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“REGULATING REAL-MONEY GAMING: A CRITICAL STUDY OF CONSUMER PROTECTION AND LEGAL SAFEGUARDS”

AUTHORED BY - MANISHA GARG¹ & DR MEHAK RANI²

INTRODUCTION

The advent of real-money gaming in India marks one of the most significant changes in the country's digital economy. The rise of cheap smartphones, internet access, and the incorporation of fintech solutions has paved the way for a surge in platforms providing monetary rewards to gamers via online games, both in urban and rural areas. The applications include games based on skill (rummy, poker and fantasy sports) as well as games based on luck (which are more like gambling). The merge of entertainment and financial transactions has generated a brand-new ecosystem that's connecting leisure and business. However, the rapid growth has also raised pertinent consumer protection, fraud, addiction and unfair trade practice issues. The legal framework in India, which has traditionally been cautious in its attitude towards gambling, is now being challenged by a digital economy that is not limited by geographical boundaries and frequently defies traditional legal jurisdiction.

The history and jurisprudence of the Supreme Court.

The distinction between games of skill and games of chance was at the heart of Indian jurisprudence and the Public Gambling Act, 1867, which prohibits the operation of gambling houses, does not cover games of skill.³ The Supreme Court, in *State of Bombay v. R.M.D. Chamarbaugwala*, articulated this doctrine and has thus provided a constitutional argument for the legality of games of skill, such as rummy and fantasy sports, despite the fact that these games are not based on chance.⁴ But it's a binary that's complicated by the digitalization of games. Whether a game is skill based or just luck can be difficult to determine because of the algorithms, random number generators and opaque platform practices used.

Gaming companies have cited the aforementioned cases to defend their operations,

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³ Public Gambling Act, No. 3 of 1867, § 3.

⁴ *State of Bombay v. R.M.D. Chamarbaugwala*, AIR 1957 SC 699.

arguing that fantasy sports are a game of skill and not a game of chance. However, there has been recognition in courts of the need for protection against consumer exploitation through regulation.

Consumer Protection Framework

A potential framework to handle the grievance process in the gaming sector is laid out in the Consumer Protection Act, 2019 (CPA 2019). The e-commerce regulations under the CPA are still limited in their application to gaming platforms, as there is not much judicial development or clarity on the application of the provisions to gaming platforms.⁵

The scams in real money games are not uncommon. Users frequently report rigged algorithms, unexpected account bans, unexpected charges, and tampering with results. However, enforcement is inadequate and this is partly because of the lack of jurisdiction as well as the relative newness of the industry since platforms are subject to Section 415–420 of the Indian Penal Code (IPC) for cheating and fraud.⁶

Addiction and Responsible Gaming (10 hours)

Another important issue is addiction. Online gaming has become a truly immersive experience, and the promise of monetary rewards has resulted in excessive gaming, financial losses and even fatalities.⁷ The Supreme Court has recognized the threat of gaming addiction in a variety of situations but has not yet issued a blanket ban. A balance between freedom of the individual and the common good is frequently at stake. In contrast, India does not have a comprehensive national policy on responsible gaming, which means that consumers are susceptible to exploitation.⁸

Unfair Trade Practices in Advertising

Gambling advertising also poses risks through unfair practices, which further compound the risks to consumers. Celebrities are often used to promote the platform, and it may make false promises of winnings, as well as aggressively marketing itself to young audiences. Platforms often employ celebrity endorsements and false promises of winnings and have an aggressive marketing strategy towards youth. The Advertising Standards Council of

⁵ Consumer Protection Act, No. 35 of 2019, § 2(47)

⁶ Indian Penal Code, No. 45 of 1860, §§ 415–420.

⁷ Telangana Gaming (Amendment) Act, 2017.

⁸ UK Gambling Commission, Licensing Conditions and Codes of Practice (2020).

India (ASCI) has set the guidelines for the regulation of gaming advertisements with warnings and disclaimers about the financial risk involved; however, there is not always compliance and enforcement is weak. While the CPA 2019 gives CCPA power to act against misleading ads, it hasn't been as effective in the gaming space.⁹

Federalism and Regulatory Challenges.

