
INTERNATIONAL JOURNAL OF ADVANCED LEGAL RESEARCH

IS INDIA READY FOR THE GROWTH OF SPORTS BETTING?- Nimish Mundra¹*'The more difficult the victory, the greater the happiness in winning.'* - Pele²**ABSTRACT**

Sports, an area of interest with such a large audience. For some people, sport is a source of income; for some, it is passion; and for some, it is a very significant source of entertainment. In India, games like cricket, football, badminton, etc., are played and enjoyed by their spectators on a large scale. Those times when games were played in international countries have gone at quite an early stage when one has to talk about the evolution of sports in India. We already have heard about the Indian versions of games like IPL (Indian Premier League), Pro kabaddi championship, Hero ISL- India Super League (Football league), and one cannot deny the fact that these championships or leagues have not been only a great source of entertainment but also have generated a considerable income for the Indian economy.

This article revolves around the concept of sports betting. The article aims to discuss the various scopes related to sports betting. The article also discusses the act of gambling and how it is different from sports betting. The author has also talked about the concept of match-fixing in brief. Various incidents and legal provisions related to sports betting and gambling have also been discussed.

INTRODUCTION

Sport is a field where every person has been passionate about any game once in their life. In India, sports are followed by the people while the people in the country also worship them. If we interpret the term sports, sport is an active diversion that requires physical exertion and competition. The evolution of sports in India has started to develop and has opened thousands of opportunities for people who want to opt for sports as their career.

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²100 Most Inspirational Sports Quotes of All Time, KEEPINSPIRING.ME (August 15, 2021, 10:54 AM), <https://www.keepinspiring.me/100-most-inspirational-sports-quotes-of-all-time/>

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HISTORY OF SPORTS IN INDIA

The first game played in the Indian territory was a game of cricket in 1721 AD by a few British sailors, and thus cricket became the first English sport to be played in India³. The modern game of badminton was also a well-recognized sport in ancient India. Not only this, the sports of India take us back to the Vedic era. The diverse culture of India provides us with many instances where sports discipline can be observed.

Cricket, football, badminton, and kabaddi are some of the prevalent games followed and played in the country, and cricket is the most popular and most played game in the country. Everyone remembers the winning six by MS Dhoni in the finals of the 2011 ICC Cricket World Championship. Field hockey, a game in which the Indian men team has won 8 Olympic gold medals. Not only participating and winning these prestigious games, but India has also hosted various sports championships like the 1951 and 1982 Asian Games and the 2010 Commonwealth Games.

The sports business or the sports industry has also shown tremendous growth in India. A recent study shows that in 2018 sports industry yielded revenue of 77 billion Indian rupees. IPL was the primary player, and the recent domestic championships like Indian Super League and Pro Kabaddi have been increasing popularly⁴. Indian Premier League is a cricket championship where not only young Indian players but also players from other nations get a platform to prove their game. IPL attracts many people with huge sponsorships. Many sports players have now become celebrities like Virat Kohli in various advertisements like Puma, the brand ambassador of Volini (Sun Pharma Consumer Healthcare), and the list goes on. Now sports players have become celebrities in a way by endorsing various companies.

SPORTS BETTING

Betting in its literal sense means being preoccupied with the pursuit of pleasure, specifically games of chance. Bet means stake on the outcome of an activity. So, betting is the activity where one party bets on an outcome of an uncertain activity; for example, Thomas Shelby bets that it would rain before 5 PM on the day, so if it rains, then Thomas wins the money, and if he loses then, he would have to forfeit something as mutually decided by the parties.

³*Sports in India*, WIKIPEDIA (August 15, 2021, 11:21 AM), https://en.wikipedia.org/wiki/Sport_in_India

⁴*Market Size of the Sports Industry across India in 2017 and 2018*, STATISTIA (August 15, 2021 12:45 PM), <https://www.statista.com/statistics/1029883/india-sports-industry-market-size/>

Thus, an activity where one predicts the results of a sport by placing a wager on the result is known as sports betting. A wager means an act of gambling. There are many games in which betting is considered to be legal such as horse racing. In horse racing, a bet is made through persons known as bookmakers. Horse racing is a race of horses with riders on them. Betting is not only placed in games such as horse racing, while illegal betting also takes place in many games through private enterprises. The procedure for placing a bet in horse racing is quite interesting: (a) Choosing the horse on which the person is going to place a bet by mentioning the number and name of the horse; (b) The stake or the amount is decided as per the ease of the bettor; (c) There are many types of bet, and the bettor chooses a suitable type; (d) A pick has to be taken from the bookmaker at the ring and (e) At last the bettor has to tell the bookmaker the amount and the type of bet which has to be placed. Once the bet is placed, the race starts, and if the bettor wins, the bettor has to hand over the slip and collect the amount he has won.⁵

BETTING AND GAMBLING: ARE THE TWO TERMS THE SAME?

