

Alert and Awareness: Online Gambling's Impact and Influence

Santhanamari P*

*1st year, BBA LLB (Honours.,), School of Law, SASTRA Deemed to be University, Thanjavur, India

Article History

Received: 15-Apr-2025
Revised: 05-May-2025
Accepted: 11-May-2025
Published: 13-May-2025

Keywords

*Game of Chance
Game of Skills
Impact and Influences
Legislative Measures
Online Gambling*

Abstract

The recent and the tremendous growth of technology provides people with lots of opportunities and ways to make their own livelihood. This growth of technology creates various impacts in the society which hits the people both positively and negatively. One such impact is online gambling. After the intervention of internet, gambling become more popular and convenient among the people as it provides 24/7 easy access to the players for subsequent gambling. Nowadays, Indian people also show great interest in online gambling which impacts them in a negative way. When such situation arises in the society then the need to regulate such gambling also consequently creates and it becomes the duty of the government to regulate it. However, it is not only the duty of the government to regulate it but also the duty of the people to be aware of such practices to avoid further consequences. This has been discussed in this article. This article seeks to create awareness among the general public about online gambling and its consequences. It guides the people by making them aware of what exactly online gambling is, how it manipulates people's mind and makes them addictive to it. It tries to explain the impact and influence created by such practices among the society and also explains the recovery measures from gambling addiction. It explains how people are attracted by such gambling activities even without knowing the distinctions between the game of skill and game of chance. This article gives insights of the legislative measures provided by the government to regulate and prohibit such activities by the dealing with case laws. Thus, this article suggests the society to take all the available means into the consideration in order not to indulge in such gambling practices as much as possible and also recommends the government to create more effective central and state provisions to regulate the such activities.

Corresponding Author:

Santhanamari P*

*1st year, BBA LLB (Honours.,), School of Law, SASTRA Deemed to be University, Thanjavur, India
129118047@sastra.ac.in

This article is under the CC BY- NC-ND licenses
Copyright @ Journal of Law and Legal Research
Development, available at www.jllrd.com



1. INTRODUCTION

Lottery, gambling and betting are present not only in the current scenario but these also existed during the ancient history. These practices were also mentioned in some of the most important epics like Ramayana and Mahabharata. These epics describes the cultural, literary, religious heritage, social and moral values of our country. It shows the ancient people's interest for such games and practices. Lottery and gambling were considered as a common and acceptable forms of entertainment during the period of Ramayana. This epic describes how people used to play games of chance with dice,

cards, and gambling boards which was called as Chathuranga respectively. It also shows that the noble kings like Rama, Bharatha and Dasaratha were fond of gambling and they also used to stake their wealth, jewels and other ornaments in these games. Moreover, the Ramayana does not condemn or criticize gambling, but rather depicts it as a normal and harmless activity. In contrast, the Mahabharata, portrays lottery and gambling as the root of all evil and suffering. The Mahabharata explores into various philosophical and religious ideologies. It intensely illustrates how gambling act as a tool for the outbreak of the war, advancing the Pandavas' downfall. The story

reveals as the Kauravas, under the guidance of their cunning uncle Shakuni, trap the Pandavas into a deceitful game of dice, stripping them of their kingdom, riches, and dignity. Further, it accounts how Yudhishtira, the eldest of the Pandavas, recklessly wagers away his brothers, himself, and even his wife, Draupadi. The epic emotionally depicts Draupadi's humiliation at the hands of the Kauravas, which actually act as the turning point in the story. Strongly condemning gambling, the Mahabharata serves as a cautionary tale, warning of its hazardous impacts.¹ Later, The Public Gambling Act of 1867, during the British Rule regulated gambling, which prohibited visiting a public gambling house, except for the state lotteries which are authorised by the state government. The penalty for violating this law was fine or imprisonment, or both. After India gained independence in 1947, lottery and gambling became a state concern and each state was entitled to formulate its own laws for these activities.² The central government also endorsed the Lotteries (Regulation) Act of 1998, which placed the rules and conditions for organizing, conducting, and promoting lotteries in India. Online gambling is a type of gambling activity with the use of interest sources where people tend to make bet with other people by staking their money, wealth and other stuffs in order to regain more than what they invest.³ This shows the people's greed for money and thereby increase in the activities such as sports betting, poker, casinos, etc. Always these types of Online gambling start as an entertainment for the people but slowly it makes the people to get addicted to it by manipulating their mind and interest towards it. Does it provide various opportunities for the people to earn money in a convenient way without doing or applying much hard work and thus makes them lazy towards doing productive work for earning their livelihood. Such situations are easily used by various cunning Online Gaming platforms and makes some human life miserable. People gamble for many reasons: it may be the mental influence which rush to win money, to socialise or to escape from worries or stress and so on. However, sometimes it can't be controlled for some people, that gambling can get out of control. It provides happiness and satisfaction to the people but not all the time. Sometimes it may also lead to the end of many people's life too. It creates addiction among the people who spoil themselves deeply in such activity and started to influence their daily routine, physical and mental health and makes them to become reliant on such resources to lead their life. Gambling disorder not only harmfully affects the individual but also the family and society. Those who indulge themselves deeply into gambling activities have higher rates of problems such cardiovascular, musculoskeletal, gastrointestinal, and so on and psychiatric disorders including depression, anxiety, substance misuse, and personality disorders. It can apparently impact the gambler and also his/her family's finances, often leading to debts, poverty, bankruptcy, and sometimes criminal

