

**INTERNATIONAL JOURNAL OF LAW**  
**MANAGEMENT & HUMANITIES**

**[ISSN 2581-5369]**

---

**Volume 5 | Issue 3**

---

**2022**

© 2022 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com/>)

---

This article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in the International Journal of Law Management & Humanities after due review.

In case of **any suggestion or complaint**, please contact [Gyan@vidhiaagaz.com](mailto:Gyan@vidhiaagaz.com).

---

**To submit your Manuscript** for Publication at the **International Journal of Law Management & Humanities**, kindly email your Manuscript at [submission@ijlmh.com](mailto:submission@ijlmh.com).

---

# Should India Legalize Betting or not?

---

SWAGAT ABHIRAJ DAVID<sup>1</sup>

## ABSTRACT

*This paper reviews the existence of betting in India and laws related to it. In particular, this paper analyses the pros and cons of legalization of betting and does a comparative study of scenarios in countries where betting is legalized. Lastly, it concludes with the suggestions of what can be done forward to deal with the issue of betting.*

## I. INTRODUCTION

Wagering on sports is a very common form of betting, and it hits into the desire of sports enthusiasts or fans. Placing bets on a game or a race tests a fan's knowledge of a sport or loyalty towards a specific team. During the promotion of camaraderie among the friends, betting in sports can liven up or else one sided or boring games when systems which are handicapped offering odds and points spreads skyrockets the stake of the bettors in the contest. Even though betting in sports is very common in many countries but also in various cases, wagering on athletic sports is illegal and it is conducted by the bookmakers, who are also called as bookies (those who operate as individuals or operate for criminal organization), and Internet gambling operations (which is legal in many countries).

Betting on horse racing is the most ubiquitous kind of sports betting, but nowadays we can see considerable betting and heavy wagering when it comes to games like football, rugby, boxing, cricket, baseball, basketball, ice hockey etc.

## II. BETTING IN INDIA

With a population of over a billion people, it's reasonable to assume that cricket and Bollywood are more than simply sources of entertainment in India. Cricket is a sport that Indians like both playing and watching. Similarly, they aspire to feature alongside their heroes, such like Shah Rukh Khan and Katrina Kaif, in the greatest blockbusters. While there would be no question about the legitimacy of producing Bollywood films, same cannot be said for the Indian gaming sector.

Except for horse races, most sports betting in India are forbidden. All other methods of sports betting are administered by state regulations. India has a loving relationship with cricket that

---

<sup>1</sup> Author is a student at KIIT School of Law, Bhubaneswar, India.

no other country can equal. All the other betting on major bookmakers serving India is outpaced by betting on the Indian Premier League (IPL).

Football, after cricket, is indeed the second most popular sport among Indian spectators. Badminton, tennis, basketball, and foreign sports like as football are also popular bets in India. Uncertainty about the result is an important aspect of sport's appeal. If the outcome is encoded, sports lose their honesty, and with it, a major share of their meaning and allure for viewers.

As a result, match fixing is a huge danger to sport, and the rise of internet gambling has raised the possibility of match-fixing for monetary benefit. The global gambling industry's enormous size appeals to organized crime, and the variety of bets available has encouraged insider disinformation. Corruption is also on the rise as a result of gambling and match fixing, and it is a major and global danger to professional sport's future.

### **III. LAWS RELATED TO BETTING IN INDIA**

Because each nation has its unique sports betting regulations, sports betting law seems to be a difficult and complex issue. The bulk of this legislation does not make it clear what is and is not legal. Except for horse racing, sports betting in India is largely prohibited. All other sports are governed by the rules of the particular states or the laws of India as a whole.

The Public Gambling Act of 1867 as well as the Technology Act of 2000 apply to the majority of India. Sports betting is prohibited under such statutes, although individual states have the authority to enact their own legislation. All forms of betting are forbidden in India, according to the Public Gambling Act (1867). However, unlike in the United States, where the American Internet Gambling Prohibition Act prohibits internet gambling, there is no such regulation in India. Betting businesses are allegedly taking use of these loopholes to entice Indians to wager on anything.

