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Gambling Regulations in India: A Critical and Comparative Study

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ABSTRACT

There has been a significant shift in the way people think about the term 'gambling', which is now referred to as 'gaming.' For many decades, India has been governed by British bylaws, and even after independence, we are still governed by the same. The concept of gambling has evolved in modern society from a physical unlawful activity to an online immoral loophole. This study examines the laws in India and around the world that limit, regulate, and facilitate gaming. The study also critically analyses the flaws in the Indian legislative and judicial systems when it comes to detailing India's multiplicity of gambling laws, including those governing online gambling. Finally, the study makes a recommendation as to how these loopholes can be cured.

Keywords: Online gaming, Rules and regulations and loopholes.

I. INTRODUCTION

The Indian Contract Act 1872 was made on **25th April 1872** and came into force on **1st September 1872**. It gives Indian citizens contractual rights like to come into contract with a party with respect to rights, duties and obligations.

According to **section 2(h) of the Indian Contract Act, 1872**: "An agreement which is enforceable by law is a contract".

According to **Anson**, "The law of contract is that branch of law which determine the circumstances in which a promise shall be legally binding on the person making it".²

According to **Section 2(g) of Indian Contract Act, 1872**³, "An agreement not enforceable by law is said to be void".

Sir William Anson describes wagering agreements as "a promise to give money or money's worth upon the determination or ascertainment of an uncertain event."⁴

Wagering agreements are basically agreements whose fulfilment depends on happening and not

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² Indian Contract Act, 1872, § 2(h)

³ Indian Contract Act, 1872, § 2(g)

⁴ Sir William Anson

happening of an event.

Section 30 of Indian Contract Act 1872⁵ says that agreement by way of wager are void; and no suit shall be brought for recovering anything alleged to be won on any wager, or entrusted to any person to abide by result of any game or there uncertain event on which event on which any wager is made.

Gambling is a type of a wagering contract.

According to **Cambridge dictionary** the activity of betting money is called **gambling**;

According to **Oxford dictionary** **gamble** is to risk money on a card game, horse race, etc.

Gambling is done all over the world and is done in different-different forms. Casinos, table and electronic games like Rummyculture, cards and sports betting games (like Dream11), dice-based games, bingo are some of the types of online gambling.

Public Gambling Act, 1867⁶ is an act which regulates rules and regulations and punishments regarding public gambling.

Every state government has discretion to make rules regarding gambling in accordance with this act.

(A) Statement of problem

When studying for regulation around we try to look at the basic guideline of different states of India and loopholes and what is difference between Indian regulations and foreign regulation related to gambling.

(B) Rationale of study

This study tries to analyse the rules and regulations revolving gambling in India and around world also does critical analyses of the loopholes present in present laws.

(C) Research Objectives

The purpose of this research is:

1. To study the situation of gambling in India.
2. To understand the regulatory framework revolving around gambling in India.
3. To look for loopholes around Indian laws related to gambling.
4. To understand regulatory framework related to gambling around the world.

⁵ Indian Contract Act, 1872, § 30

⁶ Public Gambling Act, 1867

5. To make efforts to suggest positive steps to curb the loopholes and gap present in regulations.

(D) Research Questions

1. What are rules and regulation revolving around gambling in India?
2. What is impact of gambling in current scenario?
3. What are loopholes present in Indian regulations?
4. What the different foreign regulations related to gambling?

(E) Research Methodology

The methodology that would be applied for carrying out this research is analytical, comparative and critical. In this research the primary sources of data are from Constitution of India 1950; Indian Contract Act 1872; Reports; The Foreign Exchange Management Act 1999; Information Technology Act 2000. The secondary sources of data comprise of published books, journals, scholarly articles, online journals, research reports.

II. MAIN CONTENT

Ancient Indian literatures like Mahabharata and Rig Veda (the oldest literature to mention about gambling) had characterised gambling as a sin and a leisure pastime. This indicates that gambling has been prevailing since long back in this country of diversity. The craze of gambling touched heights in the British era, when British ruler themselves promoted gambling to gather lump sum tax revenues.

But when public opinion regarding gambling shifted against it and the negative effects of gambling like bankruptcies, delinquency, crime, etc came onto the surface in UK the rulers took no time in formulating an anti-gambling legislation in India.

In India, the games are mainly divided into two broad categories.

a. Game of skill

All games that are played based on a person's prior knowledge or experience are considered to be games of skill.

