
GAMBLING LAWS IN INDIA: THE LEGALITY OF HORSE BETTING AND ITS IMPLICATIONS FOR CRICKET BETTING AND ONLINE GAMBLING APPLICATIONS

Shagoon Varma, New Law College, Bharati Vidyapeeth

ABSTRACT

The legal framework governing gambling in India remains fragmented, outdated, and heavily dependent upon judicial interpretation. While the Public Gambling Act, 1867 prohibits most forms of gambling, courts have repeatedly carved out exceptions for activities categorized as “games of skill”. Horse race betting emerged as one such exception following the landmark judgment in *Dr. K.R. Lakshmanan v. State of Tamil Nadu*,¹ where the Supreme Court held that betting on horse racing involves substantial skill and analytical judgment.

This principle later influenced judicial treatment of fantasy sports applications such as Dream11, which courts similarly classified as skill-based gaming². The increasing acceptance of online fantasy sports raises larger legal and ethical concerns regarding cricket betting, online gambling applications, and the commercialization of speculative gaming in India.

¹ (1996) 2 SCC 226

² *Varun Gumber v. UT Chandigarh*, 2017 SCC OnLine P&H 5372

1. Introduction

Gambling has historically occupied a controversial place within Indian society. Although wagering and betting have existed since ancient times, Indian law has traditionally viewed gambling as a socially undesirable activity capable of causing addiction, financial ruin, and public disorder. This perspective strongly influenced colonial legislation, particularly the Public Gambling Act, 1867.

However, the growth of digital technology and online gaming platforms has dramatically altered the gambling landscape. Fantasy sports and gaming applications have gained massive popularity due to increasing smartphone penetration and affordable internet access in India. According to the Federation of Indian Fantasy Sports, India's fantasy gaming user base crossed approximately 180 million users by 2023.³

The central legal issue surrounding these platforms lies in the distinction between "games of skill" and "games of chance." Indian courts have repeatedly held that games predominantly involving skill fall outside the ambit of gambling legislation.⁴

This distinction became particularly significant after the Supreme Court's decision in *Dr. K.R. Lakshmanan v. State of Tamil Nadu*⁵, where horse race betting was recognized as a skill-based activity. The judgment later became a legal foundation for fantasy sports applications such as Dream11, MPL, and My11Circle.

2. Historical Development of Gambling Laws in India

Gambling in India can be traced back to ancient Indian texts such as the *Mahabharata*, where the famous dice game between the Pandavas and Kauravas ultimately led to the Kurukshetra war. This reflects that gambling has historically been recognized both as a form of entertainment and a source of social destruction.

During British rule, the Public Gambling Act, 1867 was enacted to prohibit common gaming houses and organized gambling activities. The legislation criminalized operating or visiting gaming establishments but was primarily designed for physical gambling spaces and not online

³ FIFS Annual Report, 2023

⁴ *K. Satyanarayana v. State of Andhra Pradesh*, AIR 1968 SC 825

⁵ (1996) 2 SCC 226

platforms.

After independence, betting and gambling became a State subject under Entry 34 of List II of the Seventh Schedule of the Constitution of India. Consequently, states adopted different approaches toward gambling regulation. States such as Goa and Sikkim legalized certain forms of regulated gambling, whereas others imposed stricter prohibitions.

The emergence of online gaming platforms created significant legal ambiguity because most Indian gambling statutes were drafted long before the internet era.

3. Constitutional and Statutory Framework

Under Article 246 of the Constitution of India, states possess legislative competence over gambling and betting matters. Therefore, India lacks a uniform national gambling law.

The primary legislation governing gambling remains the Public Gambling Act, 1867. Several states have enacted independent laws, including:

- The Maharashtra Prevention of Gambling Act, 1887
- The Tamil Nadu Gaming Act, 1930
- The Goa, Daman and Diu Public Gambling Act, 1976
- The Sikkim Online Gaming Regulation Act, 2008

Most gambling laws exempt “games of mere skill” from criminal prohibition. This exemption became central to the legality of fantasy sports applications.

In *State of Bombay v. R.M.D. Chamarbaugwala*⁶, the Supreme Court held that competitions substantially involving skill are protected business activities under Article 19(1)(g) of the Constitution.

4. The “Game of Skill” v. “Game of Chance” Debate

The distinction between games of skill and games of chance forms the backbone of Indian

⁶ AIR 1957 SC 699

gambling jurisprudence.

A game of chance depends primarily upon luck or random outcomes, whereas a game of skill requires analytical ability, experience, judgment, and training. Indian courts have repeatedly held that even if chance exists to some extent, a game may still qualify as skill-based if skill predominates.

In *K. Satyanarayana v. State of Andhra Pradesh*⁷, the Supreme Court held that rummy is a game of skill because players must memorize cards and strategically plan their gameplay.

Similarly, in *Dr. K.R. Lakshmanan v. State of Tamil Nadu*,⁸ the Court ruled that horse race betting requires knowledge of horse pedigree, jockey performance, race conditions, and statistical analysis.

The Court observed that successful betting depends upon:

- Study of horses and their previous records
- Knowledge of jockey capabilities
- Analysis of track conditions
- Understanding betting patterns and probabilities

Therefore, horse betting was held to be a game involving substantial skill.

