including in Cricket in India*, Law Commission of India.

<sup>8</sup> Butler, B., (2022) *Dirty cash and crypto: how the booming cryptocurrency market is open to exploitation.*, <https://www.theguardian.com/australia-news/2022/jan/15/dirty-cash-and-crypto-how-the-booming->

## II. UNDERSTANDING THE DIFFERENCE: GAMBLING AND BETTING

One of the earliest civilizations to participate in gaming was the Romans and Greek. Archaeological research shows that gambling was a prominent activity among early humans. Gambling dates back to ancient times, as evidenced by cave drawings. The discovery of 40,000-year-old astragali (dice-like devices carved from sheep or dog ankle bones) adds to evidence of gambling in ancient Europe. The Pompeii remains contain dice pairs that were "loaded" to fall in specific patterns.

Gambling and betting have been a part of Indian culture since the Ramayana and Mahabharata, when kings risked their kingdoms on games such as bull races and gladiator fights. Ancient texts such as the Rigveda and Atharvaveda glorify "games of dice". However, several ancient texts have taken a cynical view of such activities. Manu Smriti believes that betting and gambling are self-destructive activities and should be prohibited. Gambling undermines truth, honesty, and wealth, and many people view all gamblers as cheats. As a result, a frustrated Chanakya suggested various laws that governed gambling activities, and the breach of such rules would attract huge penalties on anyone who involved in the practice<sup>9</sup>. Arguments favouring controlling gambling call for dissociating morality from gambling. It is considered that the connection between the two is merely derivative and associative. By removing the negative moral connotations associated with gambling, it becomes easier to regulate the practice. Gambling and betting are prohibited by Articles 19(1) (g) and 301 of India's Constitution<sup>10</sup>. Gambling is not protected under the principles of free trade and profession. The *State of Bombay v. RMD Chamarbaugwala*<sup>11</sup> decision found it injurious to society.

According to Black's Law Dictionary, gambling is characterised by three essential components: consideration, an element of chance, and a reward. To put it differently, gambling entails the expenditure of a sum in exchange for the opportunity to attain a reward. Conversely, wagering involves the act of placing a specified sum (typically in liquid currency) at risk regarding the potential realisation or non-realization of a specific event. Two entities that represent contrasting viewpoints are engaged in wagering.

The Madras High Court, in the case of *Public Prosecutor v. Veraj Lal Sheth*<sup>12</sup>, elucidated the distinction between gambling and betting, which are often regarded merely as wagering

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cryptocurrency-market-is-open-to-exploitation.

<sup>9</sup> *Supra* note 5.

<sup>10</sup> The Constitution of India, 1950.

<sup>11</sup> AIR 1957 SC 699.

<sup>12</sup> (1945) 1 MLJ 163.

activities. The assertion was made that the stakes involved in gambling are not subject to calculation, while the stakes associated with a betting event are contingent upon the players' performance. Consequently, although gambling entails wagering money on the likelihood of an event's occurrence or non-occurrence, often disregarding the result, engaging in sports betting is shaped by the expertise of the bettors as they base their decisions on informed analysis.

Consequently, in India, games of chance, where the outcome is primarily dictated by fortune, are classified as betting. Conversely, games in which the outcome of wagering events is determined by one's skill and knowledge are referred to as games of skill<sup>13</sup>.

The Supreme Court of India, in its ruling on *State of Andhra Pradesh v. K. Satyanarayana & Ors.*<sup>14</sup>, affirmed the classification of rummy as a game of skill, emphasising that it necessitates a higher level of knowledge and focus from the player. In the case of *K.R. Lakshmanan v. State of Tamil Nadu & Anr*<sup>15</sup>, the Supreme Court noted that horse-racing constitutes a game of skill, as the race's outcome is influenced by various elements such as the horse's fitness and the jockey's proficiency. Consequently, the ability to observe and analyse the game is essential for accurately predicting the winner. In the United States of America, the Dominant Factor Test serves to ascertain whether a specific game is classified as one of skill or one of chance. In the case of *Dr KR Lakshmanan v. Tamil Nadu*<sup>16</sup>, the Supreme Court determined that activities such as horse racing, which require a significant or predominant level of skill, are classified as games of skill.

