

SHANTANU SINGH
ADVOCATE
16 Bhai Veer Singh,
Near Gole Market, New Delhi-110001.
Contact: 9599112394 / 8586079029

Dated : 13.05.2025

To
FINPAGES TECH PRIVATE LIMITED
(CIN: U66190TS2024PTC183295)

Registered Office:

8-3-231/A/278 & 279, Flat No. 404, Sri Krishna Nagar
Yousufguda, Khairatabad, Hyderabad – 500045, Telangana

Corporate Office:

#709, Gowra Fountain Head, HUDA Techno Enclave
MindSPACE Rd, HITEC City, Hyderabad, Telangana 500081

Subject: Legal Opinion pertaining to NIFTY 10, an online gaming platform launched by the querist company FINPAGES TECH PRIVATE LIMITED through its Director Palanati Nagababu

Dear Madam/ Sir

Based on your query whether the online gaming platform NIFTY10 and incidental services provided by such platform, whether it is a game of skill, please find the legal opinion in the following terms, read together with the disclaimer at the end of this opinion.

A. QUERIST

Querist is an unlisted private limited company namely FINPAGES TECH PRIVATE LIMITED, with CIN U66190TS2024PTC183295 registered with RoC Hyderabad (South East Region), incorporated on 13.03.2024, at the registered address - 8-3-231/A/278 & 279, Flat, No.404, Sri Krishna Nagar, Yousufguda, Hyderabad, Khairatabad, Telangana, India, 500045, with an authorised capital of Rs 15 lakhs and paid up capital of Rs 10 lakhs. The company as on date has two directors namely Nagababu Palanati (DIN: 09087936) and Bandi Bhavani (DIN: 10547872).

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The Company FINPAGES TECH PRIVATE LIMITED has approached us through its Director Nagababu Palanati who has raised the query which forms the subject matter of this legal opinion.

B. QUERY

Whether, the stock market based online cash prize game, involving a test of the players' knowledge of the stock market is a game of Chance or a game of Skill, specifically in light of NIFTY10 ?

C. FACTS AS STATED BY THE QUERIST

- a. NIFTY 10, the querist, is an online stocks prediction app based game involving the predicting the performance of various stocks within a given timeframe and accurate predictions are awarded with real cash prizes. The core theme of the game is a testing of the players stock market knowledge in a friendly, simulated manner.
- b. NIFTY10 claims that it is a purely skill-based game that requires a considerable understanding of stocks and the stock market. Success in the game depends entirely on the user's analytical abilities and market knowledge.

c. Player Requirements

To participate in NIFTY10, users will require the following skills and must stay regularly updated, A good grasp of stock market trends and movements, Awareness of the influence of global markets on the Indian stock market, Understanding of key regulatory and governmental decisions (e.g., RBI, Government of India), and the ability to analyze their potential impact, Familiarity with market-impacting events such as repo rate changes, quarterly financial results, or international developments (e.g., new taxes imposed by the US administration).

d. Analytical Gameplay

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Players are expected to analyze various market indicators, global cues, and domestic developments to anticipate stock movements and make informed in-game decisions. The Querist offers both Cash based and non-cash based promotional games etc on the app / platform.

e. No Market Influence

NIFTY10 is structured to ensure it does not interfere with actual stock market operations. The game closes at 9:00 AM before markets open and resumes at 4:00 PM after markets close.

f. Independence from Stock Market Activities

At no point during the day does NIFTY10 directly or indirectly influence the stock market.

g. No Stock Tips or Recommendations

NIFTY10 does not offer investment advice, stock tips, or recommendations related to stocks listed on NSE or BSE.

h. Purpose of NIFTY10

NIFTY10 aims at cultivating interest and awareness about the stock market among users in a fun and engaging way. It encourages users to stay informed, think analytically, and develop a deeper understanding of financial markets through gameplay.

i. The Modus Operandi of running of the App / Platform

The players are required to register on the platform for accessing the games / service. The registration process involves submission of details like age, residence and to complete the KYC and verification process. The player is required to be above 18 to access and play the game. Thus, the company ensures proper verification of every player on the platform.

j. Jurisdictional Applicability and Registration of Users

NIFTY10, stating itself to be a skill-based online stock prediction game, is not yet classified as gambling under Indian law. Subject

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to any evolving regulations by and on behalf of the local, state or central government or any of its agencies, as NIFTY 10 involves skill and not merely chance, it will attract the exemption under Section 12 of the Public Gambling Act, 1867, which excludes games of skill from the Act's prohibitions. Therefore, the game maybe lawfully accessible to users across all states of India and to individuals located globally, subject to their local municipal, state, central laws or any other applicable regulation with statutory force. Few states in India have explicitly barred such online games and NIFTY 10 will be subject to such local state laws as well.

