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“TAXING THE ODDS: THE INTERPLAY OF THE SPORTS BILL, GST, AND SPORTS BETTING REGULATION IN INDIA”

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ABSTRACT

The paper titled “Taxing the Odds: The Interplay of the Sports Bill, GST, and Sports Betting Regulation in India” aims to explore the history of sports betting laws in India in relation to taxation perspective. It explores the development from history to the present day, focusing on the evolution of traditional gambling regulations under Public Gambling Act of 1867 to modern online sports betting platforms. The study also aims to analyse the current situation of the Sports Betting Regulations in India and the implications of the legal framework under the Goods and Service Tax (GST) regime. The paper assesses the challenges under the different regulatory frameworks including ambiguities related to jurisdictions and by differentiating between the game of “skill” and “luck”. It focuses on changes made by the Promotion and Regulation of Online Gaming Bill, 2025, ensuring transparency, uniformity and state control. The paper seeks to identify the gaps between taxation motive and regulatory outcomes, focusing on the issues of constitutional competence under Article 246 and Seventh Schedule of the Indian Constitution. In conclusion, this paper focuses on the legal analysis of Sports Betting Regulations which is important for maintaining efficiency, consumer protection and accountability while promoting a sustainable and legally consistent betting ecosystem in India.

KEYWORDS:

Sports Betting Regulation; Online Gaming Law; Public Gambling Act 1867; Goods and Services Tax (GST); Real-Money Gaming (RMG); Skill versus Chance; Promotion and Regulation of Online Gaming Bill 2025; Constitutional Competence; Article 246; Seventh Schedule; Federalism; Gaming Taxation; Regulatory Framework; Consumer Protection; Gambling Laws in India.

INTRODUCTION

The betting on sports in India has been in a grey zone that is controversial in terms of law, socially and economically. Millions of Indians gamble in any form or the other but laws that govern the gamble are still colonial in nature. The government has acted on this anomaly between the legislation and the reality by both trying to increase its efforts to enforce the law against unregulated sites and also trying to collect revenue to a sector that is still growing despite the legal restraint. As an illustration, the Ministry of Electronics and IT has issued 1,410 blocking orders on online gambling and betting sites between 2022 and 2025. Taxes have become heavier in terms of revenue. The finance act 2023, introduced an income tax of 30% on gambling on online resources (effective 2024-25) and their GST Council first charged a 28 percent GST on real money gaming on actionable claims, as well as the sports betting, lotteries, and online gaming which is being increased to 40.

These alterations have occurred within an environment where policy agendas are in constant flux and where law is vague. The federal government banned the actual money on-line games in its Promotion and Regulation Act, 2025 which classifies them with gambling and betting. States still operate under a maze of regulations in which certain states authorize select skill-based games and others seek to ban with more wholesome regulations that have been struck down by the court time and again. The resultant environment exposes challenging concerns to do with the power to tax, federal powers, and the overall public interest.

This essay discusses the impact of the 2025 Online Gaming Legislation, sports betting legislation development in India, the GST of betting and gaming platforms, and the current obstacle of classifying games of skill and chance. Besides, it examines the constitutional issues, including Article 246 and the Seventh Schedule, and concludes with recommendations on how to create a more balanced and comprehensive regulatory framework.

HISTORICAL AND LEGAL BACKGROUND: PUBLIC GAMBLING ACT, 1867.

The main legislation that regulates gambling in India including sports betting is still the Public Gaming Act, 1867 (PGA) that was enacted during the colonial period and remains active in some states as of today. The Act prohibits the running of gambling houses and gambling, yet most importantly, it provides one notable exemption, namely in Section 12, the provision

declares, The Act shall not apply to any game of mere skill. The skill exemption has had an impact on decades of law. The use of the PGA to focus on the common gaming houses is a prophecy of the late 19th century when it was written and it has never been revised to include the online gaming.