activities as a result. In addition to this, also there is a chance of causing the interpersonal costs such as relationship problems, neglect of the family, domestic violence, and child abuse and so on.⁴ Most studies have also shown mostly young people, the economically disadvantaged, and those with underlying mental health problems are easily influenced and become addicted to gambling activities.

2. LITERATURE REVIEW

Mr. Subhrajit Chanda, Mr. Ashiv Choudhary, Ms. Viraja Shah (2023)⁵ - This article talks about an inclusive legal framework which is required to regulate gambling and betting activities in India, which focus on skill-centric games, fair practices, and ensure that bettors and gamblers register themselves before a licensed operator. It also discusses the need for a modern protocol for licensed gambling and betting with the emergence of blockchain-based platforms and the acceptance of cryptocurrencies as a method of payment. It also recommends that India should follow the examples of other countries and adopt a law on gambling that replaces all existing contradictory statutory regulations.

George S, Velleman R, Weobong B (2021)⁶ - This article argues the advantages and the disadvantages of legalising and regulating the online gambling in India and also provides future suggestions. It highlighted that most of the gambling and gambling related disorders affects the vulnerable sections of the society. So, this article concludes that how gambling should be legalised, in what way and how.

Amin KP, Griffiths MD, Dsouza DD (2022)⁷ - This article talks about the growth of online gambling industries during the Covid period and it's both negative and positive impact over the people. It explains that during people use such platforms in order to relieve from their anxiety and at the same time it also affects them negatively by making them addicted to it. This article suggests certain strategies to balance the life during the pandemic situation with reference to online gambling and its impact.

Aditi Mohapatra (2023)⁸ - This article talks about the issue of India's lack of online gambling legislation. The author argues that lawbreakers used the invalid to engage in unlawful gaming and betting because of such lack. The article also examines present regimes for regulating such evasion and explains why the centre, rather than the state, should be involved, the global perspective on online gambling. Likewise, government's approach to online gaming regulation examined through the examination of previous and unsuccessful government initiatives to present the government's position. It also discusses the challenge of using skill and chance tests over the internet and offers advice to regulate the current situation.

Chanvi (2023)⁹ - This article aims to throw light on the history of the development of online betting and gambling in India and the problems it causes. It gives distinction between the game

¹ Fleming, C.T., 2021. *Gambling with Justice: A Juridical Approach to the Game of Dice in the Dyūtāparvan of the Mahābhārata*. *The Journal of Hindu Studies*, 14(3), pp.234-258.

² Benegal, V., 2013. *Gambling experiences, problems and policy in India: a historical analysis*. *Addiction*, 108(12), pp.2062-2067.

³ Tracing the history and legal status of lottery and gambling in India <https://timesofindia.indiatimes.com>

⁴ Gainsbury, S.M., 2015. *Online gambling addiction: the relationship between internet gambling and disordered gambling*. *Current addiction reports*, 2(2), pp.185-193.

⁵ POSTULATING GAMBLING AND BETTING LAWS FOR THE NEW ERA: UNEARTHING A SUBTERRANEAN PRELIM, Volume-26, Issue – 1, July-December (2023)

ISSN: 3048-5045; Vol 02 Issue 02; Apr-2025; Pg-18-25

⁶ Should Gambling Be Legalized in India? *Indian Journal of Psychological Medicine*, 2021;43(2):163-167.
doi:10.1177/0253717620928761.

⁷ Online Gaming During the COVID-19 Pandemic in India: Strategies for Work-Life Balance. *Int J Ment Health Addict*. 2022;20(1):296-302. doi: 10.1007/s11469-020-00358-1. Epub 2020 Jul 10. PMID: 32837441; PMCID: PMCT7351552.

⁸ ONLINE GAMING AND REGULATION IN AN INVERSE PROPORTION, Volume II Issue II (2023).

⁹ ONLINE BETTING IN SPORTS: A COMPARATIVE ANALYSIS, Volume III Issue III.

of chance and the game of skill; fantasy sports and discusses the international perspectives. It explains the necessity for internet gambling regulation in India and discusses the advantages and disadvantages of the same. It also discusses the regulations for betting in India and other jurisdictions. It questioned whether gambling and betting can be legalized in India.