India's federal government makes the regulatory environment intricate. Gambling and betting are in the State List of the Seventh Schedule of the Constitution, leaving the power to pass laws with respect to them to the states, which has led to a lack of uniformity in the laws.¹⁰ For instance, the state of Nagaland has enacted a licensing policy for online games of skill, while the state of Sikkim has banned online games. Tamil Nadu and Telangana have gone to the extent of criminalizing online gaming. The absence of uniformity causes uncertainty for consumers and businesses as well. Furthermore, the trans-border character of online platforms makes it difficult to regulate at State level.¹¹

Constitutional Dimensions

The constitutional aspect of real money game is also important. This right to carry on any profession or trade, with reasonable restrictions in the interest of public order, morality and health, legitimates a state's power to control gaming.¹² Meanwhile, over-restriction can have a negative impact on economic freedoms and suppress innovation. The challenge is to balance the consumer protection with entrepreneurial freedom.

Examines policy issues and industry perspectives.

This is a theme of recent policy debates. While the MeitY is proposing draft rules for online gaming, including measures to regulate intermediaries, ensure transparency, and prevent harm to users, industry bodies like the All-India Gaming Federation (AIGF) have called for the adoption of self-regulation, saying that too much interference by the State will affect the growth of the industry.¹³ Civil society organizations, however, want to see higher standards in protecting consumers from addiction and fraud. The discourse is indicative of the larger issues of digital Governance, consumer rights, and the law in the era of new technologies in India.

⁹ Advertising Standards Council of India, Guidelines for Online Gaming Advertisements (2022).

¹⁰ INDIA CONST. Seventh Schedule, List II, Entry 34.

¹¹ Nagaland Prohibition of Gambling and Promotion and Regulation of Online Games of Skill Act, 2016; Sikkim Online Gaming (Regulation) Act, 2008.

¹² INDIA CONST. art. 19(1)(g).

¹³ Ministry of Electronics and Information Technology, Draft Online Gaming Rules, 2023.

Economic Significance

It's undeniable that real-money gaming is a significant part of the economy. The industry helps to create jobs, pay taxes and promotes technological innovation. While the potential of India's online gaming industry to become a billion-dollar business within the decade is reported, unchecked growth without proper measures could jeopardize customers' trust and the well-being of the public. The law needs to be developed to meet the challenges and should be informed by both local and international best practice.¹⁴

EVOLUTION OF GAMING REGULATION AND CONSUMER PROTECTION FRAMEWORK IN INDIA

The law of gaming and gambling in India has undergone a complex evolution from colonial laws to constitutionally entrenched federalism, judicial interpretations and consumer protection issues. The evolution of the gambling laws, starting with the Public Gambling Act of 1867, has an impact on current discussions about online real-money gambling. Meanwhile, the digital platforms have compelled application of consumer protection laws, including the Consumer Protection Act, 2019 (CPA 2019), Information Technology Act, 2000 (IT Act) and the recent central legislation, Promotion and Regulation of Online Gaming Act, 2025. These are both frameworks that show India's efforts to reconcile innovation, economic development and consumer welfare.¹⁵

The first century of the colony's history and its early development. The development of the colony and its early period.

The British colonial government passed the Public Gambling Act, 1867 (PGA), which banned common games houses and deemed any game of chance to be a crime, but did not define either “gambling” or “gaming” and exempted games of skill. The distinction between a game of skill and a game of chance was a central theme of the Indian gaming law.

The Constitution of India after Independence had “betting and gambling” as a state subject under Entry 34 of Seventh Schedule, which led to a disunified framework of regulation with different approaches in different parts of India.¹⁶ Several States (e.g., Sikkim, Nagaland) implemented licensing schemes for online games with skills, and others (e.g., Tamil Nadu,

¹⁴ KPMG, Online Gaming in India: The Next Frontier (2021).

¹⁵ Public Gambling Act, No. 3 of 1867, § 3.

¹⁶ INDIA CONST. Seventh Schedule, List II, Entry 34.

Telangana) banned them altogether.¹⁷

An analysis of the development of the skill vs the chance doctrine in the judiciary domain. Judicial Development of the skill vs chance doctrine.

