

Gaussian Network Pvt. Ltd V Monica Lakhanpal & Another (2012)

IN THE HIGH COURT OF DELHI AT NEW DELHI

+ C.R.P. 119/2012

GAUSSIAN NETWORK PVT LTD Petitioner

Versus

MONICA LAKHANPAL & ANR Respondents

CORAM: HON'BLE MS. JUSTICE INDERMEET KAUR

O R D E R

21.04.2016

Both the parties are aggrieved by the order dated 17.09.2012. This order was passed in a petition filed under Order 36 of the Code of Civil Procedure (hereinafter referred to as the "Code") seeking an opinion of the Court a contingent on which would be the finalization of an agreement between the two parties.

Record discloses that petitioner No. 1 is a company registered under the Companies Act. It was start-up company and was proposing through professional representatives to conduct an on line business to carry out the operations of respondent No. 1 who wanted to invest money in the company of the petitioner in order that she could earn profits from the said business. The petitioner had proposed launching a website offering six games namely chess, billiards, rummy (thirteen/twenty six card), Texas holdem poker (five card poker), bridge and snooker; the petitioners were to provide a social game platform where people would play against each other. Contention before the Trial Court being that these are all games of skill as there is a greater preponderance of skill over chance. The investments made by respondent No. 1 in the petitioner company would grant her equity interest but the agreement inter-se the parties had stipulated that release of payment by respondent No. 1 would be contingent on respondent No. 1 being satisfied about the legalities of the games to be launched on the said website.

Accordingly both the parties had sought an opinion of the Court on the following queries:-

- (i) Whether games of skill are considered ?business activity?, protected under Article 19 (1) (g) of the Constitution of India.
- (ii) Whether the Games of Rummy, Chess, Gold, Poker, Bridge and Snooker are games of skills?
- (iii) Whether there is any restriction on playing the aforementioned games of skill with stakes on the websites making profit?
- (iv) Whether wagering and betting on games of skill make the activity ?Gambling??
- (v) Whether there can be restriction on advertising and promoting the website offering the aforesaid games of skill?
- (vi) Can the banks refuse to provide normal banking serves to the websites once it is determined that the Company is conducting normal business activities?
- (vii) Can the Company or its Directors, agents, players etc be held liable under any penal laws as long as they are only offering games of skill which are declared to be normal business activities?

All these queries were answered against the petitioner. The Court was of the view that the aforementioned games involved betting and thus being gambling activities they could not be categorized as games of skill. Petition was disposed of in the above terms.

Learned senior counsel for the petitioner submits that the judgment is in the teeth of law laid down by the Apex Court in the judgment reported as (1996) 2 SCC 226 Dr. K.R. Lakshmanan Vs. State of Tamilnadu and another as also another judgment of the Apex Court reported as (1968) 2 SCR 387 State of Andhra Pradesh Vs. K. Satyanarayana and Others. Submission being that where a competitive skill is involved along with a substantial degree of exercise of skill, it cannot be termed as a "gambling activity".

A copy of an RTI information has also been placed on record, obtained from the Government of Nagaland, Department of Justice and Law wherein the answer to the query was that the games of poker, rummy and bridge involve skill and are not gambling as per the provisions of the Gambling Act, 1867. Submission again being reiterated that the impugned order has proceeded on a

mis-appreciation of law.

Be that as it may, Dr. Abhishek Manu Singhvi, learned senior counsel for the petitioner submits that he does not wish any academic question to be answered and at this stage prays that permission may be granted to the parties to withdraw their reference which they had made before the Trial Judge.

Permission is accordingly granted to the petitioner to withdraw this revision petition i.e. C.R.P. No.119/2012 titled as 'Gaussian Network Pvt. Ltd. Vs. Monica Lakhanpal & Anr'. Accordingly, the observations made by the Trial Judge in its order dated 17.09.2012 i.e. in Suit No. 32/2012 titled as 'Gaussian Network Pvt. Ltd. Vs. Monica Lakhanpal & Anr' no longer survive.

Petition disposed of as having become infructuous.

INDERMEET KAUR, J
APRIL 21, 2016

Trial Court Judgment by Delhi District Court (2012)

M/s Gaussian Network Pvt. Ltd.
Through its Director Mr. Anuj Gupta Petitioner

V E R S U S

1. Ms. Monica Lakhanpal

And

2. State of NCT

Through its Secretary
Ministry of Law and Justice, Delhi Government

J U D G M E N T

This petition has been filed under Order 36 CPC seeking an opinion of the Court, contingent on which would be the finalisation of an agreement between the petitioner and respondent no. 1.