Over time, courts have applied what is currently referred to as the dominant factor test when interpreting the PGA in an attempt to eliminate this difference. The case, *A.P. v. K. Satya Narayana*, (1968) is a ruling of the Supreme Court that rummy is more and more so a game of skill, a game of memory and judgment and not necessarily of pure chance. Subsequently, as the court pointed out in *Dr. K.R. Lakshmanan v. The State of Tamil Nadu* (1996) of which horse racing depends on the ability of horses and jockeys is not regarded as gambling based on the wagering policy. The court drew a clear line between skill-based games, such as chess, golf or rummy, and chance-based games, such as dice or roulette. This is wise determined that in the case where skill predominate over chance, the activity is not considered as a gambling activity, although money may be involved.

Yet the approaches which states take to realize this concept are extremely different. The exception of the skill of the PGA is sometimes preserved. As an example, the state of Rajasthan specifically exempts skill games as gambling. Its courts and those in Delhi and Bombay have continuously held that fantasy sport leagues like Dream11 do not contravene gambling bans since they need higher knowledge, judgment, and attention. In the *Varun Gumber v.* case, the Punjab and Haryana High Court accepted fantasy sports as a legal skill-based competition that fell under Article 19(1)(g). UT of Chandigarh case. This ruling was supported by the Supreme Court which refused to meddle with the Bombay High Court; this ruling was also supported by *Sachar v. Union of India*.

Other states have taken the converse direction such as Andhra Pradesh, Assam and Telangana have amended the laws and reduced the skill exemption or even gone ahead and removed it completely. As an illustration, in the 2020 amendment, Telangana had entirely removed the exclusion. Based on the skill level, Tamil Nadu and Karnataka tried to ban most of the online poker and rummy but they lost their case against a court on constitutional grounds. States such as Odisha and West Bengal have always held on to the view that even skill games may be prohibited in reality. The same game can be perfectly legal in a particular state and at the same time, it is illegal in a different state because of patchwork. The complication is compounded

with central laws such as the Prices Competitions Act of 1955. Clause on prize based contest Apply on some forms of prize based contest and there is no specific clauses about gambling in the IT act 2000.

Gambling regulation has assumed a new face in recent years due to high profile reports and legislation efforts. The law commissions, 2018 report proposed that the entire gambling and sports betting should be banned, but provided that in the event that the legislature decided to sanction it, the law would require stringent licensing and protection, a private member "Sports (Online Gaming, and Prevention of Fraud) Bill, 2018" attempted to regulate online sports betting in integrity purposes, but ultimately was not passed. States already begin to amend their legislation; the legislation of Meghalaya in 2021 formed a detailed system of rules on online skill games, and the Haryana one in 2025 included some more provisions against internet batting and match manipulations. In the meantime, the judiciary has opposed absolute prohibitions. This case was struck down by the Supreme Court on a widespread ban on real-money online gaming in India Gaming Federation v. Tamil Nadu. According to State of Tamil Nadu 2021, it is cited as arbitrary and not in harmony with accepted standards.

A fundamental constitutional foundation underpins all of this. The State List, Entry 34, List 2, Seventh Schedule clearly covers betting and gaming. States have the only right to enact laws pertaining to gaming under Articles 246(3) and 162. Traditional gambling is still a state matter, although lotteries were moved to the Union List by a constitutional change. Each state is free to create and implement its own gaming laws thanks to this division of powers. The result is a patchwork of statutes and revisions, many of which have their roots in the Public Gambling Act, that together provide the intricate legal framework for any discussion of sports betting in India.

GST IMPLICATIONS AND TAXATION ISSUES FOR SPORTS

BETTING PLATFORMS

Taxation has emerged as one of the most controversial issues in the bigger debate about sports betting in India. In 2023, the government began to aggressively tax the internet gaming business at high rates. The Finance Act of 2023 imposes an income tax of 30 percent on net winnings of online games. In October 2023, the GST council introduced a single 28 percent GST on horse racing, casinos and real money internet gambling. More importantly, the GST is

not applied to the platform charge or the commission just as it is to the aggregate value, the aggregate stake, or the face of the wager. Thus, GST is computed even when a player accepts 100 even though 11 to the operator and 89 is the price, Pool, the GST is computed on 100 at 28%.