The platform welcomes registration from users pan-India and worldwide, provided they fulfil the eligibility criteria, including completion of KYC verification and confirmation of being above 18 years of age. The Company affirms that NIFTY10 neither involves any element of betting nor influences actual stock market activity, and that its operations are compliant with applicable Indian laws regarding skill-based gaming.

k. Standard Policies

The Querist has informed that the Company maintains robust "Privacy Policy" and "Terms of Service" in compliance with applicable Indian laws, including the Information Technology Act, 2000, and covers user conduct, data protection, and responsible gaming practices. Upon successful registration and KYC verification, users are permitted to add cash to their in-app gaming wallet and participate in both cash-based and non-cash-based game formats.

Deposits into the player's wallet are classified into two categories:

- Self-deposited funds

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- Winnings earned from participation in games

Withdrawals from the player's account are permitted upon request, subject to:

- Successful completion of KYC verification
- Deduction of Tax Deducted at Source (TDS) in accordance with the Income Tax Act, 1961

The Company supports withdrawals through multiple verified payment channels, including:

- NEFT (National Electronic Funds Transfer)
- IMPS (Immediate Payment Service)
- UPI (Unified Payments Interface)

The user may select their preferred mode of transfer, and the Company will attempt to process the transaction through the chosen method. However, processing time may vary depending on the bank and selected channel.

Withdrawals will not be processed on bank holidays or in case of system downtime with payment intermediaries. All transaction records are logged and can be made available to users upon request for transparency.

The Company affirms its commitment to financial compliance and ensures that all funds are routed through legitimate and regulated banking channels, with full audit trails and reconciliation procedures in place.

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D. RELEVANT LAWS & REGULATIONS

Considering the very limited nature of query raised, the relevant act is **Public Gambling Act** and the precedents of the constitutional courts.

While there are many other laws which are applicable to online gaming platforms, the same are not being considered as what has been queries from us is the nature of such online gaming platforms, presumably complying with all legal norms, whether are being games of Skill or Chance.

E. ANALYSIS OF LEGAL PROVISIONS

- a. The 7th Schedule, List II, Entry No. 34 of the Constitution of India empowers state legislatures to frame state specific laws on betting and gambling. Accordingly, various State Governments have promulgated legislations regulating gaming/gambling.
- b. Lotteries have been excluded from the purview of gaming legislations and are governed by Lotteries (Regulation) Act, 1998 and certain other state legislations.
- c. The Public Gambling Act, 1867 seeks to prohibit Public Gambling and provides punishment for public gambling and the keeping of gaming houses.
- d. The provisions of the above Act however carve out an exception in Section 12, wherein it exempts games of skill from the applicability of the Act. The relevant provision is as follows:-
 - i. *“12. Act not to apply to certain games.—Nothing in the foregoing provisions of this Act contained shall be held to apply to any game of mere skill wherever played.”*
- e. In view of the above exception, games, including online games, which are different from “Gambling” are legal in India, unless specifically prohibited by different states through separate State

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Legislations. Most states have adopted the Public Gambling Act, and some others have enacted legislations which have additional prohibitions in place.

- f. NIFTY10 is structured to challenge and reward strategic thinking, market insight, and analytical precision. Players are required to make real-time assessments of stock market movements, considering a wide array of influencing factors such as macroeconomic indicators, fiscal and monetary policy changes, global geopolitical events, and company-specific financial data.

Unlike games based on chance, the outcome in NIFTY10 is predominantly determined by the player's comprehension of financial systems and their ability to anticipate market behaviour using current and historical data. This structure ensures that success is attributable to the user's knowledge, research, and evaluative judgment.