Analytical decision-making, logical thinking, capacity, and other skills are required in this field. Some games may also require the need of some preliminary training in order to succeed. These types of games are legal in majority of the states in India.

b. Game of chance

This category includes all games that are played at random. These games are purely reliant on chance. These games are generally/can be played without any prior knowledge.

For example, dice games, number selection, and so on. In India, such games are deemed prohibited.

If a gambling game necessitates a particular level of ability, it may not be considered prohibited at all. However, there is a lot of prejudice against such gambling games.

In 1867, the Imperial Legislative Council passed the **Public Gaming Act of India**⁷ to regulate and limit gambling in India. This is the only law which regulates gambling in India. The act was created to differentiate between games of pure chance (which it deemed illegal) and games of skill, not merely chance, such as horse racing (which it made legal).

(A) Overview of regulations around the states:

a. Karnataka

Karnataka prohibited single digits lotteries and lotteries that are draw more than once a week like most of the states in India. But Playwin, an online lottery run by the Essel Group, was allowed operations in the state. Essel group was later asked to stop its business in the state.

In *MJ Sivani v. State of Karnataka*⁸(1995) the Supreme Court declared rummy to be a game of skill rather than gambling (game of chance).

Karnataka's government has recently turned hostile to gambling in general, attempting as early as 2007 to outlaw or severely restrict lotteries, horse racing, and other betting activities.

Karnataka authorised horse racing in the 1970s, and it has grown in popularity since then. Despite recent efforts to restrict, if not outright ban, horse race betting in Karnataka, it remains legal.

b. Uttar Pradesh

Among all Indian states, Uttar Pradesh has the highest population. Cricket betting is well known, despite the fact that it is illegal. In Uttar Pradesh, illegal betting networks are fairly popular. Many people believe that legalising gambling is the best way to address the problem. Uttar Pradesh's administration has shown an interest in bringing authorised casinos to the state. A plan to build a casino near the Taj Mahal was made in 2005, but nothing has come of it as of

⁷ Public Gaming Act, 1867

⁸ MJ Sivani vs State of Karnataka, 1995(3) SCR 329

yet.

c. Goa

Whenever asked what are the major gaming location in India, instant click goes to Goa and Sikkim. Casinos and casinos on cruises providing access to variety of table games which are not available and legal in mainland in what goa is famous for.

As of 2023 there are at least 15 casinos (both land and cruise based) in Goa. Gambling in major parts of Goa is governed by **Goa, Daman and Diu Public Gambling Act, 1976**⁹.

Section 13A of the act talks about authorised games stating:

Notwithstanding anything contained in this Act, the Government may authorise any game of electronic amusement/slot machines in Five Star Hotels 27{and such table games and gaming on board in vessels offshore as may be notified} subject to such conditions, including payment of such recurring and non-recurring fees, as may be prescribed.¹⁰

d. West Bengal

Gambling is illegal in West Bengal, but as in many Indian states, it remains a popular pastime. The most popular sports to bet on in the state are cricket and football.

e. Andhra Pradesh

Andhra Pradesh has illegalized most forms of gambling under **Andhra Pradesh Gaming Act of 1947**¹¹ but rummy, horse racing and state-run lottery are allowed. Banning does not mean there remains no trace of gambling within the state, till date also there are some little gambling activities that are happening within the state. Each other day there is a news of arrest or fine popping up. However, fine charges are not that high but repeat offender do receive serious punishments.

f. Maharashtra

Maharashtra is a fairly gambling-friendly state. The only forms of permitted betting in the state are horse racing and the lottery. The Bombay Wager Act addresses online gambling in Maharashtra, stating that it is banned within the state. Nevertheless, the state's competence to make such declarations in relation to online activities has been questioned. The majority of gambling legislation in the state is focused on the operation of gaming establishments.

Ladbrokes attempted to become a licenced operator of permitted online horse betting in the state

⁹ Goa, Daman and Diu Public Gambling Act, 1976

¹⁰ Goa, Daman and Diu Public Gambling Act, 1976, § 13A

¹¹ Andhra Pradesh Gaming Act, 1947

in 2008, but their attempts were unsuccessful.

