

**LEGAL OPINION**

A) STPS TECHNOLOGY PRIVATE LIMITED  
( here in after referred to as the “Company”)

is registered under the Companies Dec , 2021. The Company is engaged in the business of processing, designing, developing, formulating, researching, repairing, assembling, importing, marketing, buying, selling, exporting, dealing, handling and developing online games relating to live sports events. Additionally, the Company provides support software for automating the process to create video games and other entertainment software.

B) The Company has developed a mobile gaming application (app) under the name and style " RummyThrill". My opinion has been sought on the irbusiness model, their profile, their modus operandi etc. Following queri eshave been outlined for my consideration and further scrutinization:

1. Name of the company name.
2. The name of the app
3. The link for the app
4. The game rules
5. The terms and conditions
6. Principal Place of Business
7. Corporate Identification Number
8. Article and Memorandum of Association [AoA & MoA]
9. Permanent Account Numbers of the Company and its Direc

10. The Modus Operandi of the game and the mode of routing of prize money.
  11. The Platform which the game is using.
  12. The process to verify Age, State and other eligibility criteria of player.
  13. Whether any service from Third Party site is sought.
  14. How is the Company earning from the app.
  15. The technical knowledge required to play the game with auto player.
  16. Whether any Certification is required from gaming federation.
- C) I have perused the facts and have carefully examined the documents provided to me. I have carried out a thorough and in depth research into the subject matter at hand and have also examined various Statutes and legal precedents.
- D) After an in-depth perusal of the documents placed before me and after a thorough research of the same, I have taken the liberty to frame certain additional queries which in my opinion should be taken into consideration. The additional queries are:
- 1.1 What kind of a game is it? Whether of skill or chance?
  - 1.2 The Judgments supporting the above finding.
- E) These aforementioned questions have been scrutinized, researched and answered in this opinion. I am also of the view that it is important to highlight the objective of this opinion and therefore before proceeding

with my opinion on the queries and questions, I am taking the liberty to briefly highlighting the objective of this opinion which is as follows:

**F) OBJECTIVE**

This opinion discusses the app designed by the Company. A brief perusal of the game prim facie discloses that the game is an online card designed in India. The opinion attempts to address the queries as put forth to me in such a manner than the entire framework is properly understood and comprehended.

Additionally, this opinion attempts to lucidly explain the complex legal issues surrounding the Indian online gaming industry. This opinion specifically focuses on online Ludo games. I have, in the later part of the opinion, examined and analyzed the existing laws and legal precedents pertaining to the said game.

**G)** After careful analysis of the existing documents, the facts, the nature of the app, the profile of the Company, the law and legal precedents on the said game, and the issues framed herein above, my opinion is as follows:

**ISSUE 1: NAME OF THE COMPANY**

**ANS:** I have examined the documents laid before me viz. the MoA, AoA and the Certificate of Incorporation dated 02.06.2022 which denotes that the name

of the Company to be M/S STPS TECHNOLOGY PRIVATE LIMITED

### **ISSUE 2: THE NAME OF THE APPLICATION**

**ANS:** The name of the app is called " RummyThrill" My answer stems from a detailed study of the documents particularly the Terms of Service and Privacy Policy.

### **ISSUE 3: THE LINK FOR THE APP**

**ANS:** I have been provided the app link which is as follows-  
<https://www.gameninja.com/RummyThrill-release.apk>

I took the liberty to run the app. In my opinion the app runs properly once downloaded through the aforementioned link. At this juncture it is important to state that, based on the documents; the app has been last updated on 15. 3.2022.

### **ISSUE 4: THE RULES FOR PLAYING THE GAME**

**ANS:** I have examined carefully the document which lays down the rules of the game and explains the following:

- a) **What is CallBreak Game**
- b) **How to Play the CallBreak Card Game**
- c) **How to Toss & Call in CallBreak**
- d) **What are CallBreak Rules**
- e) **How to Win**

After a careful examination and analysis of the rules formulated by the Company, I am of the opinion that it is apropos to explain the rules of the game for better, proper and quick understanding.