3. RESEARCH PROBLEM

Since there are various legislative frameworks made by the government in order to regulate the online gambling in India still, it is prevalent in the country, causing huge loss to citizens and the society on the whole. Even though, it generates income to the country in certain way it mostly affects the vulnerable sectors of the society due to lack of proper frameworks and proper awareness. Therefore, from the above cited articles, this paper identifies some of the problems which is still makes a loophole in the society in regard of online gambling. Despite the growing popularity and accessibility of online gambling platforms, there is limited awareness among users particularly, youth and vulnerable populations about its psychological, social, and financial risks. This lack of awareness contributes to increased rates of gambling addiction, financial distress, and associated mental health issues. There is a pressing need to explore the extent to which individuals are informed about the consequences of online gambling and to evaluate the effectiveness of existing awareness campaigns and regulatory mechanisms. Therefore, the lack of distinctions between game of skill and game of chance, the lack of proper awareness measures, lack of concern over the public policy and lack of uniformity and coordination that is, an ineffective legislative measure irrespective of state and central provisions are the important and major problems identified and discussed in this article.

4. OBJECTIVE OF THE STUDY

The main aim of this article is to a give clear cut and correct information about the online Gambling,

- To explain the impact and influence created by online gambling
- To Distinguish between game of chance and game of skill
- To list out the available legislative measures for the current scenario.
- To make Regulations and punishments
- To provide Suggestions and recommendations for future

Influence of Online Gambling on People

The emergence of internet gambling has revolutionized the conventional gaming environment by providing ease and accessibility. From virtual casinos to sports betting platforms, people can gamble in a variety of ways with a few taps or clicks. It also raises important questions about how this sector affects people's lives, even if it has grown to be a major source of income and pleasure globally. Online gambling offers excitement and the possibility of winnings, making it a harmless past time for some people. But for others, it might result in social isolation, addiction, and financial difficulties. Examining how online gambling affects behavior, mental health, and society dynamics in the digital age is crucial

because of this dichotomy. The secret to finding a balance between creativity and accountability is to comprehend these impacts.

Economical Influences: Online gambling influences the people to invests a small amount of money in the beginning and gives them an opportunity to earn excess than what they have invested. So, it acts as a driving tool for a person to get into the trap of this concept and when he gets influenced from it, he will loss his all his consciousness, mental stability and most importantly all his wealth during the continuous involvement in it. Mostly the people from the weak economic background suffers huge amount of depression due to this online gambling because since they don't have enough economic resources to deal with debt and loan issues at once they got failure continuously and in order to tackle that situation they further involve them in such gaming process seriously , at one point they will not be able to undergo the pressure and liability , get exhausted and often commit suicide because of depression, humiliation and so on.¹⁰ Any person can get addicted to gambling. It starts as a funny activity, which harmless creates a diversion, which makes way to an unhealthy obsession with serious consequences. It can be anything, whether we bet on sports, scratch cards or at the track, or online, a gambling addiction can strain our relationships, interfere with work, and lead to financial disaster. We may even do things that we never thought we would, like running up huge debts or even stealing money to gamble etc.

Psychological Influences: Gambling makes a person to feel low self-esteem, stressful with anxiety and depression if gambling becomes an issue. Gambling can become an addiction, just like drugs or alcohol, if we use it instinctively or feel out of control. Gambling can affect the part of our brain that releases dopamine (which plays a role in many important body functions, including movement, memory and pleasurable reward and motivation). When we win a bet, our brain gives us an emotional reward that when we get addicted such gambling, other pleasurable activities may no longer make us feel good. So instead, we will gamble to get the same pleasure. Sometimes it also leads the person to commit suicide because of his mental depression when a trap situation arises and when he can't able to tackle it. Gambling addiction is also known as pathological gambling, compulsive gambling or gambling disorder. It is an impulse-control disorder. If we are compulsive gambler, we can't control the impulse to gamble, even when it has negative consequences for us. We'll gamble whether we know that we are up or down, broke or flush, and we'll keep gambling regardless of the consequences, even when we know that the odds are against us or we can't afford to lose. This situation is called as Addiction.¹¹

Impact of Online Gambling on People

In recent years, online gambling has gained vast popularity in India, which provides a wide variety of entertainment and financial possibilities. Since these online gambling platforms are seeming like a harmless pastime, the easy access to these and the potential winnings have given rise to serious concerns about its impact on mental, physical and financial health. Its impact is not only about losing money but also it can affect self-esteem, relationship, physical and mental health, work

¹⁰ Lejoyeux, M., 2012. *Psychological and social impact of online gambling*. *Bulletin de L'academie Nationale de Medecine*, 196(1), pp.27-34.