Both these terms are used interchangeably, but there exists a thin line difference between both the terms.

Betting is a term used to show the agreement between the two parties where one party bets or predicts the outcome and either loses or makes money by the prediction. Betting in India is legal only for the game of horse racing. While gambling is a more general word that refers to the activity of placing wages on specific events. Gambling is becoming a massive activity in various countries and for many games, but gambling is considered illegal in the Indian context. Sikkim and Goa are the only two states that have allowed gambling with certain restrictions imposed on it. However, when the point is of horse racing in terms of India, the Supreme Court in the year 1996 decided that horse betting is a game that requires a unique set of skills and cannot be called merely a luck-based game. Thus, the judgment made the sport of horse racing and betting quite popular in India.

Further, in 1968, in the case of *State of Andhra Pradesh v. K. Satyanarayana and Ors.*⁶, the premises of a club was raided by the police, where the respondents were found playing Rummy. The issue in the case was whether the club premises can be used for gambling and

⁵*How to Place a Bet*, RACING {EXPLAINED} (August 15, 2021 1:38 PM), <https://www.racingexplained.co.uk/betting/how-to-place-a-bet/>

⁶ 1968 AIR 825

whether the respondents will be liable for the offence of gambling. The Court, in this case, held that Rummy, which is a card game, is not a game of luck while it is a game of skill, and hence, we cannot say that gambling law should apply. The Court here also described the difference between luck-based games and skill-based games. The Court stated that Rummy is not merely a game where the result depends on the drawing of cards.

So basically, betting formalizes the activity of gambling. Gambling is a more informal word, whereas betting can be described as a structured agreement to understand it in simpler terms further.

MATCH-FIXING: AN ASPECT TO LOOK UPON

The incredible journey of evolution of sports is an excellent opportunity for players, but as the saying goes, 'Every coin has two sides; thus, the sports industry also has a wrong side.

As the name suggests, match-fixing is manipulating or fixing the result of a particular game/match. Match-fixing works when players of one team intentionally lose a game by performing poorly on purpose. The primary reason for match-fixing is to ensure that a team moves up in the table or gambling is involved.

The most debated match-fixing scandal for the Indian Cricket team was the 1999-2000 India-South Africa match. The Delhi police tracked a conversation between the South African captain Hansie Cronje. It was found that the captain accepted money in return for throwing matches.

Indian Premier League (IPL) has been on the top of the list when match-fixing is discussed. The most famous match-fixing incident in IPL was in 2013 when three players Rajasthan Royals S Sreesanth, Ankeet Chavan, and Ajit Chandila, were found indulged in match-fixing practices and were arrested by Delhi police under the spot-fixing charges and were banned by the BCCI for life⁷.

Match-fixing, in my view, is a wrong act. The main essence of a game is sportsmanship, and this essence is destroyed by match-fixing. Those players who work so hard and put in their best efforts sometimes do not perform the match simply because of profit. The fans of these games are often disturbed when they see the players they considered their role models involved in such unethical and immoral practices.

⁷IPL 2019: Lalit Modi Reveals Match-Fixing Incident in IPL Match, THE NEWS (August 17, 2021 8:18 PM), <https://www.thenews.com.pk/latest/452076-lalit-modi-reveals-match-fixing-incident-in-ipl-match>

Match-fixing and Betting are not the same in any manner. Betting predicts the results of a specific game, while match-fixing is manipulating the game's results. However, match-fixing is not associated with sports betting but remains a bane for the sports industry.

ONLINE BETTING: A MODERN APPROACH TOWARDS BETTING

As discussed earlier, gambling is illegal in most parts of the nation. As technology has developed, so has developed how people can access and perform different activities. Online betting is a modern way of placing bets in games. There are no provisions associated with online betting or that declare online betting as an offence.