While bookmarks are banned in India, there is no legislation prohibiting an individual consumer from making an online wager with a bookmark headquartered outside the country. The Government of Sikkim announced the Sikkim Online Gaming (Regulation) Rules, 2009 on March 4, 2009. This document lays out the laws and procedures for obtaining an online gambling license in that state. The Public Gaming Act of 1867 is just a federal statute that prevents anybody from owning or operating a public gambling establishment. A fine of Rs.200 or up to three months in jail is the penalty for breaching this legislation.

The age-old controversy over whether or not gambling is lawful continues. The betting industry in India might be worth more than US\$130 billion, according to a research issued by the

International Centre for Sports Security (ICSS). So because seventh Schedule of the Indian Constitution clearly grants states the ability to regulate and adopt policies connected to gaming and betting, various states have varied gambling laws. Every state government has the authority to create and implement gaming legislation as they see fit.

According to a research from the All India Gaming Federation, illicit cricket betting costs the Indian government around INR 2 lakh crore per year. Following the IPL match rigging controversy in 2013, the Supreme Court established the Lodha Commission to investigate the legality of cricket betting.<sup>2</sup>

#### **IV. ADVANTAGES OF LEGALIZATION**

Most of the key arguments for the regulation and legalization of the illegal betting/sporting industry in India orbit around the information that this business is massive in terms of economy. As mentioned above, the sum of money involved in India are quite high, and the quantity of people involved are similarly high.<sup>3 4</sup>

One important argument links to the number of people involved. As stated before, the LCI has given a suggestion that, due to the law is disobeyed so regularly, sports betting should be legalized. The law should function by the consent of the public – in case if the governments structure laws that are disobeyed by a large amount of people, it determines that there is no consent of public for such laws. Also, framing such laws leads to a major issue because of the large number of “law-breakers” and the subsequent possibly enormous drain on police time only if the laws are to be executed without any failure. Effectively framing the laws leads to huge population attaining criminal records, with every significant social issues it can lead to.<sup>5</sup>

Secondly it relates to the involvement of money. Given an annual spend of the equivalent of tens of billions of US dollars, it certainly surveys that, if taxed effectually, the government could create considerable economic profits from the balance of revenue generation. For instance, the online gaming industries like online poker, fantasy sports and online rummy which is legal in India has grown assorted with high digitalization and high internet penetration. A study in 2017 said that by 2021, the worth of the online gaming industry in India will be one

---

<sup>2</sup> Sports Betting And Laws Relating To It, Shreya, Legal Service India, <https://www.legalserviceindia.com/legal/article-3111-sports-betting-and-laws-relating-to-it.html>.

<sup>3</sup> George, S, Jaisoorya, TS, Nair, S, . A cross-sectional study of problem gambling and its correlates among college students in South India. *Br J Psychiatry Open*, 2016; 2 199–203.

<sup>4</sup> Jaisoorya, TS, Beena, KV, Beena, M, . Do high school students in India gamble? A study of problem gambling and its correlates. *J Gamb Stud*, 2017; 33(2): 449–460.

<sup>5</sup> Chatterton, E. *History of the church of England in India since the early days of the East India Company*. London: SPCK, 1924.

billion dollars (USD).<sup>6</sup> This could raise considerable sums for the purses of the public if its taxed effectively. Also it would rise larger amounts of money for both the state and the central governments if further areas of betting get legalized, regulated and taxed properly. Also if betting gets legalized, it would halt the use and launder of illegal black money in illegal sports betting, which leads to the funding in terrorism and other evil acts.<sup>7</sup>

If betting gets regulated or legalized, it will create various job opportunities and increase tourism with demanding economic gain. Casinos in Goa and state lotteries in Kerala provides tax revenues and job opportunities. The lotteries are run by the state governments and the casinos are privately owned legally.

## V. CRITICISMS OF LEGALIZATION

Even though laws are supposed to have the consent of the public, the government's job is to lead the people and not follow popular trends, especially if we see a "public interest" towards unpopular directions. The "public interests" reasons which are common are moral reasons and public health reasons for the persuasion of something.

The moral disagreement is even though people want to bet and it has potential advantages, legalization of this by the government is morally wrong because in the eyes of society, betting is problematic, wrong and wasteful.<sup>8</sup> It also has a potential to create problematic behaviors and addictions like the usage of drugs.<sup>9</sup> If betting legalizes, many people will get into it and it will affect their personal as well as working life, families, and the societies as a whole and it will increase with the involvement of high internet penetration and advanced technology access.<sup>10</sup>

11

Betting has adversely impacted the elderly, youths, ethnic minorities as well as the economically and socially disadvantaged groups which are vulnerable in the society.<sup>12 13</sup> It will

---

<sup>6</sup> KPMG & Google Online Gaming in India: Reaching a new pinnacle. <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2017/05/online-gaming.pdf>.