Moreover, the gameplay is designed *inter alia* to serve an educative awareness purpose, encouraging users to explore and understand macroeconomic principles, capital markets, and financial decision-making under uncertainty. As such, NIFTY10 offers a learning-oriented environment that not only entertains but also enhances financial literacy and economic awareness. The platform deliberately avoids any resemblance to speculative trading or investment advisory. Instead, it promotes active intellectual engagement, grounded in economic realities and policy developments. This reinforces the classification of NIFTY10 as a Game of Skill, fully aligned with judicial interpretations under Indian law.

- g. All of the above requirements prove that the players have to exercise their wisdom, based on their stock market knowledge, and make informed decisions with respect to the results. Since the

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players are clearly required to exercise their stock market skills and knowledge and the results are less dependent on the player's luck, the NIFTY 10 game appears to be a Game of Skill.

- h. The issue of whether a certain game was a game of chance or a game of skill has been decided by the Hon'ble Supreme Court and reaffirmed by the High Courts on several occasions. The Hon'ble Supreme Court of India in **State of AP v. K. Satyanarayana** AIR 1968 SC 825, the Apex Court was examining as to whether the game of rummy was a game of chance or a game of skill. The observation of the court is as follows:-

"12. ... The game of rummy is not a game entirely of chance like the "three-card" game mentioned in the Madras case to which we were referred. The "three card game which goes under different names such as "flush", "brag" etc. Is a game of pure chance. Rummy, on the other hand, requires certain amount of skill because the fall of the cards has to be memorised and the building up of Rummy requires considerable skill in holding and discarding cards. WE cannot, therefore, say that the game of rummy is a game of entire chance. It is mainly and preponderantly a game of skill. The chance in Rummy is of the same character as the chance in a deal at a game of bridge. In fact in all games in which cards are shuffled and dealt out, there is an element of chance, because the distribution of the card is not according to any set pattern but is dependent upon how the cards find their place in the shuffled pack. From this alone it cannot be said that Rummy is a game of chance and there is no skill involved in it..."

- i. As evident from the above observation of the Supreme Court, the Court has clearly held that more or less many games involve some element of chance, but it must be seen whether the predominant element involved in the game is that of skill. **If the predominant element involved in the game is skill, then the game would be a game of skill and not a game of chance.**

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- j. The above decision of the Supreme Court was followed by another decision **KR Lakshmanan v. State of Tamil Nadu (1996) 2 SCC 226** wherein the Supreme Court employed the “*Preponderant factor test*” also known as the “*dominant factor test*” to determine whether a game was game of chance or a game of skill. The test recognizes that most games involve both chance and skill, but the dominance of one factor over the other is to be considered in determining whether a game was a game of skill.
- k. The Hon'ble Bombay High Court in **Gurdeep Singh Sachar v. Union of India** Criminal PIL No. 16 of 2019, relying upon the decision in *KR Lakshmanan*, discussed above, held that the success in dream 11 fantasy sports depended upon users exercise of skill based on superior knowledge, judgment and attention, and that the result of the game was not dependent on the winning or losing of the particular team in the real world game on any particular day.
- l. The above decision of the Bom HC was upheld by the Supreme Court in SLP (Crl.) 11444 of 2019 vide Diary No. 43346 of 2019 vide order dated 13.12.2019.
- m. In the present case, the game NIFTY 10, is played based on a players understanding of the stock market and the different variables influencing it, without which the players would hardly be in a position to have any chance of winning any game on the platform. Since the knowledge of the Stock market and factors influencing it essential pre-requisite for playing the game and the player is required to carry out certain amount of analysis of the stock market, while playing the game, the game NIFTY 10, predominantly involves exercise of the stock market knowledge and skill in analyzing various factors and is therefore only a Game of skill.

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- n. The element of chance involved while playing NIFTY 10, if any, is only ancillary and incidental, by virtue of the fact that a certain element of chance is involved in most games & sports.

F. CONCLUSION:

- a. As on date, there is no single central legislation in India which regulates the online gaming platforms which are skill based. There are state level enactments which regulate such online games within their own jurisdictions, which have been covered in this opinion above.
- b. NIFTY 10, from what has been placed before us by the querist appears to be skill based i.e. there are always some chances involved in any game of this nature, however, there is a preponderance of skill required to participate in NIFTY10, as one needs to be generally aware of the functioning of financial markets and their ability to interpret dynamic economic variables. The game is not a matter of random chance; rather, it demands that players apply reasoned judgment, analytical thinking, and domain knowledge to assess market indicators, policy updates, and global economic cues. Success on the platform is contingent upon the player's capacity to make informed and data-driven predictions, developed through a clear grasp of stock behavior, macroeconomic signals, and regulatory developments. Without such proficiency, players are unlikely to succeed, as the platform does not permit arbitrary or luck-based outcomes. As such, NIFTY10 requires a high degree of mental application and financial acumen, making it, in both structure and substance, a pure Game of Skill within the

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meaning of Section 12 of the Public Gambling Act, 1867, and relevant judicial precedents.