¹¹ Addiction Centre, (your guide for addiction and recovery), <https://www.addictioncenter.com> (last visited on Sept. 29, 2024).

performance and social life. It can harm not only the person who gambles but also family, friends, workplaces and communities.¹²

- Addiction: Since it is easily accessible to everyone in the present techie world, it makes people to deeply indulge into it and creates a strong addiction especially, young people.
- Financial Stress: One of the most noted dangers of online gambling is the financial strain and the creation of debt. Individuals may wager more money than they can afford to lose, leading to huge debt and financial instability.
- Isolation: Most often, online gambling occurs in solitude, leading to social isolation. Individuals may spend hours alone in front of their screens, neglecting personal relationships and social interactions. This isolation can intensify the feelings of loneliness and depression, further impacting mental health.
- Psychological Distress: The constant cycle of hope, sudden win or lose, anticipation, and disappointment can lead to feelings of misery and hopelessness.

5. DISTINCTION BETWEEN GAME OF CHANCE AND GAME OF SKILL

The General Public are getting deceit by various ways under online gambling process, as they are not even aware of the distinction between the “Game of Chance and Game of Skill.” In the gaming and gambling world, difference between games of skill and games of chance is dynamic. While both offer an entertainment and an opportunity for rewards, they operate on fundamentally diverse principles.

- **Games of Skill:** The term "game of skill" refers to activities in which the player's knowledge, strategy, and skill level largely decide the outcome. Instead, then depending on chance or luck, these games rely on player's skill. Because skill games require strategic thinking, players must make well-informed decisions that have a direct impact on their results. Over time, practice and expertise are generally necessary for success in skill-based games. Because their choices directly affect the game's outcome, players have a significant amount of power over the outcome. Examples include air hockey, billiards, chess, gambling, and fantasy sports.¹³
- **Games of Chance:** Gambling or luck-based games are other names for “games of chance.” These are games where random or unpredictable circumstances play a major role in determining the result. Instead of talent, these games rely on luck. Random events or outside forces, such as dice rolls, card shuffles, or roulette wheel spins, dictate the outcomes.¹⁴ In games of chance, players have no control over the outcome because luck is the primary determinant of success. For instance, the majority of casino games, slot machines, roulette, lotteries, and scratch cards.¹⁴ Since, people even not knowing such distinctions get manipulated and cheated by various gambling platforms and lost their livelihood by getting trapped into debts and loans by their greed for money without consciousness. As they were not aware of the distinction between these two, they were also not able to seek proper justice. Thus, it is important to make people aware about such

different types of practices and activities before they get addicted to it by various modes of advertisements, government regulations such.

Legislative and Regulatory frameworks

It is very important to note that most of legislative frameworks existing to regulate and restrict online gambling is mostly based on the Public Gambling Act, 1867 or otherwise it is state concern. So, when it comes to state concern each and every state make their own provisions to control and to regulate online gambling which at one point provides the state with an independent power but on the other hand when it comes to public policy under the central power it creates chaos and confusions.¹⁵

- The Public Gambling Act, 1867 (“Public Gambling Act”), is the act against the gambling, betting and other illegal activities (other than horse racing and some) brought under the British rule in India, has been adopted by several states like “Uttar Pradesh, Madhya Pradesh, and Punjab and Haryana and also by some other states making their state amendments to it too”. Violations leads to a fine of Rupees 200/- or imprisonment for 3 months.
- The remaining states, through their State Gaming Laws, have passed their own laws to control gaming and gambling in their respective areas. With the appropriate adjustments, the Public Gambling Act serves as the general model for the majority of these.
- “The Indian Constitution (in its Seventh Schedule, State List, Entry 34) gives states the right to create their own laws and policies regarding betting and gambling. Therefore, the primary responsibility of regulating physical grounds of betting and gambling is rested with the state.”
- It is appropriate to note that the Public Gambling Act, 1867 provides that the provisions of the Act shall not be applied to any games of skill. The Legislatures passed in various States on prohibiting gambling and betting with certain exceptions which resulted in conflicting views and lead to the interpretation of what is meant by “game of skill” and “game of chance”. This act mainly targets “game of chance”.
- Enactments prohibiting gambling and betting have passed by most of the Indian states but only two States (i.e.) “Goa and Sikkim have legalized many forms of gambling and betting” under “The Goa, Daman and Diu Public Gambling Act, 1976” of Goa and “The Sikkim Casino Games (Control and Tax Rules) 2002, the Sikkim Regulation of Gambling (Amendment) Act, 2005” of Sikkim.

¹² Srikanth, V. and Mattamana, A.B., 2011. Regulating online gambling: The Indian perspective. *Computer Law & Security Review*, 27(2), pp.180-188.

¹³ Sharma, P. and KB, N., 2021. Game of Skill vs Game of Chance-A Debate. *Legal Spectrum J.*, 1, p.1. ¹⁴ Meyer, G., von Meduna, M., Brosowski, T. and Hayer, T., 2013. Is poker a game of skill or chance?