To put it differently, the dominant factor test is fulfilled when a skill constitutes a primary characteristic necessary in a game, as opposed to the aspect of chance, thereby rendering the sport skill-oriented.

### III. LEGISLATIVE LANDSCAPE OF GAMBLING AND BETTING IN INDIA

The Public Gambling Act of 1867 serves as the primary legislative framework in India that regulates all forms of gambling and betting activities, rendering them unlawful with the exception of games that require skill.

Nonetheless, the seventh schedule Entry 34 List II of the Constitution of India<sup>17</sup> grants authority to the states to oversee and manage gambling and betting activities. Consequently,

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<sup>13</sup> Motwani, T. R. (2014), *Skill versus Chance-The Gambling Debate*, Supreme Court Cases Journal, 7, 26.

<sup>14</sup> 1968 AIR 825.

<sup>15</sup> 1996 SCC (2) 226.

<sup>16</sup> *Id.*

<sup>17</sup> The Constitution of India, 1950.

the authorities of the state government have the option to either embrace the Central Act or implement any modifications they consider most suitable for their jurisdiction. In India, gambling and betting are largely prohibited; however, their prevalence across the nation can be attributed to antiquated legislation that fails to provide clear regulatory guidelines. Only Sikkim and Nagaland possess distinct legislation governing online gambling, whereas other states encounter difficulties stemming from the lack of adequate regulatory frameworks. The Lodha committee<sup>18</sup> has characterised the Public Gambling Act as outdated and in urgent need of reform. The Act does not encompass wagering agreements, betting on horse races, games of skill, or lotteries. Lotteries are categorised within the central list and are exempt from the scope of gambling, whereas wagering on horse racing is permitted owing to its significant element of skill.

Numerous legal provisions in India address gambling, given its omission from the Public Gambling Act. The provisions of the Indian Penal Code, 1860, specifically Sections 292 and 294, are pertinent in instances where obscene material is employed in the promotion of betting or gambling activities. The Indian Contract Act of 1872, specifically Sections 23 and 30, delineates the non-enforceability of wagering transactions, with the sole exception of betting on horse-racing. The Prevention of Money Laundering (Amendment) Act, 2013, Section 2(1) (a), imposes penalties on money laundering activities within various business sectors, encompassing games of chance and casinos. The Income Tax Act of 1961, specifically Section 115BB, imposes taxation on the earnings derived from the gaming industry. The Central Goods and Services Tax Act of 2017 facilitate the collection of revenue derived from betting, gambling, and horse racing within the framework of the GST system.

The Information Technology (Intermediaries Guidelines) Rules, 2011, explicitly forbids intermediaries from hosting information related to gambling. The Telecom Commercial Communications Customer Preference Regulations, 2010, explicitly forbids any unsolicited communication pertaining to betting or gambling activities. The Foreign Exchange Management Act of 1999, along with regulations set forth by the Reserve Bank of India, prohibits remittances intended for gambling activities, thereby rendering such financial transactions unlawful.

The majority of Indian states comply with the Public Gambling Act of 1867, which notably exempts games of skill from the classification of gambling. Nevertheless, Sikkim, Nagaland, Meghalaya, Goa, and Daman & Diu have established notable exceptions. In Goa and Daman

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<sup>18</sup>*Ibid*

& Diu, the operation of land-based casinos is governed by the Goa, Daman and Diu Public Gambling Act of 1976, which establishes stringent regulations and licensing prerequisites. In Sikkim, Nagaland, and Meghalaya, the realm of online gaming is regulated by distinct state laws, permitting skill-based games such as poker and fantasy sports, albeit under stringent licensing and regulatory frameworks. Sikkim Online Gaming (Regulation) Act, 2008; Nagaland Prohibition of Gambling and Promotion and Regulation of Online Games of Skill Act, 2016; Meghalaya Regulation of Gaming Act, 2021, conversely, regions such as Telangana, Orissa, and Assam have instituted comprehensive prohibitions on gambling and betting activities. Karnataka has revised its legislation to classify gambling as a non-bailable and cognisable offence, thereby encompassing online gambling within its scope.