This strategy has been very controversial. Platforms argue that they are merely middlemen who provide a matchmaking service and therefore, they should only be taxed on their service fee of 18 per cent and not on the funds that are swapped between players. As a result of the dispute, some of the operators have been served with massive retrospective tax demands amounting to tens of thousands of crores. One of the rummy websites is said to have been charged with up to [?]21,000 crore in the past. The legal aspect which is of great importance now before the Supreme Court is whether gambling can be taxed as a form of gambling even upon the known skill games such as rummy. The government holds that money being staked is in essence a betting service and therefore deserves GST at full stake. Opponents argue that classifying gaming as a form of sin and charging it premium rates will merely drive buyers to illegal or offshore services at the disadvantage of the home business.

In the case of betting on sports, the new GST rulings have brought the stance out. In 2025 the GST Council increased the rate of all the mentioned actionable claims which included sports betting, gambling, horse, racing, lottery and online Money gaming to 40 percent. An FAQ of the finance ministry dated September 3, 2025, confirms that this rate of 40 per cent is applicable to all types of betting. This implies that in case any form of online sports betting like the bet in cricket was legalized, then it would automatically come under the high rate of taxation. The council also officially included gaming and betting in the list of products in the GST purposes, which aligns with very taxed vice activities. Conversely, the GST on playing cards and board games was decreased to 5 percent because the GST reduction was not random but implemented as a deliberate policy distinction between financial betting and innocent and recreational gaming.

The tax laws have in practice largely affected fantasy, sports, poker, rummy, and similar real money gaming since most sport betting in India has traditionally been illegal. But, when sports betting is made legal, then the same GST argument can be easily applied. Because of the post facto review and a sudden rise of the tax rate 28 per cent to 40 per cent within only two years, the uncertainty is enormous. The operators desire that this high level of tax, renders the business

model unviable, despite the input tax credit. Any sports betting platform that has been or is likely to be so in case the sector legalized must now contend with one of the worst tax regimes in the globe, with 30 percent income tax on winnings and 40 percent GST on turnover. This is an unusual and very controversial dual layered taxation system. Finally, the struggle of taxing cannot be disengaged with the wider regulatory environment, the future Court, rolling, legislative reforms will dictate whether betting will be a legally accepted taxable industry or a activity shoved to the periphery.

PROMOTION AND REGULATION OF ONLINE GAMING BILL, 2025

The Promotion and Regulation of Online Gaming Act, 2025 commonly referred to as the Online Gaming Bill, was passed by Parliament in August 2025. The title of the act is very long as it is positioned as a law which is aimed at advancing e-sports and social gaming and forbidding online money gaming and safeguarding the vulnerable users. But the essentials as they were embodied in government summaries are ruthless to the last drop of real money. Online games are banned. Any game on the internet which involves payment of charge or deposit by a user with hopes of the possibility of making money back is considered as Online Money Gaming under the Act. This broad definition also encompasses the games which the judges consider to be skill-dominant and the gambling and chance-based games. The limitation covers all products that provide financial prizes, such as sport, internet rummy, poker and fantasy.

Effectively, the act creates a clear division between the actual money games and social or a game of skill. Chess, carrom, casual mobile games and licensed e-sports tournaments remain non-monetized. The official goal of the government is to facilitate the creative economy of India and enhance secure gaming conditions. It has officially accepted e-sports as a sport, created an online gaming government to control e-sports and social games and permits prize money in officially recognized e-sports tournaments. In-game credits can also be used by the players in the approved skill or social games. Any site that provides financial competition or gambling would be criminal.