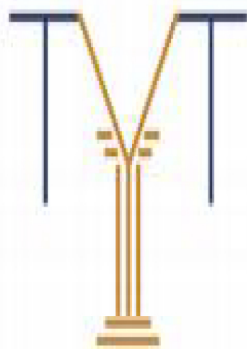
I have summarized them as follows:

### **THE DEFINITIONS, TERMINOLOGIES AND RULES OF THE GAME**

#### **a) What is CallBreak Game**

Call Break is a simple and popular card game in india.

52 cards will be dealt to 4 players , each player will get 13 cards . ( Jokers are not included ; In 2 players model , 26 cards are not used)



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## b) How to Play the CallBreak Card Game

Spade is the trump suit of the game . A spade card will defeat any card of other suits. In same suit ,  $A > K > Q > J > 10 > 9 > 8 > 7 > 6 > 5 > 4 > 3 > 2$ .

**c) How to Toss & Call in CallBreak**

A "Toss" will be made to decide the dealer of the game. Dealers rotate successively in counter-clockwise direction in the subsequent rounds.

"Call" is how much scores you think you can win in this round. Players must call at the beginning of each round. If the player win less than the call , the score will be tricks won minus call. If the player win more than the call, every extra win worth 0.1.

**For Examples :** your call is 4 in this round:

If you win 4 tricks , your score is 4 ;

If you win 3 tricks , your score is -1 ;

If you win 6 tricks , your score is 4.2 .

**d) What are CallBreak Rules**

One player will discard a card first , the suit of the first discarded card is "lead suit". The next player have to discard a card based on the rules and orders of availability followed :

1. Higher rank lead suit card ;
2. Any lead suit card ; ( Only if you do not have 1 )
3. Trump suit card ( Spades) ; ( Only if you do not have 1 or 2 )
4. Any suit card. ( Only if you do not have 1 or 2 or 3 )

**e) How to Win**

Player who wins highest score will win the prize . If more than one player get same highest score , they will share the prize equally.



## **ISSUE 5: THE TERMS AND CONDITIONS OF THE GAME**

**ANS:** I have, at length, perused the document laid before me containing the Terms and Conditions (hereinafter referred to as “T&C’s”) formulated by the Company and I am of the opinion that the T&C’s are well-defined and deem no further scrutiny. In my opinion the T&C’s can very well be understood by a person of 18 years and above of age and possesses sound knowledge of the English language.

However, I will briefly refer to the T&C’s of the Company without going into the details at all. I have summarized all the points contained in the T&C’s which are as under:

1. Introduction
2. Applicability
3. Legality
4. Game Services
5. User Representations
6. User Account Creation & Operation
7. User Account validation and personal information verification
8. User Restrictions
9. Payments and Player Funds
10. Withdrawals
11. Service Disruptions
12. Content
13. Promotions
14. License Agreement & Intellectual Property
15. User Account Suspension
16. Breach and Consequences
17. Modifications & Alterations
18. Limitation of liability
19. Disclaimer and Indemnity
20. Governing law, Dispute Resolution and Jurisdiction

The T&C's as defined in the documents even though exhaustive in nature are well explained and correctly serve the purpose for which have been framed.

**ISSUE 6: PRINCIPAL PLACE OF BUSINESS**

**ANS:** After having examined the documents provided to me, I am of the opinion that the principal place of business of the Company is Indore.

The registered address of the Company, as per the records, is as follows:

CN 11 Singapore British Park 2, Dhabli, Indore, Indore, Madhya Pradesh,  
India, 452010

**ISSUE 7: WHAT IS THE CORPORATE IDENTIFICATION NUMBER (CIN) OF THE COMPANY?**

**ANS:** A perusal of the documents such as the Certification of Incorporation and the T&C's etc. reveal that the CIN of the Company is U72200MP2022PTC061239.