<sup>7</sup> Singh, V . Law commission recommends legalising betting on sports: A step to regulate illegal activities like money laundering. <https://mediaindia.eu/business-politics/law-commission-recommends-legalising-betting-on-sports/>.

<sup>8</sup> Insights into Editorial: Should gambling be legalised? <https://www.insightsonindia.com/2018/04/10/insights-into-editorial-should-gambling-be-legalised/>.

<sup>9</sup> Blaszczynski, A, Nower, L. A pathways model of problem and pathological gambling. *Addiction*, 2002; 97 487–499.

<sup>10</sup> Ladouceur, R, Jacques, C, Sevigny, E, . Impact of the format, arrangement, and availability of electronic gaming machines outside casinos on gambling. *Int Gambl Stud*, 2005; 5 139–154.

<sup>11</sup> Sevigny, S, Ladouceur, R, Jacques, C, . Links between casino proximity and gambling participation, expenditure, and pathology. *Psychol Addict Behav*, 2008; 22 295–301.

<sup>12</sup> Wardle, H, Moody, A, Spence, S, . *British gambling prevalence survey 2010*. London: Stationery Office, 2011.

<sup>13</sup> Wardle, H, Reith, G, Best, D, . *Measuring gambling-related harms: A framework for action*. Report for the Responsible Gambling Strategy Board, UK, 2018. <https://www.gamblingcommission.gov.uk/PDF/Measuring-gambling-related-harms.pdf>.

get popularized in schools and colleges as well which is going to affect the student's academics, career, financial condition and mental health. Reports have shown that high number of betting among students has led to their academic failures, depression, anxiety, substance use and suicide.<sup>14</sup> Problem betting is can also lead to huge debts, poverty and bankruptcy and it also disturbs one's relationships.<sup>15</sup> Bettors usually get into the crime world of embezzlement, gambling and fraud.<sup>16</sup>

Legalizing betting to halt money laundering and terrorist funds through illegal betting is quite illogical and a robust argument theoretically as none of the countries in the world has any evidence to prove this in favor argument of betting legalization. We've witnessed the scenario of demonetization in India where currency notes of Rs.500 and Rs.1000 were banned as it aimed to curb and flush out black money but it turned out to be a failure and the government faced a backlash from the public.<sup>17</sup> In today's date, India lacks the infrastructure to implement, regulate, conceive and monitor such change of betting legalization. Therefore, implementation of such policies can turn into an unfettered and reckless economic opportunity for various businesses who would rush to the world of betting.

## **VI. LEGALIZATION IN OTHER COUNTRIES**

- Australia: Here, betting on track race got legalized in 1810, followed by every sports in 1980. Sports betting has unlocked a comparatively new revenue stream for government taxation but the disagreement continues as to whether the cost of betting is too great on the broader community.
- Ghana: In this country, betting has generated employment and stable income for local football clubs, thanks to the sponsors. Also the media advertising with TV sports shows boosted as it was sponsored by the betting companies.
- Nigeria: Betting has introduced to the potential for higher revenues through taxation in Nigeria. But it has also affected the young population of the country as they got addicted to betting.

---

<sup>14</sup> Hyder, AA, Juul, NH. Games, gambling, and children: Applying the precautionary principle for child health. *J Child and Adolesc Psychiatr Nurs*, 2008; 21(4): 202–204.

<sup>15</sup> Velleman, R, Cousins, J, Orford, J. The effects of gambling on the family. In: Bowden-Jones H and George S, eds. *A clinician's guide to working with problem gamblers*. London: Routledge, 2015.

<sup>16</sup> Victorian Competition and Efficiency Commission Counting the cost: inquiry into the costs of problem gambling. Draft report. Melbourne: Victorian Competition and Efficiency Commission, 2012.