ISSN: 3048-5045; Vol 02 Issue 02; Apr-2025; Pg-18-25

A quasiexperimental study. Journal of Gambling Studies, 29, pp.535-550.

¹⁴ Game of Skill vs. Game of chance, (last visited on October 2,2024) <https://www.legalkart.com>

¹⁵ Sokolow, G., 1990. *The Future of Gambling in Indian Country*. *Am. Indian L. Rev.*, 15, p.151.

- The Sikkim Government however, restricted the contribution of “online games and sports games” to the physical premises of ‘gaming parlours’ through intranet gaming terminals within the geographical boundaries of the State, by enacting the Sikkim Online Gaming (Regulation) Amendment Act, 2015.
- Nagaland has also enacted Nagaland Prohibition of Gambling and Promotion and Regulation of Online Gaming Act, 2016 which seeks to provide for licenses by providing pan India applications. It also distinguishes between “game of skill and game of chance”
- In their respective State Gaming Laws, the states of Telangana and Andhra Pradesh eliminated or reduced the express exclusion for skill games and outlawed all games played for money, including online and skill games. through modifications to laws like the Telangana Gaming Act of 1974 and the Andhra Pradesh Gaming Act of 1974.
- The Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022 (“TN Act”) was put into effect in April 2023, and it forbade real-money online games of chance and online gambling in the state. In order to carry out some of its provisions, the TN Act also established the Tamil Nadu Online Gaming Authority. Since rummy and poker were deemed to be “games of chance,” they were prohibited; however, the Madras High Court overturned this decision, ruling that they were instead “games of skill.”
- In Maharashtra, The Bombay Wage Act, 1875 prohibits all sorts of gambling and imposes penalties for its violations. But under this act further clarification is required.¹⁶ So, these are some of the legislatures which are created by both the central and the state legislatures regarding the regulations and prohibitions of Online Gambling and Sports betting in India.

Regulatory framework:

There have been many arguments and suggestions to regulate internet gambling since, internet gambling is an immoral activity and is against the societal morals as seen in Indian ancient history too. But sometimes it is argued that it's not enough to regulate the internet gambling. Moreover, it is important to prohibit such acts as it creates huge negative impact in the society. Thus, the Government have brought various regulations and rules recently in order to make sure the reduction of online gambling practices.¹⁷

- As the number of commercials endorsing unlawful activities like gambling and betting rises, the Central Consumer Protection Authority (CCPA) has released a thorough recommendation. It highlights the prohibition of advertising, promotion, and advocacy of illicit acts forbidden under numerous laws, in compliance with the

Consumer Protection Act of 2019. The Public Gambling Act of 1867 forbids betting and gambling, and most parts of the nation it is considered as unlawful. In spite of this, betting applications and online platforms continue to promote gambling and betting both openly and through the pretext of games. Since, such activities hugely impact the individuals who were not aware of it, especially the younger ones and thus the government had made such rules.¹⁸

- According to Indian Income Tax rules, any winnings from the lottery, crossword puzzle, card game, or any other game (like Gambling) that exceed INR 10,000 are subject to withholding 30% as tax (which is exclusive of the applicable surcharge and cess). Before releasing the entire amount of winnings to the winner or payee, the payer must make sure that the tax at the rate of 30% is cleared or paid.
- Under the Foreign Exchange Management Act, 1999, any remittance of income from lottery, race ridings, gambling are prohibited. The Foreign Exchange Management Regulations, and the Consolidated Foreign Direct Investment (FDI) Policy, issued by the Government of India, forbids both, “Foreign Direct Investment” and “investment by a person resident outside India” in entities by conducting “lottery Business including Government/private lottery, online lotteries etc.” and “Gambling and Betting including.”¹⁹
- The prevention of money Laundering Act, 2002. This act governs the law relating to anti-money laundering in India. All entities offering games played for cash or its equivalent, whether online or offline, they are required to obey to the provisions of the Act and The Prevention of Money Laundering (Maintenance of Records) Rules.
- Information technology (intermediary Guidelines) Rules 2011, provides various rules and guidelines regarding gambling which says that it requires intermediaries to remove content relating to or encouraging gambling within thirty-six hours, either “upon receiving actual knowledge or on being notified to do so by the appropriate government or its agency that any information, data or communication link residing in or connected to a computer resource controlled by the intermediary is being used to commit the unlawful act...”
- To include online gambling under its jurisdiction, the government modified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (Intermediary Guidelines) in April 2023. These rules control those who run digital media platforms in India. A self-regulatory authority for online gaming will be established under the Intermediary Guidelines to decide which real-money online games

¹⁶ FICCI, REGULATING SPORTS BETTING IN INDIA, https://ficci.in/public/storage/sector/37/Add_docs/ficci-faq-on-sports-betting.pdf

¹⁷ Srikanth, V. and Mattamana, A.B., 2011. Regulating online gambling: The Indian perspective. *Computer Law & Security Review*, 27(2), pp.180-188.