Indian courts have been a key element in the interpretation of the scope of gambling laws. In Varun Gumber v. Union Territory of Chandigarh, the Punjab and Haryana High Court has recently confirmed that Fantasy Sports are indeed a game of skill and thus protected by the Constitution, validating the platforms such as Dream11.¹⁸

These decisions created the “predominance of skill” test whereby games of skill, where skill supersedes chance, are legal commercial activities. But with the digitisation of games this is no longer the case. While the algorithm-driven format and loot boxes introduce new challenges for interpretation, the hybrid games present a skill-based and random mix.

State Level Regulation and Fragmentation

The disjointed approach to regulation at the state level has resulted in consumer and operator uncertainty. For instance:

In 2008, the Government of Sikkim enacted the Sikkim Online Gaming (Regulation) Act, 2008 which permitted the licensing of online games, however, only intra-state players were permitted to participate in online gaming.

The Nagaland Prohibition of Gambling and Promotion and Regulation of Online Games of Skill Act, 2016 has brought a licensing framework for skill games like rummy and poker. The Nagaland Prohibition of Gambling and Promotion and Regulation of Online Games of Skill Act, 2016 has established a licensing framework for skill games like rummy and poker. The Telangana Government passed the Telangana Gaming (Amendment) Act, 2017, which prohibited online gaming for money under the provisions of the act, for reasons of addiction and social harm. Tamil Nadu Gaming Ban Ordinance, 2021, which was then struck down by the Madras High Court, was an attempt to ban all online games, including the skill-based ones.

The patchwork of legislation has led to consumers being treated in different ways with the same game being legal in some states, but not others. The non-uniformity has also made it difficult to enforce the regulations against offshore platforms.

The act of promoting and regulating online gaming is known as Central Intervention:

¹⁷ Nagaland Prohibition of Gambling and Promotion and Regulation of Online Games of Skill Act, 2016; Sikkim Online Gaming (Regulation) Act, 2008; Telangana Gaming (Amendment) Act, 2017; Tamil Nadu Gaming Ordinance, 2021.

¹⁸ LiveLaw, Skill vs Chance in Online Gaming (2025).

Promotion and Regulation of Online Gaming Act, 2025.

However, Parliament, realising that the States are unable to effectively regulate the online game, enacted the Promotion and Regulation of Online Gaming Act, 2025, which bans online money games, but promotes e-sports, educational games and social games. The Act represents a change from the piecemeal approach in each state to a unified approach through a National Online Gaming Commission (NOGC) to license and oversee platforms, introduces statutory classification of games and imposes consumer protection measures like age verification, caps on deposits and grievance redressal systems. Challenges to the Act's constitutionality with respect to federal competence are possible.

Proposal of Online Gambling Act, 2019, considering Consumer Protection Act, 2019.

The Consumer Protection Act, 2019 (CPA 2019) added to the definition of “consumer” and brought in new laws and regulations to combat unfair trade practices, misleading advertisements and defective services. This section contains the definition of “unfair trade practice” which includes false representations and misleading claims, and, importantly, this is a definition that is pertinent to gaming advertisements which guarantee easy wins or hide risks. In addition, the CPA allows the Central Consumer Protection Authority (CCPA) to act against deceptive advertising and penalties are included.

The Consumer Protection (E-Commerce) Rules, 2020 also put onus on the online gaming platforms in terms of transparency of the services, disclosure of the sellers, and mechanisms for redressal of grievances, etc. which apply to them, but have not yet been enforced.

The Intermediary Liability under Information Technology Act, 2000.

The Information Technology Act, 2000 (IT Act) is one of the sets of legislations that govern online activities. These provisions are applicable when gaming platforms process financial transactions and consumer data; they are relevant to the concept of intermediary liability including the due diligence of a platform. The IT Rules, 2023 introduced self-regulatory bodies for online gaming, which mandates online gaming platforms to register games that are allowed and put in place safeguards like KYC, addiction warnings, and age restrictions.

Advertising and Unfair Practices.

The advertisements in a gaming website tend to use false claims and celebrity

endorsements. The Advertising Standards Council of India (ASCI) has guidelines for financial risk disclosures and warnings in advertisements that were issued in 2022. The CPA 2019 enables the CCPA to take action on advertising that is misleading but interventions in the gaming area have been few.