**ISSUE 8: WHETHER ARTICLE OF ASSOCIATION AND MEMORANDUM OF ASSOCIATION [AOA & MOA] HAVE BEEN OBTAINED?**

**ANS:** I have examined the documents provided to me and I observe that all the aforementioned documents have been duly obtained and incorporated by the Company under the requisite laws of Companies Act.

**ISSUE 9: PERMANENT ACCOUNT NUMBERS OF THE COMPANY AND ITS DIRECTORS.**

**ANS:** A careful perusal of the material and documents provided to me viz. copy of the PAN Card and the Incorporation Certificate reveals that the PAN of the Company is AAJCG8304P and that of its directors are as follows:

A. Nitin Gangwar : BUSPG0703R

B. Rajkumar Yadav : AILPY5824H

**ISSUE 10: THE MODUS OPERANDI OF THE GAME AND THE MODE OF WITHDRAWING PRIZE MONEY.**

**ANS:** I have carefully examined the rules of the game and I observe that game is an online card game. The players will have the ability to choose between two different sets of card games and play it either with other players available online. The game uses internet.

The player (s) can withdraw their winnings from the app directly into an Indian Bank Account, using an electronic bank-to-bank transfer/NEFT. It is submitted that, in terms of Para 8 of the T&C"s, the player(s) will have to place a withdrawal request with the Company prior to withdrawal of money.

It is submitted that subsequent to the withdrawal request made by the player (s), the money will be transferred via NEFT- Electronic Transfer only after the KYC process and withdrawal verification has been completed.

The KYC process includes verification of information provided by the player (s) by matching the information of mobile, Aadhaar Card and bank details in a sequential manner.

The Company also lays down the certain eligibility criteria in order to withdraw the bonuses and promotional winnings which are as follows:

- a) Player (s) will have to make at least one cash deposit on <https://www.RummyThrill.in>,

and

- b) Player (s) will have to play a minimum number of cash games so as to become eligible to withdraw the bonuses.

### **ISSUE 11: THE PLATFORM OF THE GAME.**

**ANS:** After careful scrutiny of the different documents made available to me, it is submitted that the game is a mobile application.

**ISSUE 12: THE PROCESS TO VERIFY AGE, STATE AND OTHER ELIGIBILITY CRITERIA OF PLAYER.**

**ANS:** Based on the information available with me and based on the documents it seems that in order to verify the age, state and other eligibility criteria the player (s) will have to upload the details along with picture of their respective Aadhaar card.

Further, based on the scrutiny of the documents, it becomes clear that the Company has a mechanism in place in order to validate the information provided to it by the player (s). Under this mechanism, the Company will verify the details of the player (s) via a phone call or via an email.

**ISSUE 13: WHETHER ANY SERVICE FROM THIRD PARTY SITE IS SOUGHT.**

**ANS:** The Company claims that it is not using the services of any third party sites etc. However, after inspecting their privacy policy it is clear that the Company may publish or advertise third party content on their website. The relevant portion from the Privacy Policy is being quoted herein:

*“The Websites may contain links to other websites. Such websites are governed by their own privacy policies and RummyThrill does not exercise any control over them. It is your responsibility to read and understand the privacy policy of such websites when you follow a link outside the Website. You are advised to exercise caution in sharing any personal information with any third party that advertises on the Websites and RummyThrill shall not be responsible for such information provided by you on third party websites.”*

**ISSUE 14: HOW IS THE COMPANY EARNING FROM THE APP.**

**ANS:** A perusal of the T&C"s reveals that a 5- 15% of the winning amount is deducted by the Company towards its earning.

**ISSUE 15: THE TECHNICAL KNOWLEDGE REQUIRED FOR PLAYING THE GAME WITH AUTO PLAYER.**

**ANS:** After reviewing all the documents including emails laid before me, I am of the opinion that since the gaming app does not use the option of an auto player therefore no technical knowledge is needed for the said purpose.