Maharashtra has granted Playwin permission to operate within the state under the **Lotteries (Regulation) Act of 1998**¹², which permits only state governments to print or regulate lottery sales. Some smaller cities and districts, like Buldana, have attempted to run their own lotteries but have been sued by the state government. Matka is a lottery-like game which was originated in the state.

g. Tamil Nadu

In Tamil Nadu, where cockfighting is a popular activity, gambling has long been a part of the local culture. The competition typically consists of three 20 minute rounds in which male chickens (cocks) compete. It is a cruel sport that is strictly prohibited by local law. The sport is governed by laws that handle both gambling and animal cruelty.

Other popular games in Tamil Nadu include Rummy and Teen Patti, both of which are very old Indian games.

Tamil Nadu made headlines for its prize programme rules, which prohibit enterprises from giving out prizes as a kind of advertising for the sale of their goods. Under the Tamil Nadu Prize Scheme Act, Pepsi Co. was barred from running a recent promotion in Tamil Nadu (1979).

Madras Racecourse (also known as Guindy Racecourse) and Ooty Racecourse are two racecourses in Tamil Nadu.

Built in 1777, Madras Racecourse is India's oldest racecourse. It has a fascinating history that includes some upheaval in the first 100 years. The club was refurbished in 1887 and has hosted racing events since the turn of the century. Madras' racing season runs from November through March. The Hyderabad Race Club Cup is a major event.

The Ooty Racecourse is regarded as India's most beautiful. It's a highland track that's about 2.3 kilometres above sea level. The Nilgiri Gold Cup Race is the main event in Ooty.

III. LEGAL POSITIONING OF GAMBLING IN INDIA IN CURRENT SCENARIO

India has a very spectacle view over gambling. Some form of gambling is permitted while others are prohibited. 13 out of 29 states and 5 out 7 union territories permit state run lotteries. Gambling is permitted in 2 states while horse racing is legal in 6 states. "Festival gambling" a popular festival fair gaming offers a wide variety of legal and illegal gambling options to the citizens. Aside from horse racing, which is considered a game of skill rather than chance and

¹² Lotteries (Regulation) Act of 1998

thus legal, all other forms of sports betting whether online or offline are illegal in India. No state, with the exception of Sikkim, has altered the Central Act to regulate or de-regulate gambling businesses within their borders. Since 2010, Sikkim has allowed sports betting through the internet.

Sports betting is a big business in India, especially in the cricket market. Nearly Rs 30,000 crore was bet in 2016 on the 2016 T20 Cricket World Cup and on a cricket match between India and the West Indies. Earlier this year, India's Supreme Court mandated that the country's Law Commission investigate the best ways to combat illegal gambling in the country. The Law Commission of India in its 2018 report said – "since it is not possible to prevent these activities completely, effectively regulating them remains the only viable option."

IV. INTERNATIONAL LAWS

A. The United States of America

Gambling is regulated by both federal and state legislation in the United States, as well as state and local regulations. Native American tribes have the power to control gambling on their territory under the Indian Gaming Regulatory Act of 1988. It is a federal law that limits the scope of such games if they are outlawed by criminal law rather than public policy or other federal laws.

The Unlawful Internet Gambling Enforcement Act of 2006 is another federal law that regulates internet gambling. The Act focused on financial transactions sought for use in the gambling sector and stipulated that no 'restricted transactions' should be used for any such use of online gambling. Another key law is the Interstate Wire Act of 1961, which outlaw's interstate betting through the use of a wire communication facility for any betting game or sporting event, but exempts it if it is lawful in both jurisdictions where the money is being transmitted.

B. Canada

The Criminal Code of Canada regulates gambling on a federal level, with Section 201-207 covering betting and gaming laws. Gambling of any form is illegal in Canada. However, there are certain exceptions to the rule. Section 204 of the aforementioned Act makes specific exceptions for betting on legitimate races or sports games, as well as pari-mutuel systems on running or trotting.

The Minister of Agriculture and Agri-Food is in charge of enforcing the laws that have been enacted. In addition, Section 207 of the same Act states that lotteries are legal if they are regulated by the government. Aside from that, each state has its own set of legislation, such as

the Ontario Lottery & Gaming Corporation Act, 1999¹³, which governs Ontario, and the Gaming Control Act, which governs New Brunswick.

C. Mexico

Gaming Regulations look after gambling in Mexico. It regulates all gambling games and is governed by the law except the National Lottery, which is ruled through its own regulation.

