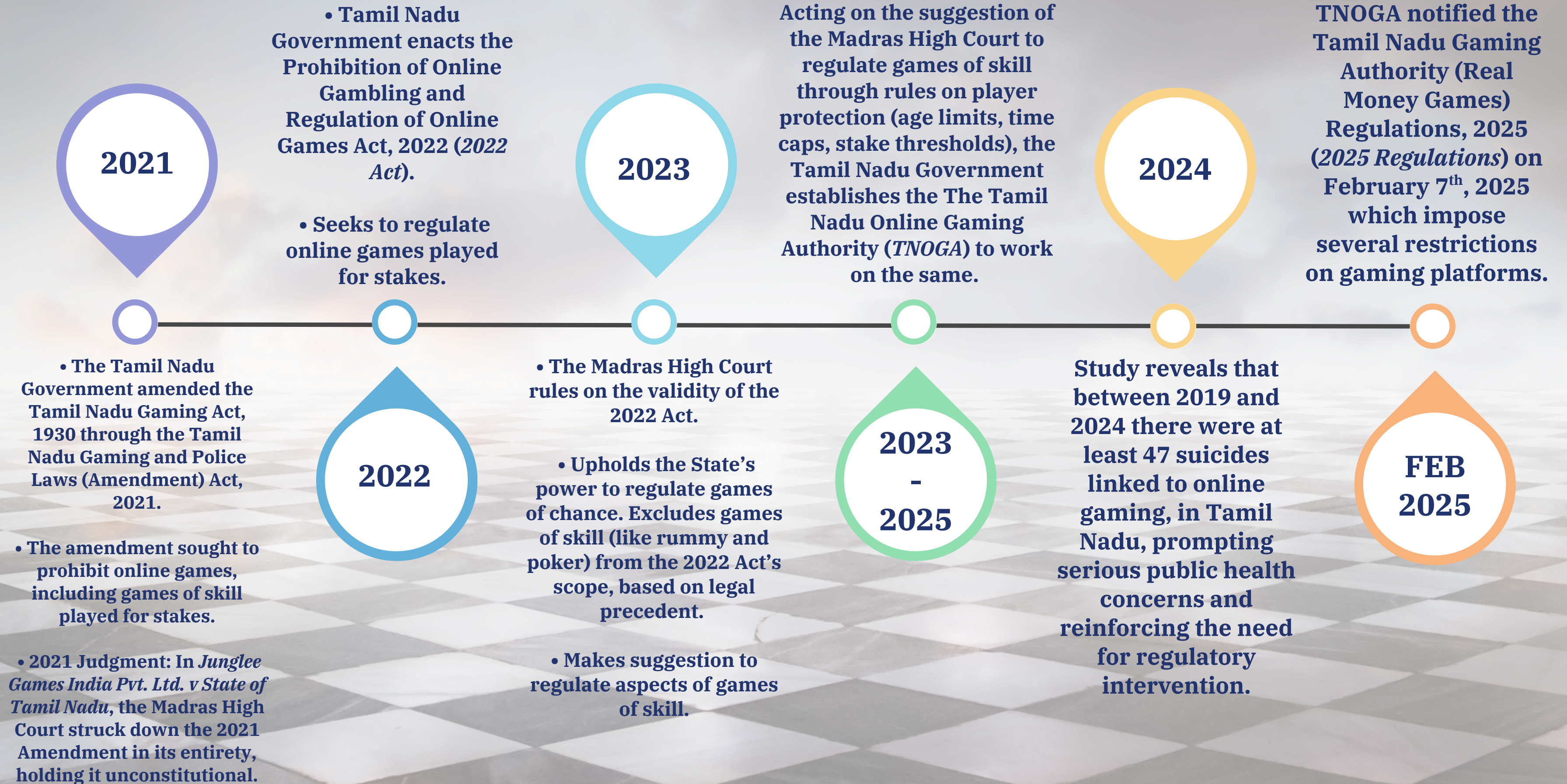


PLAY GAMES 24X7 V. STATE OF TAMIL NADU (2025)