In 13 states and 5 Union Territories, government-operated lotteries are authorised and governed by the Lotteries (Regulation) Act of 1988.

#### IV. EXAMINING NOTABLE INTERNATIONAL LAWS

Various nations globally have approached the matter of gambling through distinct methodologies. In the United Kingdom, gambling is primarily categorised into three distinct forms: betting, gaming, and engaging in a lottery.

The primary framework for regulation is established by the Gambling Act of 2005, which renders the utilisation of gambling services without appropriate British licenses a criminal offence. Comprehensive limitations are established regarding the granting of licenses to mitigate offences such as money laundering and the financing of terrorism, while also promoting transparency, consumer equity, and ethical marketing practices in gambling-related endeavours.

A tripartite framework of regulation has been instituted to guarantee that gambling practices are equitable and conducted solely with authorisation<sup>19</sup>. The framework encompasses the Government Department of Culture, Media, and Sport, the Gambling Commission, and Local Authorities, specifically the Hinckley & Bosworth Borough Council, as of 2023. Countries such as Spain and Switzerland have implemented legal frameworks that endorse betting and gambling establishments. Since 1977, Spain has decriminalised betting and gambling, allowing states to maintain their autonomy regarding the legality of these activities. This has led to the establishment of a comprehensive central Spanish Gaming Act in 2011, which regulates all forms of electronic and interdisciplinary betting activities. In 2017,

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<sup>19</sup> Hajdarbegovic, N. (2021, September 11), *Regulated Gambling Platform Cozy Games Accepts Bitcoin in Industry First*, <https://www.coindesk.com/business/2014/10/24/regulated-gamblingplatform-cozy-games-accepts-bitcoin-in-industry-first/>.

Switzerland made the decision to legalise betting through the Money Gaming Act, thereby liberalising betting activities and permitting online gambling exclusively via licensed Swiss-certified gaming firms and casinos.

In the United States, Nevada and Louisiana have enacted legislation permitting casino-style gambling, adhering to specific licensing and zoning regulations governing the activity. Nevada additionally permits sports wagering. Japan is home to one of the most substantial betting demographics globally, having established a novel market through the legalisation of wagering on various sports, including horse racing, cycling, motorbike racing, and boat racing. In addition to the previously mentioned locations, numerous nations across Europe have enacted legislation permitting betting and gambling, amassing a Gross Gaming Revenue (GGR) exceeding eighty-seven billion euros in the year 2021. In the initial half of 2021, China's State Lotteries amassed a remarkable total exceeding \$29.3 billion.<sup>20</sup>

## V. POLICY PROPOSALS ON REGULATING BETTING AND GAMBLING

The sixth season of the Indian Premier League was held in 2013. The League expressed concern regarding issues related to sports betting and match-fixing, urging policymakers to reformulate their regulations to monitor such misconduct effectively. Following the 2013 controversy, the Mudgal Committee, led by Justice Mukul Mudgal, was established to investigate the allegations of spot-fixing and illicit betting that emerged.

The committee's findings indicated that numerous individuals connected to the Cricket league engaged in match-fixing and placed bets using illicit funds in unauthorised private markets. The Committee proposed other proposals, including the formulation of a distinct rule addressing match-fixing and betting, as well as the establishment of an independent regulatory body for the IPL, separate from the BCCI.