D. Europe

In some areas, such as trade and transportation, the European Union functions as a single entity. In the case of gambling, there is no special legislation or regulation that addresses the subject. There is only one requirement: every EU country must adhere to the provisions set forth in the Treaty on the Functioning of the European Union (TFEU).

There are safeguards in place to ensure that enterprises can operate in any European Union country. Under the Treaty, there are several essential liberties that must be respected. Aside from that, the type of games that must be controlled within a certain country is up to that country's decision.

Some countries are limited in nature and only allow poker or casinos. While others are enacting legislation to regulate internet gaming. Horse racing, betting, and online gambling are all regulated by separate legislation in France. In Germany, there has been no structural agreement on a number of issues, and there have been concerns about the gaming monopoly. Italy has permissive regulations on the subject, and although other EU countries have been stringent in their regulation of online gaming, Italy has been more lenient.

E. The UK

In terms of gaming regulation and legislation, the United Kingdom has been quite consistent. The Gambling Act of 2005¹⁴ is the main piece of legislation that governs it. Different types of games are governed by specific and very strict laws. The rules are in place to ensure that such games do not result in criminal activity in the country. The Act also creates a commission to monitor gaming activities as well as licencing requirements. Other legislation, such as the Horserace Betting & Olympic Lottery Act, 2004¹⁵, Categories of Casino Regulation, 2008¹⁶, and Gambling (Licensing & Advertising) Act, 2008¹⁷, focuses on certain sorts of games. There are a number of other regulations that provide an organised pattern to the gambling laws in the

¹³ Ontario Lottery & Gaming Corporation Act, 1999

¹⁴ The Gambling Act, 2005

¹⁵ Horserace Betting & Olympic Lottery Act, 2004

¹⁶ Categories of Casino Regulation, 2008

¹⁷ Gambling (Licensing & Advertising) Act, 2008

United Kingdom.

F. Australia

In Australia, gambling is governed by federal legislation, with each state having its own set of rules. The Interactive Gaming Act of 2001¹⁸ is the Australian federal law that regulates gambling. It establishes guidelines for licencing and online gambling in Australia. The Act emphasises lawful gaming through licencing and the exclusion of lottery services. Aside from that, each state has its own gambling regulations.

For example, Victoria has rules such as the Casino Control Act of 1991¹⁹ and the Gambling Regulation Act of 2003²⁰. New South Wales has the Betting & Racing Act of 1998²¹ and the Casino Control Act of 1992²², among other acts. Hence, in accordance with federal law at the federal level, gaming is primarily governed at the state level by rules enacted by the different states.

V. JUDICIAL PRECEDENTS

(A) Indian Case Law

a. RMD Chamarbaugwala vs Union of India²³

The issue revolved around whether Section 2(d) of Prize Competitions Act²⁴ applies to competitions that require substantial skills and are not in the nature of gambling. Question arises whether or not they can be applied to the competitions having slight characteristics of gambling as when considering section 4 and 5 and rule 11 and 12 of the act these competitions are ex concessi invalid.

The court viewed that though gambling is not listed as an unauthorised trading activity under Art 19(1)(g) and Art 301 of the Constitution of India²⁵ observed that it does come under *res extra commercium* and hence cannot be consider a legal from of trade in *M/s B.R. Enterprises vs Stata of UP & Ors*²⁶.

The court is of the view that competition's nature will determine whether it will fall under commercial contract or wagering contract.

¹⁸ Interactive Gaming Act, 2001

¹⁹ Casino Control Act of 1991

²⁰ Gambling Regulation Act, 2003

²¹ New South Wales has the Betting & Racing Act, 1998

²² Casino Control Act, 1992

²³ *RMD Chamarbaugwala vs. Union of India*, 1957 AIR 628, 1957 SCR 930

²⁴ Prize Competitions Act, 1955, § 2(d)

²⁵ Art 19(1)(g) & 301, Constitution of India, 1950

²⁶ *M/s B.R. Enterprises vs State of UP & Ors*, SLP (C) No. 10356 of 1997

Because of the definition in Section 2 (d), the challenged provisions were presumed to apply to all types of competitions, and that they were not severable in their application to competitions in which success is not significantly dependent on skill.

Finally, the Court ruled that both of the petitioners' arguments were found to be untrue. The lawsuits were thrown out because they lacked merit.