The concept of online betting has attracted many Indians, and there are even websites on the internet that operate the activity of online betting. In simpler words, online betting websites provide people with a platform to make their bets online where everything is done through the internet, even the mode of payment. One interesting fact to observe here is that if a citizen of India places a bet on a website operated in a country where betting is legal, it is difficult to catch the offender. Online websites are a straightforward way to make bets as everyone has internet access nowadays, and thus they are running without any hindrances.

Various Indian websites act as platforms for online betting, such as *Betway*, *Spin Sports*, *Pinnacle*, etc. The concept of online betting is no longer a source of entertainment but has also turned into a successful business. A study shows that over ₹3-4 billion is bet on these platforms every year, and the graph is still going up⁸.

Unlike the USA, India has no particular laws or legal provisions that prohibit gambling. Mainly, the acts related to gambling are dealt with under the Public Gambling Act 1867 and the Information Technology Act 2000, but that also does not criminalize gambling.

LEGAL PROVISIONS RELATED TO SPORTS BETTING AND GAMBLING

The Public Gambling Act of 1867 is the law that lays certain basic principles associated with the activity of gambling in India. There is a total of 18 sections in the act, and the following are some important sections:

Section 1: Interpretation Clause- This section describes the term 'common gaming house, and it means any house, enclosure, room, or place where cards, dice, tables, or other such instruments are kept or used for the profit of the person who controls the premises of that

⁸Top India Sports Betting Sites, ODDS SHARK (August 17, 2021 9:26 PM), <https://www.odsshark.com/india>

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house. This section further states that whoever runs or is in charge of such a public gambling house and the penalty for such violation is a fine of ₹200 or imprisonment of a maximum of three months⁹.

Section 4: Penalty for being found in gaming house- Any person who is found in such a house playing or gaming with different objects like cards, dice, etc., shall be punished with either a fine of ₹500 or imprisonment not exceeding four years¹⁰.

Section 5 provides the authority to the police to enter and search such places¹¹.

Section 8 describes that upon conviction of a person running or in charge of the gaming house, all the properties shall be destroyed, and the money forfeited shall be seized¹².

Section 13: Gaming and setting birds and animals to fight in public streets- A police officer can without a warrant apprehend a person who is found playing for money, or other instruments of gaming, which are being used in a game that is not a game of mere skill in any public street and the person without any delay shall be presented before the Magistrate and also shall be liable for a fine of maximum ₹100 or imprisonment of maximum four calendar months¹³.

Section 16: Portion of fine may be paid to informer- The Magistrate who is exercising the jurisdiction over the case may direct a portion of fine levied under Sections 3 & 4 of the Act to the person who informed about the activity of gambling¹⁴.

To sum up, activities related to gambling comes are dealt with under the Public Gambling Act. As discussed earlier, there are no specific laws related to sports betting in India, but it is illegal.

A critical principle in this betting scenario is that the bettors have to pay around 30 percent tax on their earnings, as mentioned under Section 115B of the Income Tax Act, which taxes profits and gains of life insurance business.¹⁵ The money earned in sports betting cannot be termed hard-earned money, while it is merely a gain or a profit to a person.

CONCLUSION

⁹The Public Gambling Act of 1867

¹⁰The Public Gambling Act of 1867

¹¹The Public Gambling Act of 1867

¹²The Public Gambling Act of 1867

¹³The Public Gambling Act of 1867

¹⁴The Public Gambling Act of 1867

¹⁵ The Income-Tax Act, 1961

Sports, a field that inspires many people to follow their dreams and become successful in their life. The great basketball player Michael Jordan quoted, '*Never say never because limits, like fears, are often just an illusion*¹⁶.' Sports is not only practising for a particular game or having more muscle and mental power. Sports is an activity that teaches a person the importance of discipline, hard work, and commitment in life.

Sports betting violates the law and plays with the essence of sentiment attached to that particular sport.

The Indian legislation must enact a statute that shall help prevent the unfair practice of sports betting, and the offender shall be punished accordingly. There must be strict codified laws along with efficient implementation against sports betting in India.



¹⁶ Jacob Cashman, *25 All-Time Best Inspirational Sports Quotes to Get You Going*, LIFEHACK (August 18, 2021 6:39 PM), <https://www.lifehack.org/294074/15-inspirational-sports-quotes-get-you-going>

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