At the behest of the esteemed Supreme Court in the case of *Board of Control for Cricket in India v. Cricket Association of Bihar & Ors*<sup>21</sup>, the Law Commission of India constituted a committee to examine the prevailing issues related to gambling regulations in India and to propose recommendations accordingly. The Justice Lodha committee submitted a report entitled Legal Framework: Gambling and Sports Betting, especially in Cricket in India, which advised the government to deem it essential to legislate the legalisation of betting in India. The notion of instituting a total prohibition on gambling, an activity deeply embedded in people's daily lives, is seen implausible. Moreover, during their analysis for the report, the

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<sup>20</sup> Venture Scanner, *Blockchain Funding Trends-Q1 2017*, Venture Scanner Insights (Jan. 13, 2017), <https://venturescannerinsights.wordpress.com/category/bitcoin/>.

<sup>21</sup> (2016) 8 SCC 535.



committee recognised that betting is inextricably linked to gambling, necessitating a comprehensive approach to the regulations governing both activities. Subsequent to the publication of the Lodha Committee Report by the Law Commission of India, which revealed athlete participation in match and spot-fixing, the Online Gaming and Prevention of Fraud Bill was proposed by Shashi Tharoor, the Member of Parliament for Thiruvananthapuram in the Lok Sabha, to regulate sports betting. The Bill sought the legalisation of sports betting in India under stringent oversight and mandated the criminalisation of practices such as sports fraud and match-fixing<sup>22</sup>. The measure, articulated by legal experts, proposes the establishment of a seven-member committee to oversee online sports gambling operations, thereby safeguarding the integrity of the sport and prohibiting any manipulations that could disrupt the natural progression of the game.

Furthermore, the Bill delineates online sports gaming as the act of placing a bet, either in full or in part, on the outcome of a match through the use of a telecommunication device. It proposed specific limitations that could be instituted to avert the exploitation of the gaming program, such as prohibiting minors from engaging and imposing caps on the maximum bidding amount.

The Indian betting market has experienced a significant surge, as indicated by a report from the International Centre for Sports Security ("ICSS"), which posits that the market in India may hold a value exceeding US\$130 billion<sup>23</sup>. Reports indicate that the sports industry plays a significant role in global trade, generating total revenue of 3% on its own. In advocating for the Bill, Tharoor highlighted the vast potential of the sports betting market, asserting that its legalisation would enable the government to generate substantial revenue in the millions. Furthermore, he articulated that the government possesses the capability to oversee the actions of individuals engaged in sports betting, consequently undermining the dominance of the clandestine mafias that are heavily involved in match-fixing.

In 2013, the Federation of Indian Chambers of Commerce and Industry (FICCI, 2012) published a report titled 'Regulating Sports Betting in India', which underscored the existence of an underground betting market in India valued at approximately INR 3,00,000 crore. The report indicates that the regulation of sports betting is essential for society, as it ensures accountability for substantial sums of money that might otherwise flow through illicit avenues

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<sup>22</sup> Dwivedi, D. (2022) *Private Member Bill by Shashi Tharoor—Why Sports betting should be Legalised?* IJALR, <https://ijalr.in/volume-1/issue-3-2/private-member-bill-by-shashi-tharoorwhy-sports-betting-should-be-legalized-by-divyansh-dwivedi/>.

<sup>23</sup> Tak, M., Sam, M. P., & Jackson, S. J. (2018). *The problems and causes of match-fixing: are legal sports betting regimes to blame?*, Journal of Criminological Research, Policy and Practice.

such as money laundering and illegal trade. This regulation could contribute to a decrease in national revenue and serve as a deterrent against crimes like money laundering and match-fixing<sup>24</sup>. The Bill elucidates additional benefits of legalising sports betting, such as safeguarding participants in the sport, including players and coaches, from unscrupulous practices, as well as fostering employment opportunities.

## **VI. BETTING AND GAMBLING TRANSFORMED: CRYPTO CASINOS IN THE AGE OF BLOCKCHAIN**

Blockchain-based betting and gambling represent cutting-edge platforms that enable participants to engage in virtual wagering and gaming activities<sup>25</sup>. The so-called "crypto casinos" provide a range of services, including online sports betting, virtual slots, and poker<sup>26</sup>. The implementation of blockchain technology facilitates the utilisation of smart contracts, thereby fostering transparent and autonomous experiences within the realm of gaming. Platforms such as Quanta and Betswap leverage the Ethereum blockchain to establish equitable lotteries and facilitate peer-to-peer betting markets. Furthermore, crypto-currencies that operate on blockchain technology are employed for transactions within the gaming sector, with platforms such as Cosy Games and Bitstarz embracing both crypto-currencies and conventional currencies. The recent developments provide enhanced security, transparency, and adaptability within the betting and gambling sector<sup>27</sup>.

The evolution of the legal framework surrounding crypto-currencies did not commence with formal legislation, but rather with a circular issued by the RBI in 2018, which prohibited banks from offering services to individuals engaged in the trading or facilitation of virtual currencies.

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<sup>24</sup> FICCI. (2012) *Regulating Sports Betting in India- A vice to be tamed?* <https://ficci.in/SEDocument/20208/report-betting-conference.pdf>

<sup>25</sup> Gainsbury, S., & Blaszczynski, A. (2017). *How blockchain and cryptocurrency technology could revolutionize online gambling*. *Gaming Law Review*, 21(7), 482-492.

<sup>26</sup> Brown, S. (2022). *Gambling on the blockchain: how the unlawful internet gambling enforcement act has opened the door for offshore crypto casinos*, *Vanderbilt Journal of Entertainment & Technology Law*, 24(3), 535-560.

<sup>27</sup> Hajdarbegovic, N. (2021, September 11), *Regulated Gambling Platform Cozy Games Accepts Bitcoin in Industry First*. <https://www.coindesk.com/business/2014/10/24/regulated-gamblingplatform-cozy-games-accepts-bitcoin-in-industry-first/>.

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Some jurisdictions, including Canada and New Zealand, actively regulate casinos that operate with virtual currency. The United States possesses a complex legal structure that presents numerous challenges. In 2006, Congress enacted the Illegal Internet Gambling Enforcement Act to address the issue. This regulation did not explicitly prohibit crypto casinos; however, it complicated the ability of financial institutions to process transactions using bitcoin from online platforms to US users. Additionally, there is no legislation in the United States that explicitly pertains to gambling with crypto-currencies. Nevertheless, certain states including as Nevada, Delaware, Pennsylvania, and New Jersey authorise crypto casinos exclusively for their inhabitants.

## **VII. FINAL RECOMMENDATIONS AND CONCLUSION**

### **A. Recommendations**

Despite the prohibition of gambling, its prevalence remained unaffected as regulatory authorities targeted gaming establishments, prompting players to increasingly operate clandestinely. Participants commenced wagering in unregulated gaming establishments using their unregistered illicit funds. Gambling and its illicit finances operated undisturbed beyond the purview of the government's reported gross income. Profits from gaming activities resulted in the subsequent rise of illicit funds. The proliferation of illicit wealth among individuals has engendered heightened demands and fostered the emergence of criminal syndicates. The criminal organisations benefited from enthusiastic gamblers, illicit transportation, corruption, and trends in digital money.

The Goa state government in India has amended the statute to legalise gambling and betting. Goa features more than 15 casinos accessible to both domestic and international tourists for gambling; the coastal state also hosts offshore cruise casinos situated near its territorial boundaries. Given that Goa is a compact and primarily rural state, revenue generated from casinos significantly adds to its state income. The state garnered more than 400 crores in revenue from casinos during the fiscal year 2018-19, while the Indian government forfeits a minimum of 19,000 crores due to illicit betting activities. The substantial and enthusiastic

adult demographic in India draws numerous offshore corporations seeking to invest in regulated betting establishments and casinos within the country. The legalisation of gambling would facilitate economic growth and provide an opportunity to mitigate the social stigma and disgrace associated with it by educating the public about the dangers and skills involved in betting. In a broad context, it is logical to deduce that illicit transactions solely contribute to the increased circulation of black money. Conversely, white-collar employment can result in significant economic gain.