The enforcement base is intuitively strict. The act gives the jurisdiction to prevent financial transactions that involve illegal games. Banks and payment middlemen must freeze the accounts of violators. The penalties are harsh: the sentences on running or selling an online

game may be up to three years in prison and 1 crore or up to five years in prison and 2 crore, The prison term of two years and a fine of 50 lakhs is the punishment of even popularizing an outlawed game. Bail rights are limited and warrantless arrests are allowed in cognizable and non-bailable crimes. Unless they demonstrate the exercised due diligence, the company officials and business owners may be held personally liable. The investigation will continue according to the BNSS that will give the authorities power to search and to arrest.

The act has created both supporters and severe criticism. The government insists that the ban is needed so as to safeguard minor, preventing, and curbing fraud, money laundering, and illegal betting networks. Its supplements, the Public Gambling Act and State statutes, bring to one national law the broad variety of money gaming activities.

The industry bodies on the other hand believe that the law is too broad. They desire that the prohibition of all real money games, even of known skill-based formats, would destroy a legitimate, fast expanding 2 lakh crore industry and drive millions of players to offshore casinos which are not regulated. Critics observe that the act is tantamount to erasing decades of jurisprudence on the differentiation between games of scale and games of chance. There is no middle ground in the act as commentators note and the act is a deliberate choice by the legislators to close down all forms of real money simultaneously. Although it encourages e-sports and non-monetized social games, the entire activity is criminalized in fantasy sports, online rummy, online poker, casinos, and even low stay card games provided monetary compensation is exchanged.

The Parliament passed the National Sports Governance Act, 2025, a reform of Sports Federations and athlete welfare at approximately the same time. Although the two laws have nothing in common with the gaming, they are being adopted simultaneously, and their application indicates a wider shift India is now asserting a significantly greater regulatory control on gambling as well as sports administration. On the whole, the 2025 Online Gaming Act can be discussed as the most significant modification of the gaming landscape in India ever. It establishes a consistent national structure, which prohibits any form of online gambling to make money, overriding state law as far as discord is concerned. The default has become criminal liability of operators, promoters and intermediaries. The only lawful e-sports competitions and games are only those officially sanctioned as well as those based purely on skill or social games with no prize money. The act marks a theatrical shift in the previous State

regulation that was very disjointed and broken as it introduced a blanket national ban and has significantly changed the legal landscape of gaming in India.

GAME OF SKILL VERSUS GAME OF CHANCE:

One of the Indian gambling laws that have been a persistent challenge is which game qualifies as a game of skill or a game of chance. This has been reflected in the legality, exemptions of the public gambling act, PGA and the current tax treatment of gaming platforms. Under the provisions of PGA it has excluded gambling ban on game of mere skill. The Supreme Court has enhanced this by stating two step inquiry; first, it should evaluate whether skill or chance is the major factor in defining the success and second, it must examine whether the game involves a high level of skill. When the outcome of the game largely relies on knowledge, judgement, strategy or physical dexterity, the game is said to be skill dominant and is not subject to laws of gambling. On the other hand, where the results are fundamentally random or are dependent on luck, then it is a game of Chance. Courts tend to use this analogically, such that rummy is said to be like bridge in skill and a dice toss is said to be like pure chance.

The courts, activities that are considered to be skill based have a broad spectrum. In addition to rummy and horse racing, bridge, some video games, fantasy, sports, and even competitive chess with stakes have been all acknowledged to have a significant element of skill. The presence of luck, as indicated by the of cards, has repeatedly been pointed out by the judges as not weakening the primacy of strategy and memory, assuming that these are the factors in eventually becoming success. Conversely, games, three card rummy, roulette, and improvise betting games like Pachisi have continuously been termed as being based on chance.