The provisions of Order 36 CPC are :

ORDER XXXVI CPC

(1) Parties claiming to be interested in the decision of any question of fact or law may enter into an agreement in writing stating such question in the form of a case for the opinion of the Court, and providing that, upon the finding of the Court with respect to such question

- (a) a sum of money fixed by the parties or to be determined by the Court shall be paid by one of the parties to the other of them; or
- (b) some property, movable or immovable, specified in the agreement, shall be delivered by one of the parties to the other of them; or
- (c) one or more of the parties shall do, or refrain from doing, some other particular act specified in the agreement.

(2) Every case stated under this rule shall be divided into consecutively numbered paragraphs, and shall concisely state such facts and specify such documents as may be necessary to enable the Court to decide the question raised thereby.

2. The petitioner M/s Gaussain Network Pvt. Ltd. is a company registered under the Companies Act 1956 with its head office at W6, Greater Kailash II, New Delhi. The site for its server is however based at Kolkata. The present petition has been filed by its Director

Mr. Anuj Gupta, who has been duly authorised by the Board Resolution dated 12.02.2012. As averred, the petitioner company is an internet startup company founded by eminent alumni from IIT, Delhi and other professionals with great experience in internet and financial domains. While the petitioner, through professional representatives, would conduct the online business and carry out the operation, respondent no. 1 is an independent investor wanting to make a financial contribution which would grant her a share in the equity in the aforesaid business.

3. An agreement dated 14.02.2012 was entered into between the parties. Respondent no. 1 has agreed to invest a sum of Rs. 5 lakhs, subject however to the opinion of the Court on the legalities of the issues involved. Before they launch the said site and/or give effect to the agreement, they wish to ensure that they do not violate any law by operating games which may amount to betting or gambling and therefore seek an opinion of the Court to ensure that they do not transgress or violate the laws before venturing into this arena.

4. Respondent no. 2, being the State of NCT was impleaded through its Secretary, Ministry of Law and Justice, Delhi Government. The Govt. of NCT through its Law Department was duly served but chose not to appear in Court. They were proceeded Exparte and the petitioner was directed to place the facts on record vide an affidavit.

5. In their affidavit, the Board Resolution by the petitioner company in favour of its Director, Mr. Anuj Gupta, Director was filed as Ex. PW1/1. The petitioner company proposes to launch a website offering 6 games viz.

- 1) Chess
- 2) Billiards
- 3) Rummy (thirteen/twenty six card)
- 4) Texas Holdem Poker (five card poker)
- 5) Bridge
- 6) Snooker.

6. It is deposed that the petitioner is providing a social game platform where people play against each other and not against the house. These are games which are categorised and recognised as games of Skill. In all these games, there is a preponderance of skill over chance. The petitioner company does not bet against any of its players and only charges a limited commission of under 5% on the winning hand. As per the deposition of the witness, it is stated that the petitioner has already conducted a thorough due diligence of various issues, interalia financial, Information Technology, legal etc. and has successfully developed a completely transparent user friendly website for launching online games. As per the due diligence already conducted, the aforesaid games proposed to be launched are games of Skills and do not violate any provision of law.

Investment of respondent No.1 would only grant her an equity interest and the entire operation of the portal shall be the domain of the petitioner who would be incharge of the complete execution of the venture which entails hiring human resources, developing and upgrading softwares, organizing reputed money gateways, managing office administration, managing online queries etc. Respondent no. 1 would not be involved in the daily operation except for important decisions which may have bearing on the equity structure. The agreement between the parties is Ex.PW1/3. Since the petitioner company is a start up venture and is not adequately funded, therefore both the parties have decided to merge expertise with necessary resources. As per the agreement, it was specifically agreed that release of the payment by respondent no. 1 would be contingent on the respondent no. 1 satisfying herself qua the legalities of the games to be launched on the website. The petitioner has therefore approached this Court to seek the opinion whether the games enumerated in the agreement fall within the ambit of 'Games of Skills' and not 'Games of Chance'. The petitioner therefore seeks opinion of this Court on the following queries :

i. Whether games of skill are considered 'business activity', protected under Article 19(1)(g) of the Constitution of India.

ii. Whether the Games of Rummy, Chess, Golf, Poker, Bridge, and Snooker are games of skills ?

iii. Whether there is any restriction on playing the aforementioned games of skill with stakes on the websites making profit ?

iv. Whether wagering and betting on games of skill make the activity ?Gambling? ?

v. Whether there can be restriction on advertising and promoting the website offering the aforesaid games of skill ?

vi. Can the banks refuse to provide normal banking serves to the websites once it is determined that the Company is conducting normal business activities ?

vii. Can the Company or its Directors, agents, players etc. be held liable under any penal laws as long as they are only offering games of skill which are declared to be normal business activities ?