Some may contend that the assertion regarding ‘revenue over morality lacks merit’; however, from a moral standpoint, the criminalisation of betting has failed to diminish the activity and has instead attracted numerous individuals into its covert realm. Legalising gambling and integrating it into the economy could enable the government to leverage its resources to educate the public about the nuances and spectrum of gambling. This approach could facilitate the perception of gambling as a legitimate game of skill and chance. The gambling markets would be subject to regulation and would operate under the authority of the Reserve Bank of India.

Implementing regulations that support a decriminalised gambling framework would effectively eliminate malpractice and illegal corruption. Establishing a limit on the total amount that can be invested in betting would serve to protect the public interest by preventing excessive financial harm. Additionally, NGOs and community centres could facilitate support groups aimed at assisting individuals in overcoming gambling addiction.

The necessity for regulating betting and gambling has historical roots that extend beyond the 21st century. Numerous rulers in the past observed the widespread occurrence of betting within their territories. The Katyayana Smriti explicitly instructs the king to implement a tax on gambling and establish regulations for it. Kautilya’s Arthashastra presents a scenario where the kingmaker Chanakya orchestrated a fair and unbiased gambling system, imposing strict penalties for any breaches of the established regulations.

India should implement sophisticated licensed gaming protocols, drawing from our ancestors. Only licensed operators should provide gambling and betting services, focussing on skill-based games and ensuring fair practices. Individuals seeking to gamble or bet must register with a recognised operator, whose records are stored by a government entity. Before engaging in gambling and betting, players must meet preconditions, declare free will, and accept any associated risks. The licensed operator must record client facts such as name, address, age, bank account information, and PAN. As online transactions and payment alternatives become more common, gaming has also shifted online. The Indian Constitution covers media

communication and online platforms under Entry 31 of List 1 of the seventh schedule, and general gambling regulations under the state list. To replace contradictory statutory regulations, the government must enact a new law and legislate it under Article 252 for all consenting states to adopt.

Creating a unified law for gambling and betting will streamline internet rules and verifications. Online betting platforms, like trading platforms, require thorough verification and precautions. Players must provide photo verification, income, bank, and address evidence. Players can only conduct transactions using genuine bank accounts linked to their mobile phone and Aadhar for successful KYC verification. Eligible participants in online betting platforms should be selected based on their minimum five-year annual income, with a monthly deposit limit.

No gaming should be allowed for those below the poverty line, under 18, or those receiving government social support.

Betting operators must avoid graphic or deceptive advertising and constantly inform players of the game's risks. Any income from betting platform transactions should be taxed at a reasonable interest rate. Licensed operators must charge players reasonable transportation fees in accordance with government regulations. Although gambling is not a game in the public interest, controlling it in this country is considered in the public interest.

In addition to introducing necessary legislation, complementary laws should be updated to reflect field developments. The Foreign Exchange Management Act, 1999, Rules, and FDI Policy should be updated to promote investments in regulated betting networks, casinos, and internet gaming.

The Information Technology (Intermediary Guidelines) Rules, 2011 and the National Sports Development Code of India, 2011, which prohibit gambling and betting, should be revised, together with any applicable statutory requirements.

Once regulated, betting operations can be conducted in a systematic and polite manner. To introduce a liberal stance on gambling, research should be conducted to ensure its effectiveness and security. Additionally, an organic approach should be taken to prevent high-risk individuals, such as adolescents and those with comorbid mental disorders or addictions, from engaging in betting. Central betting houses, state divisions, and private organisations must follow criteria established by an autonomous governing authority. This framework aims to increase employment, attract tourists, and encourage foreign investment. The security measures aim to protect vulnerable groups and prevent inconveniences caused by the law.