The centre of this controversy is fantasy sports. There are a number of High Courts that have considered fantasy sports contest as skill games. In 2020, the Rajasthan High Court upheld the ruling of the Punjab and Haryana High Court in Varun Gumber case and held that Dream11 needs better knowledge, judgement, attention, and substantial skills. Likewise, Punjab and Haryana High court and Bombay High court have arrived at similar findings. The legal situation is however not perfect: Maharashtra has outlawed all the online and real money games including fantasy and sports, and the case continues to be in court. The Dream11 cases are awaiting a final decision although the Supreme Court has not given it. Consequently, the fantasy sports are caught in a grey area, which is accepted as a skill-based game in certain jurisdiction, but hardly safe in others.

The GST system has also made this distinction difficult. Post 2023 amendment Effectively eliminates any difference in taxation of skill games and gambling. All gaming transactions are subject to tax of 28 or 40 percent according to the rules governing CST rule 31A, regardless of the skill level. The result of this is a conflict: games traditionally not subject to PGA such as rummy or fantasy leagues are subjected to taxation as gambling. The industry claims that skilled contest cannot be compared with betting whilst the tax authorities assert that when the users place the bets, the act is like betting in nature. It is not clear whether or not the quotes support this interpretation.

As a matter of fact, the skill versus chance model of India is still very fact specific and generates uneven results. Since the meaning of these terms is not defined by any statute, exhaustively, courts determine each game on its own facts. A skill game like chess or carrom is not illegal, but it can be legalized the second there is the introduction of money. Even proficient activities have been regarded as gambling when played on a bet by many courses. The 2025 Online gaming act simply avoids this doctrinal complication by simply prohibiting all games played with real money. Sport games, which can be characterized as skill games, are allowed, provided there are no bets or financial hopes. The social or recreational format remains permissible, however, the time when users invest money or have winnings, the activity of a forbidden money game is considered illegal by the law.

This is a drastic change of decades of President. As commentators note, the act destroys a body of jurisprudence that had been able to distinguish between skill-based games and gambling. In the future, the scale versus chance distinction will be relevant to only a few types of games that will be legal, such as regulated E-sports with entry fees or free, social games, and his historical problems, including taxing the historical income. Any on-line competition, or anticipation of competition, with deposits or prizes is deemed gambling under the new regime, radically negating the long-established defence of skill at the off-line or, in a state-licenced situation, the horse-racing-track.

CONSTITUTIONAL COMPETENCE: ARTICLE 246 AND THE SEVENTH SCHEDULE:

One of the main constitutional questions in the Indian gaming system is which government level should be able to regulate the betting and gaming issue through legislation. According to the Constitution, the betting and gambling are distinctly placed in the State List, which is given

an exclusive power to an act, gambling loss, and state police enforce them, belonging to the Entry 34 of the State List. This has been reiterated by both the Supreme Court and the Union executive and even Parliament itself has accepted that betting and gambling are squarely under the jurisdiction of the state. Conventionally, thus, states have chosen whether to prohibit, regulate or license gambling in their territories.

Contrarily, the Union List, Entry 60, which is sports, entertainment, and amusements. This allows the Centre to control the sports governance, national sports bodies and other related policy areas. Nevertheless, sporting and gambling are different in their ideas and legislation. An explicit Government clarification of 2025 divides the two: the sports administration is in the union, and gambling remains in the state. The Centre has longstanding deferred to state primacy in gambling regulation, in situations where it has taken an advisory model rules or IT based enforcement tools, even though there can be overlaps, especially where betting arises out of the sports events. The 2025 online gaming act disrupts this balance by providing a nationwide ban on betting, it seems to interfere in an area that is the prerogative of the states. Article 254(1) provides that a Parliament is only allowed to overrule state laws in areas included in the Concurrent List and not in those specifically given the role of a state. Opponents hence claim that the act can be unconstitutional due to its encroachment on the legislative power of states. The Centre can justify its power through ancillary or residuary powers to protect its authority by claiming that the effects of online betting, the digital economy, cross-border funds, cyber security, and national financial integrity, and the domains associated with the powers of parliaments in Article 248, Entry 97, and items connected with criminal law. The other argument is made with regard to Article 19(1)(g) that safeguards the right of trade. The Supreme Court has continuously believed that gambling is not a constitutionally, secure trade, i.e. the State or the Centre, as long as it is competent can forbid it without infringing business rights. In the meantime, in GST, the Centre has the clear power to impose tax on betting once it is characterized as a taxable supply, in irrespective of who is in charge of it. Generally, although Article 246 and the seventh schedule betting are squarely within the camp of state, the centres, recent developments reveal that there is a belief that online gaming should impact national issues and can consequently be controlled by the parliament.