7. To assist the court, Ld. Counsel for the petitioner has stated that as far as the games of Rummy, Bridge, Golf and Chess are concerned, these are games of Skill declared to be legal as already observed by the Hon'ble Supreme Court of India in the matter of Dr. K.R. Lakshmanan V. State of Tamilnadu reported in AIR 1996 SC 1153. Further the Apex Court had also opined that games of skill, even if played for stakes, do not amount to gambling and are hence are legal. In the matter of RMD Chamarbaughwala V. UOI reported in AIR 1957 SC 628, the Apex Court held that competitions in games involving Skill are business activities and are protected under Article 19(1)(g) of the Constitution of India. Reliance is also made on the West Bengal Gambling and Prize Competition Act, 1957, which excludes the games of Rummy, Poker, Bridge and Nap from the ambit of gambling.

8. Ld. Counsel has also argued that there are World Championships organised for the games of Rummy, Chess, Poker, Billiards and Bridge which fortifies their claim that these are games of skills. Ex. PW1/9 is a document giving a list of tournaments of the World Championship enlisting consistent winners taken from 2012 World Series of Poker thereby indicating that the game of Poker, like other games as Chess, Rummy and Billiards is a game of Skill and not of Chance. The International Mind Sports Association (IMSA) is an institution of the world governing bodies for games like World Bridge Federation (WBF) for Contract Bridge, World Chess Federation (FIDE) for Chess, and International Federation of Poker for Poker. IMSA was founded on 19.04.2005 and is a member of the General Association of International Sports Federations which is based in Lausanne, Switzerland. It recognises Chess, Bridge and Poker as Mind Sports and are therefore recognised as games of skill. It is further brought to the notice of this court that some of the top Management and Technology universities have recognised Poker as an accredited academic subject. Massachusetts Institute of Technology (MIT), amongst the top ranking world universities, offers it as an academic course. Document evidencing the Poker course at the in MIT is Ex. PW1/11.

9. Reliance is also placed by the petitioner on a detailed studies conducted by Stevin D. Levitt and Thomas J. Miles on The Roll of Skill V. Luck in Poker which conclude Poker to be a game of skill. Stevin D. Levitt is an American Economist and a coauthor of best seller 'Freconomic'. The work paper along with relevant details of the authors is marked PW1/12. The Global Poker Strategic Thinking Society by Harvard Professors also conducted a detailed study on the role of skill in poker and concluded that poker is a game of skill. The study is Mark PW1/13. Poker is also taught as a strategic subject at the Harvard Law School by Prof. Charles Nesson. Website of Harvard University evidencing the schedule of the course is Ex. PW1/14. It is further testified that Bill Chen, a renowned Mathematician with academic degrees from the best known institutions has provided an indepth study of the mathematical skills involved in a game of poker through his book 'The Mathematics of Poker', Ex. PW1/15. Theories of Poker is another book which puts forth strategic perspective on poker including psychology assessment, risk analysis etc. This book introduces the Fundamental Theorem of Poker, its implications, and how it should be played. The same is Ex. PW1/16.

10. The petitioner has therefore stated that in view of the explicit judgments of the Indian Courts and the materials on record, the games of Rummy, Chess, Golf, Poker, Bridge, Snooker are categorised as games of Skill and not of Chance. Globally, a number of nationalized and private banks have already provided the money gateways for conducting games of skill, after having conducted their due diligence.

11. In view of the material adduced on record, the parties specific queries before this Court (not necessarily in the order prayed for) are being answered as follows:

ii. Whether the Games of Rummy, Chess, Golf, Poker, Bridge, and Snooker are games of skills?

iii. That there is no restriction on playing the aforementioned games of skill with stakes on the website making profit as the same does not amount to gambling ?

iv. Whether wagering and betting on games of skill make the activity ?Gambling? ?