- c. While several judicial pronouncements have dealt with aspects of online gaming in India, the entire spectrum of regulatory and legal issues — especially those emerging from rapidly evolving technologies — has not yet been comprehensively examined by constitutional courts. As a result, certain interpretational grey areas remain and may be subject to future judicial scrutiny. However, as of the current legal position, there is no absolute prohibition on operating online gaming platforms in India that are based predominantly on skill, such as NIFTY10 has stated itself to be and for such aforesaid games where skill outweighs chance can be classified as games of skill and as a result, such games fall under the exception of Section 12 of the Public Gambling Act and relevant provisions of similar state acts and other legal and regulatory norms.
- d. The issue of taxation of online gaming platforms has not been examined separately, as the same was not a part of the query before us, however, it is advised that the gaming platforms and any revenue generated from the same shall be subject to taxation as per laws and rules of India.
- e. While it has been stated before us that there are checks on user registrations, it is advised that care shall be inbuilt in the NIFTY10 platform to check and censure any unlawful remittance/usage/ laundering of local/ foreign funds into NIFTY10. The remittance of money by an user/ promoters/ company/ directors/ any other stakeholder of or related to the querist company for the purposes of NIFTY10 shall be subject to and compliant with Indian laws especially anti money laundering laws, banking and financial laws, securities laws

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and all other relevant laws, rules and circulars of the Government of India or any of its states, enunciated from time to time.

We have nothing further to add.

Yours faithfully,

Shantanu Singh

Advocate

D/3254/2016

New Delhi
Date: 13^h May, 2025

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Disclaimers: The legal opinions as indicated above are subject to the following terms:

- i. This legal opinion is provided on the basis on a note and a video shared by the querist. No other document has been relied upon. Some online references have been made to Ministry of Corporate Affairs (MCA) portal to check the basic details of the company. The weblink provided by the querist is : <https://nifty10.com/> , which has been perused in general and materials indicated therein are assumed to be true, on the basis of goodwill. No independent verification has been made as to the veracity of contents of the website. Examining the contents of the website is not within the scope of this legal opinion as the query is a limited one, as stated in the letter above. A play store link : <https://play.google.com/store/apps/details?id=com.finpages.nifty> has been shared, however, perusing the same is not within the scope of the present opinion.*
- ii. Facts pertaining to the company, its policies and website have not been independently scrutinized by us, however, the same having been provided by the querist are presumed to be true and it is presumed on goodwill that no material concealment or fraud has been played upon by the querist.*
- iii. This legal opinion is confined to and given on the basis of the applicable laws of India as at the date hereof, and we do not express any opinion on the laws of any other jurisdiction.*
- iv. We assume no obligation to update this legal opinion on any events subsequent to its issue. All signatures, stamps and seals on the documents submitted to us are assumed, without independent verification, to be genuine and in conformity to the original documents.*
- v. As to the other matters of fact that are material to the opinions expressed herein, we have not conducted any independent verification and have relied on the information provided by the querist. We have no reason to believe that the same are not correct and genuine.*
- vi. Our views are not binding on any authority or court, and hence, no assurance is given that a position contrary to the opinions expressed herein, will not be asserted by any statutory authority and/or sustained by an appellate authority or a court of law. The querist acknowledges and accepts full responsibility for all decisions taken by them in this regard.*
- vii. This legal opinion is addressed to the querist based on a limited issue, hence any specific aspect which may not have been queried upon may not be covered.*
- viii. There shall be no legal liability of whatsoever nature upon the provider of this legal opinion and it is firmly suggested that any liabilities of legal or whatsoever nature, arising out of the usage of NIFTY10 shall be between the user and the querist company or any other, however, there shall be no claims of legal or otherwise nature against the provider of this legal opinion. This legal opinion providers accept no responsibility for any loss arising from any action taken or not taken by anyone using this material.*

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