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SECTORAL DEVELOPMENT | ANALYSING THE TAMIL NADU ONLINE GAMING AUTHORITY (REAL MONEY GAMES) REGULATIONS 2025

Background

In our [previous article](#), we analysed and discussed the Madras High Court judgment in *All India Gaming Federation v. State of Tamil Nadu & Ors*, whereby the Court partly upheld the constitutional validity of the Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022, legislated by the Tamil Nadu Government to prohibit online gambling and regulate online gaming (**TN Online Games Act**), and held that the State may introduce separate regulations, as contemplated under Section 5 of the said Act, to regulate some aspects of online gaming such as introducing time limits, age restrictions and such other reasonable restrictions in regard to the playing of online games. In furtherance of the aforementioned ruling of the Hon'ble High Court, and in exercise of powers conferred under the TN Online Games Act, the Tamil Nadu Online Gaming Authority has now introduced the Tamil Nadu Online Gaming Authority (Real Money Games) Regulations 2025 on February 12, 2025 (**RMG Regulations**).

The RMG Regulations are applicable to all online real money games. Online real money games under the RMG Regulations are defined identically to the definition set out under Rule 2(qd) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 and reads as *any online game where a user makes a deposit in cash or kind with the expectation of earning winnings on that deposit (Online RMGs)*. Winnings are also to be understood from the explanation under the said Rule 2(qd) as *any prize, in cash or kind, which is distributed or intended to be distributed to a user of an online game based on the performance of the user and in accordance with the rules of such online game*.

In light of the above definitions, game providers, including websites and gaming platforms which offer Online RMGs (**Gaming Platforms**), regardless of whether such games are games of skill or chance, when played for real money stakes, will fall within the scope of RMG Regulations. In this article, we highlight the key provisions of, and our comments on, the RMG Regulations.

- **Prohibition of Minors:**

The RMG Regulations set out a blanket prohibition on minors under the age of 18 from playing Online RMGs.

- **KYC Verification:**

RMG Regulations mandate 'Know Your Customer' (KYC) verification for all players before they create their gaming accounts and engage in playing of Online RMGs. The players are required to undergo a two-step KYC verification process, which includes an initial login using AADHAR followed by the second layer of authentication which is an OTP sent to the AADHAR linked phone number. The Gaming Platforms are obligated to ensure the compliance with this KYC process.

- **Monetary Limits:**

The Gaming Platforms are required to provide necessary facilities to set daily, weekly, and monthly monetary limits for every player. Every time a deposit is made by the player, the Gaming Platforms will have to display a pop-up notification (in reasonably bold letters) indicating the pre-fixed monetary limit and the amount spent by the player so far.

- **Caution messages:**

The Gaming Platforms are required to display pop-up warnings / caution messages whenever any player plays continuously for more than one hour, and thereafter, such warnings should pop-up at every 30-minute intervals indicating how long the players have been playing. Additionally, the Gaming Platforms are required to display caution messages on their login page regarding the addictive nature of Online RMGs, with the wordings '**ONLINE GAMING IS ADDICTIVE IN NATURE.**'

- **Blank Hours:**

The RMG Regulations have introduced the concept of 'blank hours', whereby players are restricted from logging in to their gaming accounts and playing Online RMGs between 12:00 AM IST and 5:00 AM IST, every day.

The RMG Regulations introduce a strict statutory framework emphasising the provision of regulated and responsible online gaming by Gaming Platforms. However, the RMG Regulations may face enforcement challenges as the players may attempt to circumvent the age restrictions during login by methods such as using a third party AADHAR, and jurisdiction restrictions by using private network points/remote servers such as VPN to mask their location. Moreover, while the RMG Regulations mandate introduction of monetary limits and oblige the Gaming Platforms to make necessary provisions in this regard, it currently appears from a reading of the said regulations that such limits will be defined and set by the players themselves. If the players are in control of determining their thresholds, the intention of the State to safeguard the physical, mental and financial well-being of the players may become less effective. Therefore, whilst the legislative intent behind the RMG Regulations is clear, its provisions seem to only be a mere extension of Section 5 of the TN Online Games Act, and, pending further fine-tuning, additional proactive measures, and clarification from the regulators, the above challenges could reduce the practicality of the RMG Regulations.

In addition to the above-discussed challenges in the effective implementation and administration of the RMG Regulations, we also note that a gaming platform 'Head Digital Works Private Limited', on February 24, 2025, has filed a writ petition seeking that the provisions regarding KYC verification and blank hours under the RMG Regulations be declared arbitrary, void, illegal and unconstitutional in so far as its application to Online RMGs. The outcome of this petition is awaited from the Madras High Court and if it will be in line with its previous stance on the subject matter. On the whole, it remains to be seen how the effective implementation of the RMG Regulations will unfold without steering the players towards risky and dangerous alternatives.

Irrevocable Power of Attorney: Intricacies and Ingredients

In the myriad of circumstances that punctuate the lives of individuals possessing property or other assets, there arises the necessity for delegation of authority, particularly when one is incapacitated or otherwise unable to fulfill obligations in person. In such instances, the legal instrument known as the Power of Attorney (POA) becomes paramount, offering a means through which a principal may confer rights and responsibilities to a trusted agent. This delegation is often crucial in matters of property transactions, be it the sale, registration, or leasing thereof, particularly when the principal is otherwise encumbered by the demands of daily life. The present discourse seeks to elucidate the Supreme Court's recent pronouncement in the case of *M.S. Anantha Murthy & Anr. v. J. Manjula Etc., CIVIL APPEAL NOS. 3266-3267 OF 2025*, wherein the Court expounded on a cardinal principle of POA jurisprudence, asserting that the nature of a Power of Attorney is determined not by its titular designation, but rather by the subject matter it pertains to. This judgment, with its nuanced interpretation, reinforces the critical importance of understanding the legal framework surrounding the Power of Attorney and the ramifications of its use in the transfer and conveyance of immovable property, particularly in light of the legal precedents established by the Supreme Court in *Suraj Lamp & Industries Pvt. Ltd. v. State of Haryana (2012)*.

There are numerous situations in life where an individual owning properties, or other assets, may be unable to fulfil their responsibilities due to some reasons. In such cases, if a transaction requires the individual's presence but they are unable to attend physically, the only solution is to delegate their rights or authority to someone who can act on their behalf. This is where a Power of Attorney (POA) comes into play. It is a common practice to entrust a reliable person with the authority to handle matters such as registration, sale, or renting of property, especially when one is preoccupied with daily commitments. Through this article, we will discuss the latest judgment given by the Supreme Court in the matter of *"M.S Anantha Murthy & Anr vs. J. Manjula Etc, CIVIL APPEAL NOS. 3266-3267 OF 2025"* where the court observed that the nature of a power of attorney is determined by its subject matter and not its title.

A Power of Attorney holds immense significance, serving as a crucial instrument with widespread importance and utility. It is undeniably utilized across various domains, surpassing boundaries, to enable and execute transactions efficiently. In the process, it has even been instrumental in the conveyance of immovable properties, which has ultimately been halted by the *"Suraj Lamp & Industries Pvt. Ltd. v. State of Haryana (2012) 1 SCC 656"* In the intricacies of the power of attorney have undergone judicial muster and scrutiny and it is of profound importance that they have clearly understood.

A Power of attorney derives its basic principles from *Chapter X of the Indian Contract Act, 1872* and the *Power of Attorney Act, 1882*. According to *section 1A of the Power of Attorney Act, 1882* "Power of Attorney includes *"any instrument empowering a specified person to act for and in the name of the person executing it."* While the term "power of attorney" is not explicitly mentioned in Indian Contract Act, 1872, it is recognized

through the concept of Agent and Principal. *Section 182 of the Indian Contract Act, 1872* defines Agent and Principal. According to the provision, "Agent" is an individual appointed to perform an act for another, with the person for whom the act is performed being termed the "Principal." Agency is a fiduciary relationship between the principal and the agent, and the principal is bound by acts done by an agent in terms of the empowerment.