Severability doctrine played a significant role in the court's decision-making process. Sections 4 and 5 of the Act, as well as rules 11 and 12 of the Act, were in dispute as to whether they could be applied to competitions in which success did not depend on any skill. That is why it was necessary for the court to decide whether a statute that is partially invalid will be treated as invalid in its entirety, or whether the valid portion can be enforced, in light of the doctrine of severability.

b. Dr K.R. Lakshmanan vs State of Tamil Nadu, 1996 AIR 1153 1996 SCC (2) 226²⁷

In this case the question that were raised were

- What is a mere skill?
- Whether the horse-racing even if it is a game of 'mere skill' is still prohibited under section 49A of the Police Act²⁸ and section 4 of the Gaming Act²⁹?

The supreme court while giving its judgement stated that the expression "mere skill" means 'mainly and preponderantly a game of skill'. Horse racing is a game of skill because it depends on various factors like pedigree of the animal, the training given to it as well as the rider, its current form, the nature of the race, etc and not dependent on any sort of chance or accident. Therefore, betting is legal on horse racing and comes under game of mere skill under section 49A of the Police Act³⁰ and section 11 of the Gambling Act.³¹

c. State of Karnataka & Anrs. vs State of Meghalaya & Anrs.³²

The issue before Supreme Court of India was, who according to union and state list has the authority to levy and collect taxes on lotteries. The court observed the Doctrine of Pith and Substance, which is applied to determine the true character of an enactment and the entry within which it would fall, as well as the law that when a power is conferred on the Legislature to levy

²⁷ Dr K.R. Lakshmanan vs. State of Tamil Nadu, 1996 AIR 1153 1996 SCC (2) 226

²⁸ Police Act, 1861, § 49A

²⁹ Gaming Act, 1867, § 4

³⁰ Police Act, 1861, § 49A

³¹ Gaming Act, 1867, § 4

³² State of Karnataka & Anrs. vs State of Meghalaya & Anrs

a tax, the power itself must be widely construed, and the doctrine of unjust enrichment, allowed the appeal of the States of Karnataka and Kerala and upheld the upheld.

(B) International Case Law

a. Pauline Mckee vs Isle Casino Hotel³³

Pauline Mckee a 87 year old lady received a notification of winning a \$41.8 million bonus prize when she was in Iowa's Isle Casino. It took the casino a while to figure out that the machine was faulty and that the woman had only won \$ 1.85, so they denied to pay her. The 87-year-old then sued, claiming for breach of contract, estoppel, and fraud as grounds for her lawsuit.

In the end, the District Court ruled in favour of the Casino. Court said that the lady couldn't prove the basics of a contract and estoppel as the Casino never made a representation that she would win a bonus prize, and they never made the guarantee after. However, the Casino did not commit fraud because they immediately informed her of the error and provided an explanation, so there was no evidence to support either claim. Thus, the Court sided with the Casino.

b. Murphy v. National Collegiate Athletic Association³⁴

One of the provisions of PASPA³⁵, which prevents the state from authorising any type of sports gambling, is at the centre of this lawsuit, which is based on the theory that it violates the Anti-Commandeering Doctrine. It is against the law for any state to sponsor, advertise or promote a lottery that is linked to a competitive sporting event.

That's what led to accusations of federalism, according to critics. It was found unconstitutional by the District Court as well as by the Third Circuit Court of Appeals for the United States. A clause in PASPA that allows the federal government to dictate actions to state legislatures violates The Anti-Commandeering Doctrine, according to the Supreme Court of the United States, which ruled on the matter. As a result, the decision was overturned, and the provision was found to be in violation of the doctrine.

c. Harry Kakavas v. Crown Melbourne Ltd. & Ors³⁶

It's a landmark decision in Australian gambling law regarding the casino's duty of care and obligation to its customers. Crown Casino is the respondent in this case, and the appellant was a problem gambler who had lost around \$ 20.5 million. He had been a regular at the casino for a long time but had been denied entry because of the questionable grounds, but he returned after

³³ Pauline Mckee v. Isle Casino Hotel, 854 N.W.2d 518, 215 Iowa Sup. Lexis 50 (2015)

³⁴ Murphy v. National Collegiate Athletic Association, No. 16-476, 584 U.S.

³⁵ Professional Amateur Sports Protection Act, 1992

³⁶ Harry Kakavas v. Crown Melbourne Ltd. & Ors, [2013] HCA 25

proving his financial capability. Free lodging and other perks, including a private jet ride to the casino, were also provided by the casino. His casino debt had ballooned to \$20.5 million after a period of inactivity.