**ISSUE 16: WHETHER ANY CERTIFICATION IS REQUIRED FROM GAMING FEDERATION.**

**ANS:** Not Required

H) I have formulated my opinion on the additional queries which I think is appropriate and necessary to be cited. These additional queries are highlighted in PARA D of this opinion.

**ADDITIONAL QUERIES**

**ISSUE 1.1: WHAT KIND OF A GAME IS IT? WHETHER OF SKILL OR CHANCE?**

**ANS:** I have carefully perused the documents on record and after careful examination of the said documents I opine that game known as Callbreak is a game of skill and not of chance. The reasoning behind this is the judgment of

the Hon“ble Supreme Court in “*State of Andhra Pradesh v. K. Satyanarayana [AIR 1968 SC 825]*” wherein the court clarified that Ludo is not a game of chance but a game of skill.

**ISSUE 1.2: THE NATURE OF THE GAME IS A GAME OF SKILL AND NOT A GAME OF CHANCE SUPPORTED BY JUDGMENTS.**

**ANS:** It is submitted that the main test to determine whether a game amounts to gambling or not is what dominates the game i.e. whether skill or chance. Games of chance are those where the winner is predominantly determined by luck. In games of chance, the result of the game is completely uncertain and a person is unable to influence such result by his mental or physical skill. The person indulging in game of chance wins or loses by sheer luck and skill has no role to play.

On the other hand, the result of a game of skill is influenced by the expertise, knowledge and training of the player. In India, games of chance fall under the category of gambling, and are generally prohibited, while games of skill, falling outside the ambit of gambling are usually exempted.

In *RMD Chamarbaugawala v. Union of India [AIR 1957 SC 628]*, the Apex court relied on the „*skill test*” to decide whether an activity is gambling or not. The court held that competitions which substantially *involve skills are not gambling activities but are commercial activities, protected under Art. 19(1)(g)*.



Relying again on the „skill test“, the Apex Court in *State of Andhra Pradesh v. K. Satyanarayana & Ors [AIR 1968 SC 825]* held that, ludo is preponderantly a game of skill and not of chance. The Court further observed that, “it requires certain amount of skill because the fall of the cards has to be memorised and the building up of ludo requires considerable skill in holding and discarding cards”. Here the expression „mere skill“ means presence of skill of a substantial degree.

Distinguishing between the terms „games of skill“ and „games of chance“, the Hon“ble Supreme Court in *K.R. Lakshmanan v. State of Tamil Nadu & Anr [AIR 1996 SC 1153]* stated

*“In a game of skill ... although the element of chance necessarily cannot be entirely eliminated, is one in which success depends principally upon the superior knowledge, training, attention, experience and adroitness of the player.”*

Advised Accordingly

**CHANDAN GOSWAMI**

**ADVOCATE**

**MANAGING & FOUNDING PARTNER**

**TYT PARTNERS**

Advocates & Consultant

15/7/2022

### **Disclaimer**

1. The above opinion has been based on facts, documents, records provided to us and representations. It is advised to avail proper due diligence pertaining to financial regulations and other necessary due diligences.
2. The conclusions reached and views expressed are matters of opinion based on my understanding of the related laws, rules, notifications, circulars, etc. The opinion is based on my understanding of facts and the legal position prevailing as on the date of issue of the opinion.
3. Any incorrect statement, or omission of any fact, or a change/amendment in law or any of the facts, assumptions or representations, which I have relied upon, may require modification of all or part of the opinion given above. I assume no responsibility to update the opinion for events and circumstances occurring after the date of this opinion, unless specifically requested by the querist.
4. My associates, employees or staff shall not be held liable for any action/ consequence arising out of any contrary view(s) taken by any other party or statutory authority qua this opinion.
5. Without our prior written consent, this opinion may not be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity.