
ROLLING THE CASINO:

WHERE THE HOUSE WINS, BUT THE GOVERNMENT WINS BIGGER

--SRIJAN GUPTA

The word casino evokes vivid imagery — an enclosed, high-energy space filled with the sound of dice rolling, cards being dealt, chips changing hands, and a palpable rush of adrenaline. It's where fortunes are made or lost in moments. But no matter how flashy or frantic things get, one golden rule stands tall — **The House Always Wins.**

But what if I told you that in India, there's a bigger player at the table — **the Government. And spoiler alert: they have the best hand.**



Let's start with the Casino Capital of India

Goa: From Beach Destination to Casino Capital

Traditionally known for its beaches, nightlife, and laid-back charm, Goa has evolved into a high-value tourism hub, where casinos play a critical role in attracting domestic and international visitors.

Fun Fact: Goa's casinos contributed **₹606 crore** in direct government revenue in FY 2023–24, a remarkable **70% growth** from ₹353.8 crore in FY 2022–23.

The casino industry has become a key pillar in Goa's economic and tourism strategy.

The Law of the Land

India's gambling laws are a bit like an old deck of cards — worn, outdated, but still in play. The foundational legislation, **The Public Gambling Act of 1867**, outright bans most forms of public gambling:

- Running or visiting a common gaming house? Illegal.
 - Playing games of chance for money? Also illegal.
 - But games of skill? Totally fine.
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But how do these establishments operate in a country where most forms of gambling are considered illegal?

Answer lies in The Legal Loophole: Betting is a State Subject

Surprise! Gambling is actually a state matter. That's right — individual Indian states can choose their own path when it comes to casinos. And a few bold players — **Goa, Sikkim, and Daman** — have taken the gamble.

Let's look at Goa, the poster child for casino tourism:

The Goa Gamble

Under the **Goa, Daman and Diu Public Gambling Act, 1976**, casinos are allowed in:

- Specific settings (5-star hotels)
- Offshore vessels (floating casino cruises)

Offshore casinos float in a legal gray zone. Since live gambling is still illegal on the Indian mainland, Goa gets around this by literally putting casinos on boats. *That's right, what's illegal on land floats just fine on the Mandovi River.*

Not Just Anyone Can Play

Running a casino in Goa is far from simple. The licensing process is highly structured and requires:

- Substantial financial investment
- Comprehensive compliance checks
- Background verification of operators

Even after obtaining a license, casinos must operate under strict government supervision. Any activity outside the defined legal framework can lead to significant penalties or imprisonment.

And in a rather ironic twist — Goans themselves can't play.

Since 2020, **locals are banned from entering casinos** — both onshore and offshore. Only tourists are allowed to try their luck.

The rationale? To protect the local population from gambling-related social issues. So, while tourists party, the locals stay (financially) safe.

Why the Government is Going All-In.

Why do state governments support casino operations despite potential societal concerns? The answer lies in a carefully calculated economic and tourism strategy.

Goa positions casinos as premium attractions aimed at high-spending tourists, rather than promoting widespread local gambling. This ensures:

- Increased tourist footfall
- Employment generation
- A reliable stream of state revenue

Casinos in Goa welcome **over 1.5 million visitors** annually, contributing significantly to the state's image as a luxury tourism destination. In fact, casinos account for **30% of Goa's direct tourism revenue**. That's a lot of chips in the government's pot.

The Revenue Model: A High-Stakes Business for the State

Here's the math behind the magic:

- **Land Casinos (Goa):** Licensing fees range from INR 11 crore (for 110 sqm) to INR 44+ crore (for 1,100 sqm).
- **Offshore Casinos:** Fees range from INR 25 crore (up to 220 passengers) to INR 44+ crore (for 440+ passengers).

Add to that the **28% GST on full face value of bets**, introduced in October 2023, and the government's house edge gets sharper than a card shark's stare.

With 15 land casinos and 6 floating ones in Goa alone as of 2025, the numbers just keep stacking.

Their is one vary interesting case on GST on Casino - Delta Corp Limited & Anr. Vs Union Of India & Ors.

Delta Corp has challenged the validity of Rule 31A of the CGST Rules, 2017 in the Bombay High Court, arguing that **GST should apply to its Gross Gaming Revenue (GGR)—their actual earnings—not the Gross Bet Value (GBV)**. The Centre insists tax should be levied on the total bet value. The case involves a massive **retrospective GST demand of ₹16,800 crore, ballooning to ₹33,500 crore with interest and penalties**.

The case has serious implications for the casino industry, raising questions about the fairness and legality of retrospective taxation. Final hearings concluded before the Supreme Court on July 25, 2025, but the **Court has reserved its judgment, with a decision now awaited**.

Case in Point: Roulette and the House Edge

Among the many games found in casinos, **roulette offers a perfect metaphor for the industry**:

- The wheel has 38 pockets (18 red, 18 black, 2 green – 0 & 00).
- Players place bets on where the ball will land.
- The presence of the 0 and 00 gives the **house a statistical edge of 5.26%**.

While some players may win, over time the house is designed to maintain the advantage.

In India, the state is the house — ensuring consistent and calculated returns on the back of a regulated industry.

Final Thoughts: Who Really Wins?

Casinos in India, especially in Goa, represent more than mere entertainment. They are a regulated, revenue-generating asset within a broader economic and tourism strategy. With high licensing fees, strict regulation, and tourist-centric access, states like Goa have turned a historically controversial practice into a controlled and profitable venture.

Sure, casinos are flashy. Sure, people win. But the **real winners are:**

- **State governments**, who use casino revenues to fund tourism, infrastructure, and welfare programs.
- **Operators**, if they manage to stay compliant and afloat (pun intended).

It's a game of chance, wrapped in regulation, tied with a ribbon of revenue.

So, the next time someone says, ***"The house always wins,"*** remind them — **in India, it's actually the government rolling the dice — and winning every time.**