A claim was made by this individual that the Casino had enticed him to start gambling by offering him perks and benefits in exchange for becoming a regular patron. He went on to say that the Casino owed it to the appellant to deal with his bad behaviour.

According to the High Court of Australia, the appellant was in a position to examine his conduct and behaviour. When it came to Casino's behaviour, there was nothing particularly troubling. A casino's duty to protect its customers from themselves does not exist in the absence of a law, the Court found, because doing so would have a negative effect on the entire gaming industry. Thus, the Court ruled in favour of the Casino, and the case was dismissed.

VI. CRITICAL ANALYSIS

A. Loopholes: Online Gambling?

Gambling addiction is a growing problem in India because of the rapid advancement of technology and internet penetration, as well as the ease and affordability of smart phones, which make it easier for people to gamble online. Controlling online gambling is more difficult when there is no centralised law in place. There are some states where it is legal but most don't have complete control over it. Other states have enacted bans on online gambling, including Sikkim, which is enthusiastically implementing a legal online gambling system. The three Indian states in question are Telangana, Andhra Pradesh, and Maharashtra. There has been no mention of online gaming in India's fundamental norm for gambling, namely The Public Gambling Act³⁷, but two separate acts indirectly regulate online gambling in India, namely:

1. The Foreign Exchange Management Act, 1999³⁸

The FEMA also plays any important role in legality of online gambling in India. A type of financial transaction involving the exchange of currencies and the trading of goods and services across international borders. No gambling-related provisions can be found in the Foreign Exchange Management Act. There are two ways in which customers of online gaming sites can avoid FEMA regulations while still accessing their sites: The first option is to permit transactions in rupees. On the other hand, accepting the money does not imply that you intend to use it for commercial purposes. Geolocation techniques can now be used by online casinos

³⁷ The Public Gaming Act, 1867

³⁸ The Foreign Exchange Management Act, 1999

and betting sites to identify your location. Only transactions initiated in India will be accepted in rupees. There are advantages and disadvantages to this option. The platform and gamblers will both be burdened by it. Indian gamblers are generally advised to use mobile wallets instead of credit or debit cards for the second option at most online casinos. Foreign exchange laws for electronic wallets allow the gambling site to process payments without violating FEMA, regardless of the currency used to conduct transactions. Transactions are also made simple for customers. Banking options may be limited for Indians playing online casino games. The Foreign Exchange Management Act can be blamed.

2. The Information Technology Act, 2000³⁹

The Information Technology Act, 2000 is the most recent piece of federal Indian gambling legislation. Almost every aspect of online activity is covered by this comprehensive law. The act is silent on online gambling being against the law. The legislation does not mention gaming at all. The Indian government, on the other hand, has the power to restrict access to foreign websites if it so chooses. The government has the right to require internet service providers to limit access to specific websites, as it has done in the case of certain online poker sites. It's not clear if these sites have been taken down or if they will reappear.

The Nagaland Prohibition of Gambling Act⁴⁰, for example, takes a novel approach to online gambling and is embraced by many state legislatures. Internet gambling that relies on chance rather than skill is prohibited by this law. Online skill games such as poker and rummy require a licence to be sold. Because it pertains to the granting of licences, the bill has a lot more intrigue. Any Indian corporation is welcome to submit an application for a licence; the Nagaland Finance Commissioner is in charge of doing so. It is also interesting because a company that acquires a Nagaland permit will be allowed to lawfully promote its services in other Indian states.

Yet, the law specifies that these companies are not permitted to run in jurisdictions where skill games are outlawed. An organization's technological servers as well as its physical location must be in India in order to qualify for a Nagaland skill-based gaming licence. Because they don't fit the requirements, foreign operators who already manage online casinos or gambling portals will not be granted a Nagaland Gaming Licence.

There are still further regulations that forbid skill-based gaming licence holders from offering

³⁹ The Information Technology Act, 2000

⁴⁰ THE NAGALAND PROHIBITION OF GAMBLING AND PROMOTION AND REGULATION OF ONLINE GAMES OF SKILL ACT, 2015 (NAGALAND ACT No.3 OF 2016)

games of chance. Online casinos that just provide poker are therefore ineligible for a licence. It is advantageous for Nagaland to have state-licensed online poker companies because Nagaland can check them to make sure they are functioning honestly and upholding the rights of their clients. Nagaland's Gaming Act in India might open the door for regulated poker. Indian players can now play poker at several overseas operators without a licence. Some businesses insist on continuing to offer their casino games even though they are now allowed to operate without a licence.