Some of the principles governing the contraction of power of attorney, as provided in the case of *"Manubhai Prabhudas Patel v Jayantilal Vidilal Shah 2011SCC OnLine Guj 7028"*, are as follows:

- 1) the operative part of the deed is controlled by the recitals,
- 2) where an authority is given to do particular acts, followed by general words, the general words are restricted to what is necessary for the performance of the particular acts,
- 3) the general words do not confer general powers but are limited to the purpose for which the authority is given and are construed as enlarging the special powers only when necessary for that purpose;
- 4) a power of attorney is construed so as to include all medium powers necessary for its effective execution

Typically, whilst the Power of Attorney envisages performance of responsibilities by the Agent on behalf of the principal, there is a category of Irrevocable Power of Attorney where such Power of Attorney cannot be revoked by the principal. To constitute an irrevocable power of attorney, there must be a beneficial interest in the subject matter. Such power of Attorney emanates from *Section 202 of Indian Contract Act, 1872*, which states that when an agent has an interest in the property subject to the agency, the agency cannot be terminated to the prejudice of the agent.

The Hon'ble Supreme Court in the matter of *"M.S Anantha Murthy & Anr. Vs. J. Manjula Etc CIVIL APPEAL NOS. 3266-3267 OF 2025"* has referred to a plethora of Judgements and clarified the laws and principles governing the Irrevocability of Power of Attorney to remove the haze surrounding the concept.

The Hon'ble Supreme Court relied on the decision of Delhi High Court in *"Shri Harbans Singh vs. Smt. Shanti Devi 1977 SCC Online Del 102"* which propounded:

"All the conditions of irrevocability are satisfied in the present case. The authority to the agent was given for valuable consideration which proceeded from the respondent. It was given for the purpose of effectuating a security or protecting or securing the interest of the agent. For, the only purpose of the agency was to ensure and secure the performance of the contract by the appellant in favour of the respondent for whom Shri Gulati was acting as the husband and the nominee and, therefore, a representative or an agent. Where the performance of the agency is not to secure the interest or the benefit of the agent then the agency is not irrevocable merely because the agent has an interest in the exercise of it or has a special property in or lien for advances upon the subject-matter of it."

Further, the Hon'ble Supreme Court propounded that *"a mere use of the word 'irrevocable' in a POA does not make the POA irrevocable. If the POA is not coupled with interest."*

Further, the Hon'ble Supreme Court enunciated that *"Applying the above exposition of law in the facts of the present case, it is evident from the tenor of POA that is not irrevocable as it was not executed to effectuate security or to secure interest of the*

agent. The holder of POA could not be said to have an interest in the subject-matter of the agency and mere use of the word 'irrevocable' in a POA would not make the POA irrevocable".

Conclusion:

The Hon'ble Supreme Court has clarified all aspects relating to Irrevocability of General Power of Attorney and it is imperative to compliance in the interest of transactions seeking advantage of **Section 202 of Indian Contract Act, 1872**. So, in this case, the apex court observed and made an analysis that the nature of a power of attorney is determined by its subject matter and not its title. Whether a power of attorney is labelled as general or special, its nomenclature does not determine its nature.

Justice **J. B. Pardiwala and R. Mahadevan** observed that:

"The import of the word "general" in a POA refers to the power granted concerning the subject matter. The test to determine the nature of POA is the subject matter for which it has been executed. The nomenclature of the POA does not determine its nature. Even a POA termed as a 'general power of attorney' may confer powers that are special in relation to the subject matter. Likewise, a 'special power of attorney' may confer powers that are general in nature concerning the subject matter. The essence lies in the power and not in the subject-matter."

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