¹⁸ The Curious Case of the Indian Gaming Laws, <https://www.nishithdesai.com>

¹⁹ SS Law Firms, <https://ssglawfirm.in/laws-governing-online-betting-in-india>, (last visited on October 5, 2024).

are allowed. This could lead to issues when a state's laws clash with the self-regulatory body's ruling about whether a real-money game is legal. The legalization of previously banned games or the prohibition of legalized games of chance could arise from this, which is likely to increase uncertainty.²⁰

- In June 2022, the Ministry of Information and Broadcasting (MIB) advised newspapers, private satellite television networks, and news and current affairs content publishers not to promote online betting platforms in order to safeguard the public from potential financial risks associated with playing real-money online games.
- A major law known as the Digital Personal Data Protection Act, 2023 (DPDPA) was introduced in India in August 2023. Its provisions haven't been implemented yet, though. A number of requirements are introduced by the DPDPA for the gathering and handling of personal data. Because of its extraterritorial effect, the DPDPA also applies to processing user personal data that is located in India but outside of it if it is related to providing goods and services in India.
- On May 22, 2023, The Central Board of Direct Taxes (CBDT) issued clarification about the applicability of TDS. If a user's profits from online games are above the Rs. 10,000 level, then, online gaming companies are required to deduct 30% TDS. As a result, Sections 115BBJ and 194BA were added to tax users' profits on various gaming platforms. The prior fiscal year's net winnings would have been subject to 30% income tax under Section 115 BBJ. The primary focus of Section 194BA is the TDS that is applied to net winnings in the user's gaming account at the conclusion of the fiscal year. Therefore, you would pay 30% tax on your net earnings from online gaming sites at the end of a fiscal year.²¹

These are some of the regulations made by the government in order to control and prohibit online gambling and sports betting in India. There are other acts like Central Goods and Services Tax Act, 2017; The Cable Television Network Rules, 1994; Telecom Commercial Communications Customer Preference Regulations, 2010, which also helps to create protection for the innocent people against the fraudulent online gambling practices.

Punishments: The punishments provided these acts varies accordingly with each state. Accordingly, there are various provisions and state legislatures created by the government regarding online gambling therefore, the violations of such provisions leads to various impact even though not uniform but, lead fines, penalties, imprisonments, seizure of assets etc.

6. CASE STUDIES ON ONLINE GAMBLING

It is the terrible reality that Online gambling act as slow-poison that gradually manipulates the human mind, makes them to get addicted to it and leads them to fall in the trap by their own

actions. It affects many people's lives in various ways by creating debts, unlimited liabilities and even leads to the end up of their life.

6.1 *The All-India Gaming Federation (AIGF) v. State of Tamil Nadu*²²

The All-India Gaming Federation challenged the Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022. The AIGF contended that the act wrongly classified games like rummy and poker as games of chance but which is actually considered as the game of skill and therefore it can't be banned. The Tamil Nadu government argued that the Act was necessary to counter addiction to online gambling and protect vulnerable individuals, especially minors, from financial and mental harm. But the Madras HC held that the Act was unconstitutional as it exceeded the State's legislative competence as the state have only power to regulate the gambling and to regulate online games of skill and not to prohibit it.

6.2 *Junglee Games India Private Limited v. The state of Tamil Nadu*²³

The state by its amendment, Tamil Nadu Gaming and Police Laws Act, 2021 Banned stakes based online games like poker and rummy. The company argued that the amendment was unconstitutional and violated their fundamental rights under Article 19(1) (g) of the constitution, which guarantees the right to practice any profession, trade, or business. But the state defended that it was necessary to curb gambling addiction and protect vulnerable individuals from the financial harms. But finally, the court held that the amendment was unconstitutional as it violated by stating such games as "game of chance" and thus violated the fundamental rights of the company.

6.3 *Chandresh Sankhla S/O Jagdish Singh vs The State of Rajasthan*²⁴

The petitioner in this case filed a Public Interest Litigation (PIL) arguing that the online game "Dream 11" ought to be deemed a gambling and betting activity. In his petition, the petitioner asked the court to issue an appropriate order or orders banning the game in question and to take steps to prevent gambling offenses. However, the Division Bench ruled that the game did not involve gambling of any kind because the outcome of the fantasy game was not dependent on the performance of any specific team in the real world on any given day. Because the petitioner's prayers lacked merit, the current court dismissed the PIL.

6.4 *Shri. Varun Gambhir v. Union Territory of Chandigarh and others*²⁵

Under this case, the petitioner (the player) was a customer of the respondent (Dream 11 Fantasy Private Limited) company. The petitioner claimed that he has been cheated by the gambling business of the Dream 11 through their website. He created virtual cricket and football teams and joined various leagues as per the rules of the play and bet on his virtual teams. But lost the entire amount he had bet, a sum of INR 50,000/. So, he approached the Punjab Haryana Court to issue directions to initiate investigation (criminal investigation)

²⁰ Bhardwaj, S., 2023. *Regulating the Online Gaming Industry: Legislative and Executive Competence*. Nat'l LU Delhi Stud. LJ, 5, p.216.