Golf, Chess, Rummy

12. Skill is defined merely as an exercise upon known rules and fixed probabilities of sagacity, which in turn is defined as quickness or acuteness of sense perception; keenness of discernment with soundness of judgments; shrewdness and the ability to see what is relevant and significant. It involves :

- a) a learned or a developed ability;
- b) Strategy;
- c) Physical coordination;
- d) Technical expertise and
- e) Knowledge.

A game of skill is one where the outcome is determined mainly by the mental or physical prowess, rather than by Chance. Though there is hardly a game which does not involve a certain degree of chance which may be due to natural aspects of environment, bluffing or other psychological warfare, in games involving Skill there should be a predominance of Skill over Chance.

13. In the matter of Dr. K.R. Lakshmanan (Supra), the Apex Court has observed that the games of Chess and Golf involve substantial skill. Rummy, like Bridge is also a game of Skill. If stakes are involved in playing these games, it would not amount to gambling. The petitioner has also relied upon the decision of the Apex Court in the matter of State of Bombay V. RMD Chamarbaughwala reported in AIR 1957 SC 699 holding that a competition where success depends on substantial degree of Skill is not Gambling. It was also held that despite there being an element of chance, if a game is predominantly a game of skill, it would nevertheless be a game of mere skill. It is staking on chance where skill is the controlling factor. Wagering or betting on a game of skill does not come with the definition of gaming or gambling.

14. The decision of the Apex Court in the matter of K.R. Lakshmanan (Supra) and Chamarbaughwala (Supra), was relied upon in the case of The Executive Club formed by Laitha Real Estate Pvt. Ltd. V. State of A.P. reported in 1999 Cr. L.J. 35, holding that Rummy is a game of Skill and therefore whatever be the stakes involved in playing such games, would not be of any consequence.

15. The game of Chess also involves a high degree of skill. The World Championship FIDE acknowledges the superiority of a champion through his skill. It is also recognized as a mind game by the International Mind Sports Association (IMSA) which is an institution of the world governing bodies for contract bridge, chess etc. It is declared to be a game of Skill and is excluded from the purview of gambling/gaming by West Bengal Gambling and Prize Competition Act.

Golf

16. There are International Golf Tournaments offering huge prize money, recognising the Skill and prowess of a player. There have been players remaining on the top as Champions year in year out. This is an outcome of their Skill and not a matter of Chance.

Bridge

17. The petitioner has placed reliance on the World Championship viz the Bermuda Bowl, Venice Cup etc. and has enlisted certain players who have won the world championship on number of occasions and have consistently managed to be in the top few players, thereby substantiating the fact that bridge is a game of skill. It is a game which involves intellect and cannot be won without application of mind.

Billiards

18. The World Billiard Championship namely 8Ball WC, WPA World Artistic Pool Championship, Amyway Cup recognises Billiards as a game of skill.

19. The West Bengal Gambling and Prize Competition Act also excludes games of Rummy, Bridge, Poker and Nap from the ambit of gambling as per the definition under Section 2 (b) of the Act. Section 13 of the Delhi Public Gambling Act also excludes games of skill from the purview of gambling. Therefore in so far as games of Rummy, Chess, and Golf are concerned the opinion of the superior courts exist which are binding and are law of the land. These are declared to be a games of skill outside the purview of Gambling Act. Bridge and Billiards are also recognised as games of skill.

Poker (Texas Holdem 5 card Poker)

20. Though the petitioner has placed reliance on a lot of material to substantiate that Poker is a game of skill, the same is highly questionable and falls within grey area. There are diverse opinions on its acceptance as a Sport of Skill. It may be recognised as a mind game by IMSA and offered as an academic course at MIT and Harvard University, with many a thesis and detailed study conducted on it by eminent Mathematicians including works of Stevin D. Levitt and Thomas J. Miles, but despite this, globally a number of countries have declared it to be a form of gambling. The opinion is divided. Though a Federal Court of New York has recently held the game of Poker to be a game of Skill, many States in the US and other places seek to prosecute people gaming Poker.

21. In view of the material placed before this Court and the observations of the Apex Court in the matter of Dr. K.R. Lakshmanan V. State of Tamilnadu, the games of Rummy, Chess, Golf, Bridge and Billiards can definitely be opined as games of skill, the element of chance being negligible or insignificant. Poker however cannot be accepted to a game of skill. It would be legal to play Poker within the States which do not hold it as illegal, such as within the State of West Bengal as the West Bengal Gambling and Prize Money Act has specifically excluded it from the ambit of gambling.