CHALLENGES AND AMBIGUITIES IN CURRENT FRAMEWORK

The sports betting and online gambling regulatory structure of India is highly disjointed and conflicting at times. A vast difference in state-level legislation is one of the largest causes of

this misunderstanding. Though there are the states, which accept regulation and licensing, there are the strict prohibitionist states. This quilt allows an online platform to legally operate in one state and be criminalized in another, making any compliance on a nationwide level unbelievably challenging. The second problem is the emergence of offshore and unlicensed betting sites. Although it is an illegal act, foreign betting sites have attracted millions of Indian visitors. Their use of bands is hard to implement since the court had to instruct the telecom and payment companies to block their access and now the tax authorities consider such companies to be the facilitators of illegal betting. Such a restrictive regulation at the domestic level only drives the users to other offshore sites, thus losing control, tax, revenue, and exposing themselves to high levels of consumer risk.

The second significant issue is that there are no clear statutory definitions. The legislation is quite categorical with sports betting, internet games and the money games being completely undefined. Online Gaming Act, which included fantasy sports, and match outcome, betting under one and the same category of money games, whereas historically courts have approached them differently. Since the law does not give any uniform definitions, it is on case laws that regulators and courts depend but this is also inconsistent. Another level of complexity is created through regulation and taxation. GST amendment Street, any gaming (skill or chance-based), the same, and taxed at 28% or 40%.

The traditional scale exemption is still known by the state police forces and older state gambling lost. This implies that a game can be totally legal in the Public Gambling Act, but taxed as a gambling service. This is further complicated by taxation wrangles. Although the decision of the GST Council on September 2025 permits input tax credit on 40 percent tax on betting, the industry claims that the retrospective taxation requirement is pegged on the past incomes on which the tax at 18 percent has been levied is discriminatory. The government have insisted that these rules only bring a more understanding to the current law. The future court cases will define the ability of the historical revenues to be recalculated with the stricter regime. India has conflicting policy objectives at the policy level that need to reduce addiction and crime and also to capture tax revenue in an already booming digital industry. The Online Gaming Act is focused on social protection, prohibiting real-money games, whereas the GST framework is aimed at revenue maximization. The observers in the industry report that the retrospective taxes came in at a time when the forward-looking bans had been imposed, and that it has struck a blow on the sector threatening to eliminate the compliant players and

dominate the illegal markets. To sum up, India sports betting regime is simply a fragmented legislation, patchy regulations and judicial ambiguity with conflicting state laws, varied court judgements and cross central action.

RECOMMENDATIONS AND REFORMS:

The sports betting regulation and taxation structure in India requires a total overhaul. The upcoming recommendations will strike a balance between competing interests of law, enforcement, economic policy, consumer protection, sports integrity:

Coordinate laws in cooperative federalism.

As the area of betting and gambling is right at the range of state list, any measure to centrally regulate online betting ought to commence with the sincere consultation of state governments. According to the Law Commission Report, 2018, in the event of legalization of betting, it would be preferable to have a single national law. Even intermittent state prohibitions and acknowledge skill games should be justified, and sports ought to employ a particular ordinance that is capable of providing an effective template.

Statutorily define significant terms.