²¹ SS Law Firms, <https://ssglawfirm.in/laws-governing-online-betting-in-india>, (last visited on October 5, 2024).

²² (AIR 2023 Mad 3016) ²⁴ <https://indiankanoon.org/doc/117010180/>

²³ (AIR 2021 Mad 2302) <https://indiankanoon.org/doc/104005422/>

²⁴ (AIR 2020 Raj 1) <https://indiankanoon.org/doc/38246694/>

²⁵ (AIR 2017 SC 3430) <https://indiankanoon.org/doc/77400599/>

against Dream 11, alleging that "fantasy sports were not based on skill, but were purely gambling activities" But the company Dream 11, as a defence described the nature of fantasy sports to the Court and the integral skills required by a player in effectively drafting virtual teams and partaking in leagues. Dream 11 canvassed the argument that the petitioner (the player) had been unable to perform well in the fantasy game as he had failed to exhibit the mentioned skills of the play. Therefore, the Punjab Haryana Court held that since, fantasy sports did not amount to gambling. Thus, this judgement has paved way to the growth of fantasy sports in India.

6.5 *Dr. K.R. Lakshmanan vs State Of Tamil Nadu And Anr*²⁶

The petitioner claims that the Tamil Nadu Horse Races (Abolition and Wagering or Betting) Act, 1974 violates Articles 14 and 19(1)(g) of the Indian Constitution, therefore making it unconstitutional. There was debate over whether the Tamil Nadu Horse Races (Abolition and Wagering or Betting) Act, 1974, was constitutionally sound and if horse racing entailed any significant skill or was a form of gambling. The Court concluded after hearing arguments from the parties that an act must possess a significant level of skill that makes it distinctive in order to not be regarded as betting or gambling and to be protected under 19(1)(g). Additionally, the Court found that one sport requiring specialized talents is horseback riding. Therefore, the Court declared the law as unconstitutional.

6.6 *State of Andhra Pradesh v. K. Satyanarayana and Ors.*²⁷

In *State of Andhra Pradesh vs. K. Satyanarayana and Ors.* the game of rummy was analysed using the concepts of skill against chance. It was decided that, unlike the "three-card" game, which is a game of pure chance, rummy is not a game of chance. Since the cards must be memorized and building up rummy needs a great deal of ability in holding and discarding cards. Thus, the Supreme Court offered the justification that rummy demands a significant level of expertise. From these cases it is evident and also makes an impact that there must be proper awareness among the general public that there is difference between the game of skill and the game of chance

7. SUGGESTIONS AND RECOMMENDATIONS

The most important suggestion and recommendation to the government is to take steps to make a clear provision to regulate and restrict, prohibit the online gambling activities either under the central or the state legislature. This is to be done because this dual role of the centre and state provisions in this regard create more problems and cases rather than solving them in an efficient way. The Public Gambling Act, 1867 and "The Constitution of India (in its Seventh Schedule, State List, Entry 34) allows the state to make its own provisions in regard of online gambling only in order to make effective control over it. But this concept acted in an opposite way. Therefore, this article finds some suggestions to be made by the government to regulate and restrict illegal gambling activities.

- The gambling activities deterring the society in various ways, it also acts as a mode of income generator to the government and thus also takes part

in the upliftment of the economy of the nation. Therefore, it is essential to regulate such online gambling in an effective manner by the government legislations as it helps to ensure secure way of indulging into these practices with.

- It is essential to make mandatory licensing for the websites dealing with internet gambling and betting practices as it helps to create a strict rule regarding the game therefore, it tends to avoid possible fraud and deceit with the help of mandatory licensing under state legislature.
- It is important to make proper awareness advertisements regarding the existing distinctions between game of chance and game of skill and also the available legislative frameworks for the concerned states. It is important to note that the advertisement must be made in the same way which is used to promote the online gambling. For example, how a popular public figure is used to promote the online gambling in the same way its awareness also must be made with such popular personalities thus, it reaches the people in a more effective way.
- The government should take effective role to inspect the online gaming and gambling websites like physical inspection by creating new mechanisms in order to avoid forgeries, cheating and deceit. It also helps to ensure safe way of using such gaming websites in a better way.
- "Any winnings from lotteries, crossword puzzles, card games, or other games of any kind that over INR 10,000 are subject to a 30% withholding tax under Indian income tax legislation." Thus, the government should make sure whether these takes are regularly and properly paid and also tries to make a strict taxation for such gambling activities as it restricts the individuals to make sure their limit in the play,