22. It would also not be out of place to mention that the Hon'ble Madras High Court has recently held the game of Rummy to be illegal gaming in the matter of Director General of Police V. Mahalakshmi Cultural Association. The said decision is under challenge before the Apex Court and pending adjudication, has been stayed. Till such time, the game of Rummy is being opined as a game of Skill in terms of the decision of the case laws cited and the provisions of the West Bengal Gambling & Prize Competition Act.

23. This opinion on playing Games of Skill for money being legal is however applicable only to these Real games being played in the physical form. Online games cannot be compared with Real games. Technology has an ever increasing influence on all types of commerce and entertainment business is no exception. It is common knowledge that you can gamble online and games of skill are also a very popular way to put your money where your mouse is. Along with the usual single player, a growing number of sites are now letting users complete for a wager in multiplayer games and tournaments. As enjoyable as a free game of online chess or pool can be, having a little money riding on the outcome can certainly make it more thrilling.

24. The legality of playing online games varies from region to region. In the UK, they have adopted a regulatory approach to the online gaming industry. In the US, rules are governed by each State and not by the Federal Government. For this reason, skill games sites generally do not offer their services to many States which equate all form of online gaming for money with gambling.

25. There can be no equation in the degree of skills in games to be played in the physical form and those to be played online. In the Real games, all the aforesaid games require the presence of mind in the presence of competitors. There is a marked difference in the games being played online. The brick and mortar rooms have been replaced by online gaming sites where people can bet from the comfort and confines of the four walls of their own domain. Websites are used as a media through which members interact and place bets, and the company runs a common gaming room. Internet gaming, is therefore viewed only as a viable alternative and substitute for the traditional Casino games.

26. All decisions and data relied upon and cited by the Ld. Counsel for the petitioner are in respect of Real games played in the

physical form. In online gaming, various factors increase the degree of Chance and the predominance of Skill over Chance is questionable. Various manipulation including the randomness, inside cheating, collusion cannot be ruled out. A question does come to mind, that if betting on a game of Skill played in the Real form is legal, why would it be illegal Online? An argument may be advanced that what is legal off line should be legal online as well. To answer this, a crucial factor, and perhaps the most determining one which has to be considered, is the role of the service provider offering various games (even those acknowledged as games of Skill) on payment of money. There are various sites which offer games of Skill online, free of charges. There is no illegality involved. But when the service provider partakes a slice of the winning component, it is no better than a gaming house which are illegal.

27. What constitutes a gaming house is defined under Section 3 of the Bombay Gambling Act. Section 3 of Bombay Gambling Act defines a common gaming house to include "any house, room or place whatsoever, in which any instruments of gaming are kept or used for profit or gain of the person owning, occupying, using or keeping such house, room or place by way of charge for the use of such house, room or place or instruments or otherwise howsoever.

28. The facilities offered by a gaming portal would be covered within the definition and ambit of a gaming house offering games of skill on taking commissions from the winning hand. Attracting business or enticing players by alluring them with prize money is illegal. Such portals merely seek to replace the brick and mortar gaming rooms, offering all the frills and facilities of a gaming house and are nothing better than virtual Casinos, banned in most States. Gaming and Gambling is a State subject and in India is permitted and licenced by the States of Goa and Sikkim. It is only in these State that license is granted for offering online games for money and are legalised. This procedure involves other requirements like furnishing of a Permanent Account No., TAN, registration under the Shop Establishment Act and with the Registrar of Companies etc. States which do not permit gambling end up blocking these sites. There can be no equation of gaming sites with fee based tournaments.

29. Accordingly in respect of the opinion sought, the query of the parties is answered by this Court that the games of Rummy, Golf, Chess, Billiards and Bridge played in the Real form are games of Skill. Poker cannot be accepted as a game of Skill and is more in the form of Gamble like other games of card viz. Flash (Teen Patti) etc. Betting on a games of Skill played in the physical form is opined as being legal by the Apex Court.

However, all these games, even those involving a high degree of Skill, conducted by gaming sites offering prize money and partaking a slice of the winning hand are illegal in States which prohibit Gambling. Online Poker companies have been indicted for violating US laws that prohibit the acceptance of any monetary dealing in connection with unlawful internet gambling. Though legislation in India is silent in respect of online gaming, online gambling has been banned in the State of Maharashtra. These are mere fantasy games and reliance of the Apex Court's observation in the matter of Dr. K.R. Lakshmanan V. State of Tamilnadu (Supra) is misplaced to justify that online playing of these games with stakes, which are otherwise games of skill, would be legal.

i. Games of skill to be a "business activity" protected under Article 19(1)(g) of the Constitution of India.