To do away with confusion, the law ought to categorically specify what is a game of skill and a game of chance. On the same note, the definitions of such terms as online game, money, game and sports betting are to be presented with specificity instead of using general working phrases. The licensing of an exchange is proposed as one of the ways in which regulated sports betting can be defined as a betting on the results of ongoing sport events. Unambiguity is necessary in order to have uniform judicial interpretation and enforcement of the regulations.

Embrace a licensing and regulatory model.

Rather than banning, India may introduce a controlled licensed sports betting industry, licensed bookmakers would be required to comply with strict compliance policies such as age verification, KYC policies, AML policies, audit trails and player protection policies. Licensing, algorithm, transparency, redressing grievances, registering operators, may be done worldwide by a committed online gaming authority.

Streamline, rationalise and modernize the tax regime.

The states interest on the taxation of gaming is genuine yet the existing tax regime is

economically distracting. Differentiated rates or ITC on skill game would be capable of identifying the reduced social risk. They are opposed to pure chance games. Instead, the GST base may change to turnover, operator revenue, which is only imposing 40% tax on platform commission as opposed to wasting India to global standards.

Enhance consumer and social interests protection.

Safety and integrity must be placed high on the list of reforms: strong, age checks, self-lock out features, spending limits, advertisement, limitations, and transparent risk warnings. Addiction, counselling and sports integrity programmes might be financed by fund collected as a result of licensing or taxation. The skill games even in the jurisdictions that allow the games should be monitored by the authority that checks against the money, laundering, fraud, and match fixing.

Employ technology to promote monitoring.

Regulators are advised to invest in tools that would allow them to monitor real time, betting pattern. Registries centralized blockchain based reporting, automated suspicious betting alerts, etc. may go a long way to making the game more transparent. The Banking Regulation Act and FEMA may be improved to enable more coordination and reduce offshore betting through the crunching of illegal financial flows.

Such reforms require, political will and clear legal. They need to abide by the constitutional distribution of powers in India and mirror the present-day digital realities. Conversely, the most viable option is probably a collaborative federal framework that would leave the legacy gambling to the control of the states, and would provide a unified national policy on the issue of internet gaming and taxation.

Conclusion

The sports betting is at a juncture in India. The aged system of the Public Gambling Act and decades of case law has been shaken down with the recent fiscal and legislative interventions, especially the distinction between games of skill and games of chance, the traditional division of gambling regulation to the states. The economic barriers of entry have been increased by heavy GST and income tax policy, and the online gaming act has in essence criminalized any sort of online betting in the nation. Collectively, all these signs are indicative of a fundamental change in policy according to which sports betting is no longer regarded as a possible regulated sector, but as a social evil that needs to be suppressed.

This trajectory has brought a lot of confusion and debate. The mixture of blanket bans and punitive taxing shows an orientation that is more along the lines of deterring rather than creating a constructive model of regulation. Simultaneously, the centres establishment of an area traditionally belonging to the states creates constitutional conflict. In the absence of logical coordination between Union and State governments, the current conglomeration of the policies, creating unintended effects, the loss of legitimate sources of revenues, the increase in offshore and black-market betting and continued legal debates about legislative capabilities.

The economic value of market is billions of dollars and integrity of big sporting events, and therefore, course of piece meal policy making is not sustainable. Although the government is worried about fraud, protection of the youth and addictions are valid, and such can be achieved by way of a professional regulation rather than by complete prohibition. The Adorable solution should consider both fiscal actions and constitutional limits with the necessary care, and has to balance the old-fashioned skill-based exemptions with the Internet and algorithmic gameplay. Finally, taxation of odds is much more than simply setting up the GST rates or making prohibitions. It involves the establishment of a logical legal and regulatory system which must acknowledge the cultural tenacity of betting, and be able to balance and moral decisions with economic facts, and be mindful of the federal framework of India. Unless such a structure develops, the relationship between the new sports/gaming regulations and the GST regime will be an opaque and changing experiment, which will continue to be moulded by the courts, legislators, and the society alike, in the future.

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