5. Horse Betting and Judicial Recognition

Horse race betting occupies a unique legal position within Indian law because it is recognized as a regulated sporting activity rather than pure gambling.

In *Dr. K.R. Lakshmanan v. State of Tamil Nadu*⁹, the Supreme Court held that horse racing is a game where success depends largely upon specialized knowledge and judgment. The Court therefore exempted horse race betting from gambling prohibitions.

⁷ AIR 1968 SC 825

⁸ (1996) 2 SCC 226

⁹ (1996) 2 SCC 226

This judgment significantly impacted Indian gambling jurisprudence because it established that betting connected to skill-based activities may be legally permissible.

The horse racing industry also contributes economically through tourism, taxation, employment generation, and sporting infrastructure. The Indian horse racing industry reportedly generates substantial revenue through licensed race clubs and betting activities¹⁰.

6. Fantasy Cricket and Online Gaming Applications

The rapid growth of fantasy sports applications transformed India's online gaming industry. Platforms such as Dream11, MPL, and My11Circle allow users to create virtual teams based on real-life cricket players and earn points according to player performance.

The Punjab & Haryana High Court in *Varun Gumber v. Union Territory of Chandigarh*¹¹ held that Dream11 involves considerable skill because participants must evaluate:

- Player statistics
- Pitch conditions
- Weather forecasts
- Team combinations
- Player form and consistency

Similarly, the Bombay High Court in *Gurdeep Singh Sachar v. Union of India*¹² ruled that fantasy sports do not amount to gambling because success depends upon superior knowledge and judgment rather than pure chance.

The Supreme Court later dismissed challenges against Dream11, effectively affirming the legality of fantasy sports platforms.¹³

India's fantasy sports market has expanded rapidly in recent years. According to FIFS, the

¹⁰ Law Commission of India, 276th Report, 2018

¹¹ 2017 SCC OnLine P&H 5372

¹² 2019 SCC OnLine Bom 13059

¹³ Economic Times Report, 2021

industry was estimated to be worth approximately ₹34,600 crore by 2023.¹⁴

Despite judicial recognition, critics argue that fantasy gaming applications psychologically resemble gambling because users invest money in uncertain outcomes with expectations of monetary rewards.

7. The Legal Position of Cricket Betting

Unlike fantasy sports, direct cricket betting remains largely illegal across most Indian states because it involves wagering money directly upon uncertain match outcomes.

Nevertheless, illegal cricket betting remains widespread in India. The 2013 IPL spot-fixing scandal exposed extensive illegal betting networks linked to organized crime and match manipulation.

The Law Commission of India in its 276th Report on “Legal Framework: Gambling and Sports Betting Including Cricket in India” (2018) recommended legalizing and regulating betting activities under strict governmental oversight.

The Law Commission argued that complete prohibition has failed because betting continues through illegal underground markets. The report recommended:

- Licensing betting operators
- Monitoring financial transactions
- Preventing money laundering
- Restricting underage gambling
- Introducing responsible gaming safeguards

The Commission observed that regulation would be more effective than prohibition in controlling illegal betting activities.¹⁵

¹⁴ FIFS Annual Report, 2023

¹⁵ Law Commission Report No. 276, 2018

8. Social and Ethical Concerns

The rapid rise of gambling and fantasy gaming applications has generated significant ethical concerns.

(a) Addiction and Mental Health

Gaming applications frequently use reward systems, notifications, and competitive mechanisms that may encourage compulsive participation. Young users are especially vulnerable to addiction and financial losses.

(b) Financial Exploitation

Many platforms heavily advertise large winnings while minimizing discussion regarding financial risk. Critics argue that such marketing practices create unrealistic expectations among economically vulnerable users.

(c) Celebrity Endorsements

Several cricketers and celebrities endorse fantasy gaming platforms, contributing to the normalization of speculative gaming among youth audiences.

(d) Regulatory Evasion

Certain applications allegedly disguise gambling activities as “skill-based gaming” to avoid legal restrictions. The Supreme Court recently expressed concerns regarding betting applications operating under the label of esports or online gaming platforms.¹⁶

9. Comparative International Perspective

Different countries regulate gambling differently:

- The United Kingdom permits licensed sports betting through the UK Gambling Commission.

¹⁶ Times of India Report, 2025

- The United States legalized sports betting federally after *Murphy v. NCAA*¹⁷
- Singapore permits limited state-regulated betting while maintaining strict restrictions.
- China largely prohibits gambling except in Macau.

India currently follows a mixed model where selective skill-based gaming activities are permitted while direct sports betting remains largely prohibited.

10. Conclusion

The legalization of horse betting through judicial interpretation significantly influenced the development of gambling jurisprudence in India. By recognizing horse racing as a game of skill, courts established a legal framework later extended to fantasy sports platforms such as Dream11.

However, the increasing popularity of online gaming applications demonstrates the growing difficulty in distinguishing genuine skill-based gaming from gambling disguised as entertainment. Although courts have upheld fantasy sports as lawful activities, ethical concerns surrounding addiction, commercialization, and financial exploitation remain substantial.

India therefore requires a modern and comprehensive regulatory framework capable of balancing technological innovation, economic growth, and public welfare. Without legislative clarity, the distinction between gaming and gambling will continue to generate legal uncertainty and social controversy.

¹⁷ 2018

References

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