30. A stake in a game of skill between players does not amount to gambling as per the decision of the Apex Court in the case laws cited above. There are people who are highly skilled in certain games and have become professionals. Earnings from playing such games by any professional would be a professional or a business activity protected under Article 19(1)(g) of the Constitution of India played in the physical form. However, as held above, online games conducted by gaming houses or websites are illegal in States where gambling is prohibited.

The aforesaid Article of the Constitution guarantees the citizens of India, the right to practice any profession and carry out any trade or business. This right is subject to the legality of any trade or business. Gaming is a State subject and a State can prohibit and make laws imposing reasonable restriction in the interest of general public. Gambling activities or conducting online games for profit on the gaming portals are extra commercium and cannot be included within the words "trade", "business" or "commerce". Sports betting is an offence in India and Bookies earning money from bets laid on games of Skill cannot be granted protection under Article 19(1)(g) of the Constitution of India. So, while betting or playing for money amongst players on a game of Golf, Chess, Bridge or

Billiards may be permitted, they cannot be considered legal if operated by a gaming house. Such an online ?business activity? would not be protected under Article 19(1)(g) of the Constitution of India.

iv. Restriction on advertising and promoting the website offering the aforesaid games of skill ?

31. As opined earlier, this Court has held that there is a difference in games of skill being played in the physical form and those played online. A perusal of the various websites offering such online games for prize money and winning through betting confirms that these sites are virtual Casinos, which are illegal. Advertising or promoting these websites has to be curtailed. Moreover sponsors advertising or promoting their own product on such sites also attract penal consequences.

vi. Can the banks refuse to provide normal banking serves to the websites once it is determined that the Company is conducting normal business activities ?

32. The online gaming, even pertaining to games of skill, offered by websites involving money cannot be held to be legal and therefore banks can refuse to provide normal banking services to such website. Payment gateways for gambling are blocked by the Reserve Bank of India as per the Information Technology Rules of 2011.

vii. Can the Company or its Directors, agents, players etc. be held liable under any penal laws as long as they are only offering games of skill which are declared to be normal business activities?

33. Since online gaming cannot be held to be legal as opined by this Court in States which prohibit gambling, the Company and its directors, agents, players, are liable to penal consequences.

34. The opinion sought by the parties on the aforesaid issues have been answered accordingly. It is being observed that despite the fact that online gaming is a multibillion dollar industry which is growing exponentially, there are no checks or regulations in place, giving lee way to many operators to carry on such business with unbridled impunity. Wagering and betting is being conducted by holding that it is perfectly legal to bet on games of Skill. The prohibition under the Gambling Act has been given a complete go-by. There is no specific legislation banning such activity wagering on games of Skill online. The gambling acts of various states have not been amended to include the online games of skill despite the increasing internet penetration. It is also observed that despite there being prohibition on gambling, very few states have blocked these illegal sites from operation.

35. The online gaming market business in India is poised for explosion and there is an increasing penetration of industry and other big houses into online gaming business. This industry continues to thrive in the environment of the ongoing development of worldwide online games. Our legislation is silent and oblivious of the issues involved. Online gaming is replacing the brick and mortar Casinos/gaming houses. They are wiping out Casinos and replacing them by offering facilities to gamblers to bet within the comfort and confines of the four walls of their own domain. The demographics and customer transaction is changing with a shift to the younger generation. There is little mechanism to check the transfer of money through the international routes. Information stored in clouds leads to jurisdictional issues. Lack of regulation results in total evasion of taxes, though vide the due diligence rules in Information Technology made in 2011, an attempt to transfer money involving online gambling is prohibited and excess to such content may be blocked. Payment gateways of gambling sites are also blocked by the Reserve Bank of India.

36. Before concluding, this Court regrets that despite service to the Government of NCT though its Law Department, there was neither any assistance to the Court, nor resistance to the arguments advanced by the petitioner that there was nothing illegal in a gaming portal offering the facility of betting online on games of Skill.

37. All queries have been answered by this Court. The petition stands disposed off according.

38. File be consigned to Record Room.

Addl. District Judge

New Delhi District: PHC
New Delhi 17.09.2012