Public Health and Addiction concerns that are addressed.

There is no strong national policy in India for responsible gaming, which means that consumers are at risk. Comparative jurisdictions like the UK Gambling Commission have adopted responsible gaming policies such as age restrictions and spending limits.

FRAUD IN ONLINE GAMING AND ADDICTION CONCERNS IN INDIA

While the rise of online games in India has ushered in a thriving digital gambling industry, it has also introduced new challenges and risks of fraud, manipulation, and addiction to consumers. What platforms have to offer is fun and money, however, they are murky and where cheating happens and susceptible individuals are targeted for compulsive playing. Historically, the Indian legal system has been hesitant towards gambling and now has to solve the issue of cyber gaming frauds and address the harmful effects of gambling addiction in real money games.

Online gambling fraud: Legal aspects.

The tactics employed by fraudsters in online gambling can be varied and include rigging the games, scams to extract money from players, identity theft, and collusion.¹⁹ Cybercriminals are able to take advantage of the anonymity of online platforms and create fake apps and games that look like those offered by legitimate operators. Offshore platforms frequently have algorithms that can generate deceitful results, such as displaying fake wins and preventing withdrawals.

There are some safeguards under the Information Technology Act, 2000. The provisions of the Sections 66C, 66D and 43 give sentences for identity theft, cheating by personation through use of computer resources, and unauthorised access and data theft respectively.²⁰ Section 72 prescribes sentence for breach of confidentiality and privacy. However, the IT Act does not make a clear distinction between legal online gaming and illegal

¹⁹ bhishek Gandhi, *Cyber Frauds in Online Gaming and Betting Platforms: Legal Loopholes and Regulatory Gaps in India* (Aug. 4, 2025).

²⁰ Information Technology Act, No. 21 of 2000, §§ 43, 66C, 66D, 72.

betting, which makes it hard for enforcement agencies to distinguish.

Deception with an intention to deceive is a definition, which has been consistently upheld by the courts and, in the context of gaming, fits with rigged algorithms and false inducements. But digital proof of fraudulent intent is still challenging, particularly when servers are located overseas.²¹

The Consumer Protection Act, 2019 (CPA 2019) is a legislation that augments the Criminal law and clarifies on Unfair trade practices. The term unfair trade practice, as defined in Section 2(47) of the Act, is likely to include false representations and misleading advertisements, and gaming platforms which offer guaranteed payouts or fail to disclose withdrawal terms could be in breach of this provision. While the Central Consumer Protection Authority (CCPA) can penalize misleading advertisements, action in the gaming sector is restricted. Intervention in the gaming sector is limited with the Central Consumer Protection Authority (CCPA) having the power to penalize misleading advertisements.²²

Financial regulation is another area where fraud comes in. However, there is a lack of enforcement as the Foreign Exchange Management Act (FEMA) and RBI guidelines are not monitored well across the border wallets and virtual currencies.²³

Case Law on Fraud and Gaming

Indian courts have dealt with the issue of fraud in the context of gaming on a few occasions. In recent years, the Supreme Court has made a clear distinction between games of skill and games of chance, with clear indications of how the platforms can be manipulated in the case of monetary wagers.²⁴ The Punjab and Haryana High Court in *Varun Gumber v. Union Territory of Chandigarh* expanded on this theme, ruling that fantasy sports are not games of chance, though the platforms could still be manipulated.²⁵ Justice has so far failed to prescribe detailed mechanisms to ensure that games of skill are not manipulated, even though the courts have become aware of the risks of manipulation.

Addiction and Responsible Gaming

In addition to fraud, there has been a growing problem of addiction to real-money

²¹ Observer Research Foundation, Building a Regulatory Framework for Online Gaming in India (Mar. 27, 2026).

²² Consumer Protection Act, No. 35 of 2019

²³ Foreign Exchange Management Act, No. 42 of 1999.

²⁴ Law Communicants, Online Gaming Addiction, Suicides, and Public Health: Supreme Court Ruling (June 4, 2026).