Sikkim is one of India's most democratic states when it comes to gambling laws. The state has approved the use of both online and land-based casinos.

The first land-based casino in Sikkim opened its doors in 2009 after a casino licencing act was passed in 2008. From 2010, they have been accepting applications for three licences to operate online casinos. They made the choice to develop a casino industry after consulting with the state. Before 2009, Indian gamblers would fly through Sikkim to reach the casinos in Nepal. The government has legalised casinos in five-star hotels so that the money stays in the country. Sikkim's tourism industry received a huge boost with the opening of two hotel casinos on the ground. The Himalayan mountains are a big draw for tourists in the state. Sikkim residents appreciate the convenience of having two casinos to choose from, despite the fact that the majority of casino patrons are foreigners.

It was in 2010 that the state of Sikkim became the first to legalise online gambling. The online poker legislation in Sikkim is the most advanced in India.

According to the Indian government, there is no regulation of online gambling, but some states prohibit the concept of online gaming altogether. Online gambling has been made illegal in a few states.

In Telangana, this legislation was first introduced in 2017. Andhra Pradesh and Tamil Nadu will be included in 2020. An incident prompted lawmakers in Andhra Pradesh to pass legislation limiting online gaming. A young man took his own life due to the financial stress he was experiencing as a result of the gaming debts he had accumulated online. The state legislature ruled that internet poker was unsafe for a younger gaming audience after the incident since it attracted them. The next September, a law was passed making it unlawful. Remarkably, all three states have the same laws. Internet gambling is prohibited, including rummy, lottery purchases, and sports betting. In either of these states, one can face up to six months in prison and a fine of Rs. 5,000 if one is caught gambling online for the first time. Operators and repeat offenders could face up to two years in prison and Rs 10,000 fines if found guilty.

Law enforcement has a difficult time enforcing internet gaming rules. It's impossible for them to keep an eye on every machine and mobile device constantly because they lack the resources to do so. More than 132 betting websites in Andhra Pradesh have been urged to be shut down by the state's government. Chief Minister Reddy says anyone who helps online gambling companies operate in Andhra Pradesh could be held liable for violating the state's Gaming Act. Internet service providers that do not restrict access to online casinos and gambling websites are included in this category. Despite this, India's gaming legislation has one major loophole: Overseas Gambling Sites, which are gambling sites hosted outside of India's jurisdiction. India's official gaming legislation does not prohibit foreign sites from hosting and accepting Indian matches. Players should exercise caution when transacting money on sites in other countries. An electronic wallet or rupees can be used in place of a foreign currency for all purchases in India. Foreign exchange laws prevent an online casino from accepting credit card deposits made in any currency but the rupees of the country where the casino operates. These websites are accessible to everyone in India. In contrast, online gaming is now illegal in the Indian states of Telangana, Andhra Pradesh, and Tamil Nadu. In these states, a person may be charged with a crime if found guilty.

So long as all the rules of the FEMA and IT Act are adhered to, online gambling can be played in any part of India except for the states of Telangana, Andhra Pradesh and Tamil Nadu, where it is prohibited to deal in foreign currency or engage in illegal gambling. There are no restrictions on online gambling as long as it does not fall under the IT Act's definition of "online gambling."

As long as nothing is done, India's gambling and gambling-related harms are likely to grow in the coming years. Lax anti-gambling legislation, plans in some Indian states to allow casinos and more lotteries to generate 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 causes. There is also the possibility that the general public is unaware of the danger of gambling addiction.

B. Impact of legalising Gambling

Gambling has both pros and cons

Pros:

1. Tourism

In cities where casinos are built, there will be a noticeable increase in tourists, which will help to increase foreign exchange. Even if it is only permitted for tourists and not for natives,

gambling brings in a lot of money in some countries, thus tourism is crucial.

2. Economic Development

The most notable example of how legalising gambling quickly improves the economy is in Las Vegas, which is located in the United States. Due to these firms, there is an increase in income, tax revenue, and property value. Moreover, it encourages other businesses to locate nearby. A significant hub for casinos and other gaming venues is now Thailand.