In order to make sure the social welfare, the government needs to make various other provisions to regulate and moreover prohibit illicit gambling activities. The government also should try to restrict the promotion of online gambling by using famous public figures as it reaches the general, unaware people in a more effective way. Thus, the dual legislative framework involving either state or the central provisions create confusion among the public and also paves way for even more cheatings because of the available conditions in this regard. It is when one state allows gambling and when it does not consider it as a wagering concept then, it leads to the other state people indulge in deceitful ways to use gambling platforms of those states since, it is now possible because of the developing technology. But the problem is, gambling might have been restricted in those states but the person of those states may use other state's online gambling platforms and indulge in illegal gambling. Thus, at this point it makes the created legal provisions an ineffective. Thus, the government must ensure whether the available legislative frameworks are properly utilized by the people or not by way of considering the above given suggestions and recommendations.

²⁶ (AIR 1996 SC 1153) <https://indiankanoon.org/doc/1248365>

²⁷ (AIR 1968 SC 825) <https://indiankanoon.org/doc/84963/>

8. CONCLUSION

“Change is the only thing which never change”. As per this proverb the society keeps on changing the technological change is also one such because of which development takes place subsequently. These changes hits both positively and negatively. Likewise, the gambling was seen as an immoral activity with glimpse of the ancient epics and texts however, in the present scenario it is not treated as an immoral activity but a thing which needs to be regulated further in a better way. Once we thought it as a social evil which should be eradicated but now, it has huge demand among the people in the cyber space as it generates income to the people in an easy and a convenient way through its easy availability. And so, it is crucial to regulate the online gambling as it deals with the life of the people. Because of its easy access people tend to invest more in it as they were able to regain more than what they invest. Such, extra regain mechanism makes the people to get addicted to it and thus manipulates their mind to involve in such practices repeatedly. Such attitude of the people is maliciously used by various gambling platforms and thus tend to create huge impact in the lives of the people. These practices tend to influence not only the economic conditions of one but

also influences the psychological conditions of a person and thus even spoils the basic livelihood of the people by creating debt, bank loans and make the person as bankrupt and even urges the person to commit suicide because of embarrassment caused in the society by the way of its psychological influence. Thus, it is the duty of the government to make proper regulations and rules and makes it available to the general public and also the duty of the people to show balanced involvement in sports betting and to be aware of such online gambling practices.

Conflict of Interest

Conflict of interest declared none.

Funding

The review presented in the article did not receive any external financial support.

Acknowledgements

The authors would like to acknowledge that no external funding or assistance was received for this research, and therefore, no acknowledgements are necessary.

9. REFERENCE

- Benegal, V., 2013. Gambling experiences, problems and policy in India: a historical analysis. *Addiction*, 108(12), pp.2062-2067.
- Bhardwaj, S., 2023. Regulating the Online Gaming Industry: Legislative and Executive Competence. *Nat'l LU Delhi Stud. LJ*, 5, p.216.
- Fleming, C.T., 2021. Gambling with Justice: A Juridical Approach to the Game of Dice in the *Dyūtāparvan* of the *Mahābhārata*. *The Journal of Hindu Studies*, 14(3), pp.234-258.
- Gainsbury, S.M., 2015. Online gambling addiction: the relationship between internet gambling and disordered gambling. *Current addiction reports*, 2(2), pp.185-193.
- Lejoyeux, M., 2012. Psychological and social impact of online gambling. *Bulletin de L'academie Nationale de Medecine*, 196(1), pp.27-34.
- Online Gaming During the COVID-19 Pandemic in India: Strategies for Work-Life Balance. *Int J Ment Health Addict.* 2022;20(1):296-302. doi: 10.1007/s11469-020-00358-1. Epub 2020 Jul 10. PMID: 32837441; PMCID: PMC7351552
- POSTULATING GAMBLING AND BETTING LAWS FOR THE NEW ERA: UNEARTHING A SUBTERRANEAN PRELIM, Volume-26, Issue – 1, July-December (2023)
- Sharma, P. and KB, N., 2021. Game of Skill vs Game of Chance-A Debate. *Legal Spectrum J.*, 1, p.1. ¹⁴ Meyer, G., von Meduna, M., Brosowski, T. and Hayer, T., 2013. Is poker a game of skill or chance? A quasiexperimental study. *Journal of Gambling Studies*, 29, pp.535-550.
- Should Gambling Be Legalized in India? *Indian Journal of Psychological Medicine*. 2021;43(2):163-167. doi:10.1177/0253717620928761.
- Sokolow, G., 1990. The Future of Gambling in Indian Country. *Am. Indian L. Rev.*, 15, p.151.
- Srikanth, V. and Mattamana, A.B., 2011. Regulating online gambling: The Indian perspective. *Computer Law & Security Review*, 27(2), pp.180-188.
- Srikanth, V. and Mattamana, A.B., 2011. Regulating online gambling: The Indian perspective. *Computer Law & Security Review*, 27(2), pp.180-188.