²⁵ *Varun Gumber v. Union Territory of Chandigarh*, 2017 SCC OnLine P&H 5372.

games which has become a public health concern. Compulsive gaming, financial problems, and even suicide have been reported with the added immersive experience of online platforms combined with monetary reward.²⁶ The World Health Organization has actually named “gaming disorder” as a health condition, which is characterized by a loss of control over gaming, neglect of activities and persistence despite negative consequences.²⁷

This has led some of the states in India to ban online money games. The Supreme Court explicitly stated that there is no fundamental right to bet and gamble, explaining that betting and gambling is *res extra commercium* (outside trade).²⁸ It also noted that the difference between skill and chance becomes irrelevant for regulation once monetary stakes are added to the game.

The Promotion and Regulation of Online Gaming Act, 2025 is a key piece of legislation that bans online money games and promotes educational and e-sports gaming. A policy shift towards responsible gaming was embodied in the Act, which incorporates age verification, deposit limits and addiction warnings. Parliamentary debate highlighted the importance of ensuring that families are not faced with financial ruin as a result of playing online games.²⁹

Comparative Perspectives

Responsible gaming policies have been introduced in other countries, including the UK and South Korea. These measures are a compromise between innovation and consumer welfare, as required by the UK Gambling Commission.³⁰ South Korea has regulations on gaming hours for minors. The 2025 Act of India is inspired by such models, but has implementation issues in the various states and offshore platforms.

Socio-Legal Implications

The effect of fraud and addiction in gaming is huge and socio legal. The judiciary has acknowledged these harms, giving priority to the public good over freedom of entrepreneurship. These harms are leading to increased anxiety, depression and isolation for those addicted to games, while law enforcement is having trouble with cross-border investigations of shell accounts and cryptocurrency transfers.

²⁶ Law Communicants, Online Gaming Addiction, Suicides, and Public Health: Supreme Court Ruling (June 4, 2026).

²⁷ World Health Organization, International Classification of Diseases (2019).

²⁸ Promotion and Regulation of Online Gaming Act, 2025.

²⁹ Promotion and Regulation of Online Gaming Act, 2025.

³⁰ UK Gambling Commission, Licensing Conditions and Codes of Practice (2020).

CASE LAW ON ONLINE GAMING IN INDIA

Indian online gaming laws have undergone a series of landmark judiciary rulings and decisions. The interpretation of games of skill versus games of chance has been a topic in courts, the constitutionality of state prohibition on gaming, and the taxation of gaming platforms. The two cases together show the conflict between consumer protection and entrepreneurial freedom, and public morality.

The more skilled you get, the more you realize you can achieve with chance.

The Supreme Court gave its first ruling on the matter of whether a game is truly a game of chance or not in *State of Bombay v. R.M.D. Chamarbaugwala*.³¹ In this case, the Supreme Court determined that the game was not a game of chance, and therefore, falls under the constitutional protection guaranteed by Article 19(1)(g). This set the “predominance of skill” standard and it has been the basis of Indian gaming jurisprudence.

The Court had also in *State of Andhra Pradesh v. K. Satyanarayana* ruled that rummy is a game of skill and not a game of chance which was to be welcomed because it paved the way for the development of the game commercially.³² Similarly, in *K.R. Lakshmanan v. State of Tamil Nadu*, the Court had established that horse racing is a game of skill and not a game of chance, thereby giving a protection to the games of skill.

The Fantasy Sports and Varun Gumber case has been resolved.

In *Varun Gumber v. Union Territory of Chandigarh*, the Punjab and Haryana High Court held fantasy sports to be games of skill as the games involved require knowledge of the performance of the players, statistical analysis and judgment. This decision paved the way for companies such as Dream11 to gain industry recognition and become leaders in the betting world. The Supreme Court sided with the legality of fantasy sports under the skill doctrine, ruling that it could not intervene in the case.³³

The following is a list of the state bans and high court challenges.

As online gaming grew in popularity, some states tried to ban all games for wager. Legislations were passed in Tamil Nadu and Karnataka banning online rummy and poker. In the digital age the Madras High Court and the Karnataka High Court both reaffirmed the skill

³¹ *State of Bombay v. R.M.D. Chamarbaugwala*, AIR 1957 SC 699.