3. Employment

The construction of casinos or other gaming facilities might help communities in high unemployment areas by generating jobs. In addition to producing a substantial amount of money, it also helps both skilled and unskilled people. Gambling leads to the creation of a variety of jobs, including waiters, casino executives, dealers, cleaners, security guards, and others. A dealer and occasionally sponsors are present even in online gambling.

Cons:

1. Effect on psychology

There are two perspectives for this:

- Relaxation is the USP of these games, they are pro at providing a relaxing feeling to the player that's the major reason why they exist in the 1st place. It has the potential to be highly soothing and energising people, which are some of the positive elements and goals of it. Many people who have huge business and hold a reputable occupation find casinos as well as online gaming to be quite calming, and they become regular customers.
- Despite these plus points there have been a lot of concern arising about these types of games, their soothing and energising effects are what which can lead to an addiction as after winning for the 1st time the person wants to win more and more money again, and in the event of bad luck, people are more likely to lose everything they own. People become unhappy, worried, and, in the worst-case scenario, suicidal as a result of such situations. Because of the same concerns, gambling is viewed as a poisonous culture in many countries around the world. People are prone to risking everything they have in order to earn money, and the resulting loss and powerlessness may lead them to resort to illegal activity in order to survive.

2. Crime and Cultural Effect

At the end of the day, gambling establishments may become popular hangouts for the wealthy or even thugs, and the quantity of money exchanged can be a huge source of concern for security. On the one hand, it can be managed if properly regulated, but in most cases, it will lead to more crimes, such as drug trafficking and prostitution. Furthermore, the cultural aspects of such games, as well as the tourists or various types of people that they attract, may not be compatible with all cultures. One of the reasons it is illegal in many nations is because of this. Many countries are concerned about the cultural shift that may occur as a result of the legalisation of such games.

VII. SUGGESTIONS

The danger that gambling hold within itself and the percentage with which it can effect one's life needs a serious addressal. Gambling prevention should consist of primary, secondary, and tertiary levels rather than just one.

To prevent gambling from becoming a problem and an addiction, primary prevention measures are there to target both gamblers and non-gamblers. A major part of their strategy is to use psychological and legal methods to help people. Awareness-raising campaigns about various aspects of gambling, its potential for harm and the banning and enforcing thereof (in both print and online media) of gambling advertisements as well as promotions as well as the signs and symptoms of gambling addiction are some examples of how to seek help.

Secondary prevention measures target problem gamblers and those who take risks by focusing on early diagnosis and treatment. Gambling venues (casinos and lotteries) should be trained to recognise problem gamblers, and non-specialists (primary health-care workers, mental health-care workers), as well as problem gamblers, should be trained in providing brief psychological interventions for problem gamblers, as secondary prevention measures.

A tertiary prevention strategy aims to help those who have been harmed by their own or a loved one's gambling. Interventions for problem gamblers, such as intensive psychological and psychiatric care, are some of the examples.

Public health efforts to prevent gambling-related harm must be supplemented by immediate changes to India's outdated gaming laws. India's gambling landscape has changed and this needs to be updated accordingly. At the same time, a broader discussion in India must be held about whether or not to further regulate various forms of gaming. Much more research is needed in India, as previously stated, to gather reliable and country-specific data on gambling's

prevalence, comorbidity, treatment, course, and outcomes. In order to reduce gambling-related harm, India or individual Indian states should develop a coordinated strategy and action plan. With this approach, a body for monitoring various aspects of Indian gambling research, education, and training must also be established. Finally, we call for a broader exchange of ideas on this subject among academics, policymakers, and others with a stake in the field of gambling.

VIII. CONCLUSION

Indian society needs to address the taboo subject of gambling. The Public Gambling Act, which governs gambling in India, was proposed by Britishers more than a century ago. However, in England, gambling legislation has advanced significantly, leading to the legalisation of a greater variety of gambling-related games. Because of the widespread availability of online gaming, many questions have been raised about the legality of other laws, including the FEMA and IT Acts. There is a grey area when it comes to generalising the Indian online gaming concept. New technological advancements have opened up the market and encouraged people to engage in behaviours that fall outside of Indian gaming regulations. There is still a need for the judiciary in India to conduct an investigation and check on these activities. Obtaining competent legal advice prior to engaging in any gambling activity in India is recommended to avoid any unwanted legal consequences.

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