<sup>17</sup> The Economic Times 99.30% of demonetised money back in the system, says RBI report. [https://economictimes.indiatimes.com/news/economy/finance/after-almost-two-years-of-counting-rbi-says-99-3-of-demonetised-notes-returned/articleshow/65589904.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/finance/after-almost-two-years-of-counting-rbi-says-99-3-of-demonetised-notes-returned/articleshow/65589904.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst).

- South Africa: Betting in South Africa legalized post-Apartheid era in 1994. It created jobs and inflexed economy, especially from Durban July and Sun Met horse races, along with Grand West, Carnival City and Sun City.
- United Kingdom: The Premier League in UK is the most widely viewed season-domestic sports competition in the world and its success has attracted sports betting on a large scale. However, because of the UK's extensive experience with sports betting, it's been able to put in place a number of best-practice procedures. The 2005 Gambling Act requires bookmakers to report any instances of corruption to sports authorities. Under that statute as well as the 2006 Fraud Act, sports corruption is likewise a crime. Given the financial incentives, matchmakers will always have a strong motivation to keep trying.<sup>18</sup>

## **VII. WHAT CAN BE DONE?**

It is obvious that neither legalization nor the status quo is supported by clear-cut evidence. Certainly, legalization may yield enormous tax income; but, there is a strong case to be made that, if legalization were to be contemplated, much more work will need to be performed before making such a big policy shift. We will now quickly discuss such steps, which, in our opinion, must be properly considered before India considers legalizing gaming.

First, because India is such a huge and varied country, any suggested policy changes should be piloted inside a single (or a limited number of) states before being considered for a national policy shift. Implementing such a gambling policy change in a single state would help to keep gambling and its associated harms under control, making it easier to undertake pre / post policy change evaluations as well as pertinent policy-impact studies.

Second, given India's severe dearth of local and relevant evidence, considerably more study is needed in this area so that any recommended policy change may be based on Indian evidence rather than international research with dubious relevancy and usefulness to the Indian environment. The prevalence of gambling in India's various states and union territories; the magnitude of illegal and legal gambling; the scope of gambling-related harm; professionals' understanding of gambling problems as well as how to identify, refer, and treat people who have them; global health aspects; treatment centers and their effectiveness, and so on, are all high-priority areas.

Third, state-wide gambling strategies would need to be developed in each state that might want

---

<sup>18</sup> Which countries allow gambling on sports? Assessing the impact of betting around the world, ESPN staff, 16<sup>th</sup> May 2018, [https://www.espn.in/espn/story/\\_/id/23518003/which-countries-allow-gambling-sports-assessing-impact-betting-world](https://www.espn.in/espn/story/_/id/23518003/which-countries-allow-gambling-sports-assessing-impact-betting-world).

to implement such a policy change (or become one of the pilot states) (and possibly a national one from the future), with a body (for each state or nationally) responsible for formulating, implementing, monitoring, and regulating those strategies.

Fourth, to achieve real "independence" and ethical soundness, the involvement of the gambling business in any legislation or financing for research, teaching, or therapy must be carefully considered. One might accept the "polluter pays" approach and demand the gaming business to finance both treatment services and steps to reduce gambling-related harm, or one could believe that the gambling industry and any governing agency should be kept separate. To ease any ethical concerns, a strong ethical code of practice for the industry's engagement would need to be enforced and maintained.

Fifth, if gambling were allowed in India, it would be vital to determine whether gambling would be a government monopoly (as is the case with the alcohol sales in some Indian states, such as Kerala, and state lotteries at the moment) or if private companies should play a role. This is critical in evaluating who bears primary responsibility for reducing gambling-related damage.

Finally, whether gaming is legalized or not, India must take a public health strategy to gambling and betting harm prevention that includes primary, secondary, & tertiary prevention.

## **VIII. CONCLUSION**

In India, there is no formal legislation that governs gaming and betting. To safeguard the citizens from the negative impacts of these operations and to improve transparency, adequate legislation governing gambling and betting operations is required. There are several online gambling companies that accept bets from each and every state in India, and there is nothing that can be done about this because it falls within the jurisdiction of UK gaming regulations.

Because there is no particular rule in India prohibiting internet betting, offshore organizations take full advantage of this loophole. The Information Technology Act of 2000, which governs cyber activities in India, does not include the words "gambling" or "betting," thus it is up to the courts to interpret it. The appeal and transparency of sports must be protected at all costs.

\*\*\*\*\*