³² *State of Andhra Pradesh v. K. Satyanarayana*, AIR 1968 SC 825.

³³ *Varun Gumber v. Union Territory of Chandigarh*, 2017 SCC OnLine P&H 5372.

doctrine, holding that state bans infringed on the operators' rights to play and enjoy skill-based games.³⁴

Taxation and Gameskraft Case

In the case of Directorate General of GST Intelligence v. Gameskraft Technologies Pvt. Ltd., the taxman had Levied notices of ₹21,000 crore claiming that the entire amount of the bet is subject to 28% GST.³⁵ The Karnataka High Court first struck down the notices, saying that the game of rummy is a game of skill and not a game of chance. The judgment in 2026, though, reversed this, stating that retrospective assessment of GST is valid and tax should be paid on the total winnings. This was a huge relief for the cumulative demands for tax of over ₹1.5 lakh crore across the industry, threatening the insolvency of many operators.

Supreme Court Landmark: Junglee Games Case (2026)

The turning point in the jurisprudence was in State of Tamil Nadu v. Junglee Games India Pvt. Ltd.³⁶ On 27 May 2026, the Supreme Court upheld the bans on online money games in the state, holding that monetary stakes eliminate the skill vs. chance dichotomy. The Court's reasoning was that betting and gambling are not part of commerce and are therefore outside Article 19(1) (g) of the Convention. In its reasoning, the Court referred to *res extra commercium*, that is, that betting and gambling are not part of commerce and, therefore, not protected by Article 19(1) (g) of the Convention.

The Court cited addiction, suicides and financial ruin as good reasons to ban. It determined that states can ban real-money gaming fully constitutionally to promote public health and order. This decision helped to break the barrier of the skill doctrine, and to change the legal landscape of the industry.

Socio-Legal Implications

These decisions have far-reaching implications for the socio-legal aspects of the dispute. The initial skill doctrine promoted entrepreneurial activity in fantasy sports and on-line rummy. State bans were blocked by high court decisions promoting the growth of the industry. The Supreme Court's rulings in 2026 in Gameskraft and Junglee Games, however, turned this trend around, favoring public good over commercial freedom. Today, the industry

³⁴ All India Gaming Federation v. State of Tamil Nadu, Madras High Court, 2023.

³⁵ Directorate General of GST Intelligence v. Gameskraft Technologies Pvt. Ltd., Supreme Court of India, 2026.

³⁶ State of Tamil Nadu v. Junglee Games India Pvt. Ltd., Civil Appeal Nos. 6124–6131/2023 (SC, May 27, 2026).

is in a dire situation as the only option that can legalize e-sports is to provide them without monetary compensation and the only legal option for the e-education is to provide such games.

CONCLUSION

In the present research, the author has explored the intricate labyrinth of online gaming regulations in India, delving into the historical context, jurisprudence, legislation, and socio-legal consequences. As the strands of this inquiry are woven together, it does not appear that the issue of regulation of online games is simply a legal one, but a complex one with economic, technological, public health and constitutional considerations. The conclusion should thus capture the multi-layered nature of this topic and integrate the findings into a unified thread that highlights the difficulties and opportunities that lie in India's regulatory process.

The study first pointed out that the Public Gambling Act of 1867 in the colonial era paved the way to the way India treats games. The difference between games of skill and games of chance was the foundation for jurisprudence that lasted for decades, and had a profound impact on judicial reasoning in the Act. After Independence, the Constitution transferred control of gambling to the State List, leading to a different approach to regulatory control among states from licensing to bans. This fragmentation has been a trend, which makes enforcing difficult and leaves consumers and operators unsure.

Judicial decisions have been instrumental in setting out what is covered by gaming law. Over time, landmark cases like Chamarbaugwala, Satyanarayana, and Lakshmanan have demonstrated the jurisdiction of the skill doctrine and safeguarded rummy, horse racing and subsequently fantasy sports under Article 19(1)(g). Such decisions offered a green light to the emerging online gaming sector, fostering entrepreneurial ventures and investment. However, as the research revealed, the digital revolution of gaming made the distinction between skill and luck more difficult to interpret, making it challenging for courts to make sense of. The traditional doctrines were complicated by the new hybrid formats and the outcomes that are algorithm-driven and monetized.