(W.P Nos. 6784,6794,6799,6970, 8832 and 13158 of 2025)

An Overview of Madras High Court's Judgement

BACKGROUND



SUMMARY OF THE 2025 REGULATIONS

*The 2025 Regulations
were introduced as a
comprehensive framework
to oversee the functioning
of platforms offering real
money games of skill.*

Login Restrictions (Blank Hours)

*Player logins disabled between 12:00 AM and 5:00 AM
to help curb late-night compulsive gaming behavior.*

Mandatory Aadhaar-based KYC

*All users must complete identity verification
through Aadhaar.*

Access Prohibition for Minors

*Users below the age of 18 strictly prohibited
from accessing real money games.*

Addiction Warnings

*Platforms must display prominent addiction
warnings and advisories about financial risks.*

Limits on Playtime and Stakes

*Caps imposed on gameplay and the amount
of money a user can stake.*

WHO CHALLENGED THE LAW AND WHY

A group of **major online gaming companies**—including **Play Games 24x7, Jungle Games, Head Digital Works**, and others—alongside individual players and industry associations challenged the 2025 Regulations before the Madras High Court. They sought to invalidate:

1. **Sections 5 and 14** of the 2022 Act, which **empower TNOGA** to frame binding regulations on online games.
2. Specific provisions of the 2025 Regulations, particularly the **mandatory "blank hours"** and **restrictions on monetary stakes and access**.

They argued that the 2025 Regulations, including the Aadhaar-KYC mandate and the blank hours restriction, were **overreaching, legally unsound and violative of players' fundamental rights**, including privacy, freedom of trade and digital autonomy.



PETITIONERS' CORE LEGAL ARGUMENTS

NO JURISDICTION

Regulation of online games, when played via digital infrastructure, falls squarely under **Entry 31 of List I (Union List)**, which governs telecommunications, internet, and digital communication. Hence, only the Central Government has jurisdiction, not individual States.

CONFLICT WITH EXISTING LAWS

The Information Technology Act, 2000 and the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 **already prescribe a central framework** for online gaming intermediaries. The 2022 Act, they claimed, **duplicates and conflicts with these rules**, creating legal inconsistency.

PETITIONERS' CORE LEGAL ARGUMENTS

VIOLATION OF FUNDAMENTAL RIGHTS

- The **mandatory Aadhaar-KYC** requirement was challenged as a **disproportionate intrusion on the right to privacy**, especially for an entertainment service. Petitioners invoked the Supreme Court's Aadhaar judgment (*Puttaswamy vs. Union of India*), which limited Aadhaar usage to specific purposes.
- The **blank hours restriction** (12:00 AM to 5:00 AM) was argued to be arbitrary and overbroad, **violating Article 19(1)(g)** (freedom to carry on trade).

UNFAIR TREATMENT

The Petitioners also argued that the 2025 Regulations are **discriminatory and unfairly single out gaming platforms**, therefore are in **violation of Article 14 (Equality)** of the Indian Constitution. While other online entertainment services such as Netflix, YouTube, and social media apps operate 24/7 without time-based restrictions, despite being equally engaging or addictive, the restrictions were being imposed only on gaming operators which was arbitrary and without any rational.

STATE'S DEFENSE – PUBLIC HEALTH & POLICY RATIONALE

JURISDICTION

The State asserted that its objective was not to regulate internet infrastructure or digital communication (which fall under Entry 31, List I), but to **address the real-world consequences of real money gaming—namely addiction, financial loss, and public health risks**. It relied on its powers under **Entry 6 (public health) and Entry 26 (intra-state trade and commerce)** of the State List. Applying the doctrine of pith and substance, the State argued that the 2022 Act and 2025 Regulations' **dominant purpose is public welfare, which is well within its legislative competence**.