Betting continues to draw an overwhelming majority of individuals online. Transactions have taken on a new dimension with virtual currencies. Virtual currencies have the potential to attract investors in the digital age. Crypto-currencies rely on blockchain technology, which tracks transactions through a worldwide public ledger. Crypto-currencies are not yet considered a valid type of money transaction. India is embracing digital currencies, as evidenced by the issuance of its own crypto-currency based on blockchain and SEBI's regulation of digital gold. These initiatives aim to reduce stigma and increase acceptance of digital platforms.

Gambling is a significant economic driver, as seen by instances from Las Vegas, Goa, and Monaco. India's opposition to legalising gambling stems from the belief that it violates public policy. The common law notion of public policy applies when an act poses a threat to the public or harms society as a whole. It is widely agreed that any act against the public is immoral. Taking away someone's right to utilise money is considered immoral.

To avoid offshore online gambling, India should create regulated betting and gambling, enabling only licensed operators to establish them. Second, online gambling companies are well-known for their reliability and visibility in the digital realm.

Indian courts have authority over ISPs that provide access to offshore gambling websites, but not the ones that host them. Therefore, it is more appropriate to hold destination ISPs liable. To combat unlicensed and offshore gaming, financial institutions, payment service providers, and crypto-currency exchanges must desist from providing services to these operators. Without local bank accounts, crypto-currency exchanges, and payment service providers, online gamblers must use alternative methods like bank drafts, checks, and wire transfers to collect deposits, place bets, and pay out winnings. This makes wagering with offshore gambling operators logistically challenging.

## **B. Conclusion**

Laws need to evolve with the times since the world is always changing. India is a leader in new technologies, faster economic growth, and bigger political interventions. However, the country will see a strong desire for easier ways to make money. Without proper regulation, the underground betting market will be fed by crime and money. The Public Gambling Act of 1867, which is still the principal law that governs gambling in India, is not enough. It was written by the British in 1867 and has not modified since then. The Constitution of India gives the states the right to make rules around gambling and betting. Only a few states have made laws that are particular to gaming. Making gambling illegal hasn't stopped it; instead, it's

pushed it underground, where it has led to the creation of crime syndicates and black money. Places like Goa, where gambling and betting are permitted, make a lot of money from these activities.

People who like to gamble and bet on different things prefer to do it online, but the law isn't clear on the rules and directions for online gambling. We need to stop unregulated online gambling in the US and abroad right away. Blockchain technology could change the gambling business by making it more open, secure, and efficient. Smart contracts and de-centralised applications could make gaming more independent and resistant to tampering. Using cryptocurrency to pay for things can also make things easier and more private for users. But in many places, the rules about blockchain-based gambling and betting are still not clear, and using virtual currencies is often subject to tax restrictions. Notwithstanding this, numerous governments have commenced regulating and adopting crypto-currencies within the casino sector, with additional nations likely to follow in the forthcoming years.

In conclusion, the necessity for a comprehensive legislative framework governing gaming and betting operations in India is apparent. Outdated legislation and insufficient regulation have resulted in protracted justice, an increase in black-market activities, and the forfeiture of potential national revenue. The advent of blockchain platforms and the adoption of crypto-currencies as a payment method has intensified the necessity for a contemporary protocol for regulated gambling and betting. The document advocates that India emulate the practices of nations such as the US and UK by enacting a legislation that overrides all current conflicting statutory restrictions. The legislation should prioritise skill-based games, equitable practices, and mandate that prospective bettors and gamblers register with a registered operator, whose records must be authenticated and maintained by the relevant governmental authorities. A comprehensive legal framework that aligns with contemporary developments and embodies a commitment to liberal principles can eradicate black-market crimes by identifying their revenue sources and integrating them into the nation's legitimate economy. This will not only mitigate addiction and discredit the betting syndicate but also facilitate national prosperity and assist in reducing criminal incarcerations.

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