With the development of online games, concerns about the protection of consumers also emerged. Exploiting users of fraudulent practices, misleading advertisements, and opaque algorithms. There were some limited protections under the Consumer Protection Act, 2019, the IT Act, and ASCI guidelines, however there was limited enforcement. The study highlighted the fact that consumers did not have any effective grievance redressal mechanism in place and were thus exposed to financial losses and psychological harm. Addiction became one of the

biggest concerns as some states such as Telangana and Tamil Nadu put a ban on it, with suicides and family problems coming to light as an issue. The inclusion of the gaming disorder in the WHO's International Classification of Diseases (ICD-11) brought a global aspect to these concerns and positioned the problems confronting India in the context of a global public health conversation.

The Promotion and Regulation of Online Gaming Act, 2025 was a pivotal moment in the central legislative effort. The Act aimed to strike a balance between innovation and consumer welfare by banning online money games and encouraging e-sports and educational games. The Act intended to achieve a balance between innovation and consumer welfare by eliminating online money games and fostering the growth of e-sports and educational games. It introduced age verification, limit on deposits and redressal of grievances, which were consistent with a policy of responsible gaming. There was, however, a continuing tension between State and Federal powers over what they called their respective 'competencies' in Entry 34 of the State List. The Supreme Court's 2026 decisions in *Junglee Games* and *Gameskraft* introduced further shifts in the industry, ruling that real money gaming is not commerce and can be taxed retroactively. These rulings destroyed the "skill doctrine," which meant that a person had to be skilled to exercise their entrepreneurial rights and have no duty to protect the public welfare.

The implications of these developments are great on the socio-legal side. Once hailed as a symbol of digital innovation and jobs, the industry is now in peril. The tax burden, bans by states and the courts have stymied growth, which has dissuaded foreign investment and put operators at risk of going under. Meanwhile, those who are seeking help will receive increased protection from fraud and addiction. This research thus shows a paradox: the protection measures aimed for the user can be counter-productive for innovation, questioning the best mix of regulation and freedom.

The evolution of case law provides a window to the interplay of fundamental rights and reasonable restrictions, from a constitutional standpoint. Previous decisions have focused on the protection of skill-based games under Article 19(1)(g), but recent decisions have expanded the scope of permissible trade by reference to the doctrines of morality and public welfare. The evolution of this represents the judiciary's sensitivity and adaptation to shifting social circumstances, but also highlights the necessity of clarity and a consistency in legal reasoning. Previously limited in its application, the principle of *res extra commercium* has now come to play a major role in gaming law, which is redefining commercial freedom in India.

The final conclusion should highlight the importance of a comprehensive approach to

the regulation. A framework should combine statutory, judicial and policy aspects into a coherent system, which covers fraud, addiction, taxation and consumer rights. It should be in harmony with the state and central laws, ensuring uniformity and give due consideration to federal competency. It should increase the enforcement measures, using technology to monitor and address grievances. First and foremost, it should be consumer-oriented, and understand that the goal of regulation is to keep people safe and allow them to enjoy recreation responsibly.

Research also indicates directions for the future. New technologies will also bring new challenges; virtual reality games, platforms based on blockchain, and AI-generated formats will push the boundaries of the current legal framework. Policymakers need to account for these and establish policies that are forward-thinking and will be relevant in a fast-changing digital world. Academic research, empirical studies and stakeholder consultations will be key elements to inform policy making. The judiciary also has to evolve to meet the ever-changing needs of society, while maintaining the balance between the constitutional freedoms and the needs of society, in a way that ensures justice and fairness.

Overall, the evolution and evolution of online gaming regulations in India is one of growth, battle, and adjustment. The history of gambling, from colonial era bans to contemporary digital governance, illustrates the complexities of law in a changing society. The history of gambling from colonial times to today's digital era highlights the complexities of law in a changing society. The challenge now is to build a robust but flexible, protective, restrictive and innovative regulatory regime. It is only then that India can make online gaming a tool of recreation and innovation, and not for exploitation and harm.

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