ALLEGED CONFLICT WITH EXISTING LAWS

In response to claims of conflict with the Information Technology Act, 2000, the State emphasized that **conflict arises only between laws under the Concurrent List**, which is not applicable here. The IT Act regulates digital intermediaries and platform operations, whereas the 2022 Act and the 2025 Regulations govern local user safeguards and gambling behavior. Since they operate in distinct legal fields, the laws are not in conflict but are mutually reinforcing.

STATE'S DEFENSE – PUBLIC HEALTH & POLICY RATIONALE

ALLEGED VIOLATION OF FUNDAMENTAL RIGHTS

The State **defended** the **Aadhaar-KYC and blank hours restrictions as necessary and proportionate public health measures**. It argued that **privacy is not absolute** and may be limited in the larger public interest, especially to protect minors and prevent fraud. Citing '*X v. Hospital Z*', it emphasized that **when fundamental rights conflict, public welfare takes precedence**. Regarding the **blank hours restriction** (12 AM–5 AM), the State relied on expert reports and police data linking late-night gameplay to addiction and suicides, **justifying the measure** as a targeted intervention to **safeguard** the right to health under **Article 21**.

UNFAIR TREATMENT

Responding to the comparison with streaming services like Netflix or YouTube, the State argued that **real money gaming carries unique risks—such as financial loss, reward-driven behavior**, and gambling-like dynamics, which is **not present in passive content consumption**. Therefore, imposing additional safeguards is reasonable and necessary, and does not amount to unequal treatment. The Regulation targets specific harms, not the medium or screen time, which justifies differential treatment.

DISMISSAL

All six petitions were dismissed by the Court.

DOCTRINE OF PITH AND SUBSTANCE APPLIED

Even if the law incidentally touches on internet regulation (a Union subject), its core objective is the regulation of health and commerce within the State—making it constitutionally valid.

JURISDICTION UPHELD

The Court affirmed that the State has the authority to regulate real money games of skill, especially in the interest of public health.

NO FUNDAMENTAL RIGHTS VIOLATED

The Court found that no fundamental rights were violated - the Court applied the test of larger public interest.

BLANK HOURS VALIDATED

Found to be a reasonable and evidence-based restriction aimed at curbing impulsive gameplay and addiction.

PRIVACY CONCERNS

Aadhaar-KYC was found to be narrowly tailored for age verification and fraud prevention. Reiterated that privacy is not absolute, and reasonable restrictions are permitted in the public interest.

AADHAAR-BASED KYC UPHELD

Requirement held to be proportionate and aligned with the objective of promoting safe, responsible gameplay - aimed at preventing access by minors and addicts.

TRADE FREEDOM

The Court ruled that trade freedoms can be lawfully restricted to protect public health and vulnerable users. Online gaming platforms do not enjoy unlimited commercial rights, especially where financial stakes and social risks are involved.

**FINAL
RULING OF
THE COURT**
(June 3, 2025)

BROADER LEGAL IMPLICATIONS

STATE REGULATION

The ruling put a stamp on the State having the power to regulate how real money skill-based games are offered, especially to prevent addiction, protect minors, and ensure public welfare.

ADHAAR KYC

Though privacy concerns were raised, the Court found Aadhaar-based KYC to be a lawful, proportionate safeguard to verify age, deter fraud, and enforce accountability on gaming platforms.

DUAL REGULATORY MODEL

The Court endorsed a multi-tiered framework—with the Centre handling internet infrastructure and intermediaries, and States managing public health and local user protection.

PRECEDENCE

This judgment sets a template for state-level regulation, wherein other states may get encouraged to take a compliance-focused approach, in the guise of it being welfare driven, across the online gaming sector.

WAY FORWARD

While the Madras High Court has ruled against the gaming companies and practices similar to the restrictions imposed, in Tamil Nadu, have been seen in other international jurisdictions, for example China - wherein time-based restrictions were introduced as far back as in 2019 - the gaming companies may still choose to **appeal** the decision **before the Supreme Court of India**.



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