
THE GENTLEMEN'S GAME AND THE BLACK MONEY: CORPORATE DYNAMICS

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ABSTRACT

This paper is focused on the cricket which is highly known as the gentlemen's game and the betting's is referred as the black money involved in the world of cricket. The author with an inquisitive mind explores the flow of black money within the betting industry also throwing light upon, betting practices and procedures, money laundering within the market, sources of such huge monetary inflow and outflow, corporate gains. Author attempts to track the chain of events dating back to the mythological traces that the country owns, this connection will dwell into the historical economics, explaining the legality of betting and gambling them and how it was dealt with and help excavate the solution for the current betting and gambling system in the country.

This paper also discusses on the legal status of sports betting in India, and how are the sports betting's are regulated especially the apps in India.

INTRODUCTION

Gambling and Betting have been a part of human civilization since the very beginning. Mythology can be considered as prime evidence that Gambling and Betting existed in the ancient India. In the game of dice, Yudhistir, the eldest son of King Pandu in Mahabharata, lost not only his kingdom but also his brothers and wife due to his strong gambling addiction. This undermines the idea that gambling was practiced in ancient India.

It's also mentioned in Rig Veda (10.34.13)¹

In constant fear, in debt, and seeking money, he goes by night to the home of others [probably to steal]. Play not with dice, [but] cultivate your corn-land. Enjoy the gain, and deem that wealth sufficient. There are your cattle, there your wife, O gambler: So, this good Savitur himself has told me.²

Translation of the verses 935 to 939³

Katyayani Smriti reads: If gambling cannot be stopped in the kingdom, it shall be regulated. Gambling should be allowed, to be carried on openly in the gambling hall (the hall licensed for the purpose). The gambling hall should be provided with an ornamental arch to indicate that it is a gambling hall, so that respectable men may not mistake, the nature of the place. The King should impose tax on gambling and make it a source of income. Gambling could be carried on openly after payment of tax to the King.⁴

But this is contradicting in Manu smriti 9-222⁵

Gambling and betting amount to open theft; the king shall always exert himself in suppressing both (of them)⁶

This creates a question in mind that whether the king (Today's government) should they allow gambling?

¹ Rig Veda (10.34.13).

² Ibid.

³ Katyayani Smriti, Versus 935 to 939.

⁴ Ibid.

⁵ Manu smriti 9-222.

⁶ Ibid.

There are still many references to prove that gambling and betting evolved since the evolution of human kind.

The sport of cricket started in the late 16th century England. And from 19th century it was explicitly recognized globally around the world and it is now second most popular sports after soccer, having over 100 countries and territories.

Earlier cricket was held by rich, who gambled on various country teams. It became more famous where British press was reporting odds, than actual match coverage, the rapid development of cricket and technology goes hand in hand which made online betting the priority to spectators, replacing the real-life bookies.⁷ Hence this industry became the biggest beyond the imagination of human mind. The change of technology changed the style of betting too, allowing people to get instant gratification on the bets they place.⁸

CURRENT STATUS OF GAMBLING IN INDIA

The Public Gambling Act of 1867⁹ prohibits gambling or sports betting under the current legal framework.¹⁰ According to Section 2(b)¹¹ of the act, gambling includes wagering or betting but does not include a lottery. Entry 62 State List of the seventh schedule of the Constitution¹², mentions that a state legislature has the authority to enact laws concerning taxes and gambling.¹³

There are two types of online gambling available around the world. The first is casino-style gambling, which includes games such as poker and rummy. Second, it is classified as sports betting, in which people place bets on sporting events in real time while looking at the odds of the games.

This process of betting is carried out through websites based on foreign servers, such as 1XBet, rummy circle, casino and Bet365, etc, which allows individual to place bets online

⁷ Brief history of cricket betting in India,
https://www.thecricketer.com/topics/special/a_brief_history_of_betting_in_cricket.

⁸ Ibid.

⁹ Public Gambling Act, 1867.

¹⁰ Agniva Mandal, Legalization of Betting in Sports in India, Vol.5, IJLMH, Pg.366 ,2022.

¹¹ Public Gambling Act, 1867, s.2(b).

¹² Constitution of India.

¹³ Aditya Agrawal and Dhruv Das, "Legalization of sports betting in India" , THE LAW BRIGADE 2019

on sports events, in real time. These betting's are currently prohibited in India, however people who wish to place the bets on these platforms rely upon network provided by other countries.

Section 67 of the Information Technology Act, 2000,¹⁴ commands a fine of up to Rs 1 lakh and a punishment of up to 5 years for anyone who publishes, transmits, or causes to be published in electronic mode any material containing offensive sexual material or if its effect is such as to deprave and corrupt people who are liars.¹⁵

Should betting be legalized?

The Law Commission of India (Chair: Justice B.S. Chauhan) submitted its report on July 5, 2018,¹⁶ examining whether betting may be legalised in India.

It's completely foolishness to deny that even if more laws existed, to regulate this betting it's impossible to stop people, as it is now spread vastly in every corner of the country, it is the easiest form of monetary gains, considering these situations, the author suggests; the government shall rely upon the mythological verses 935 to 939- Katyayani Smriti, as mentioned previously, to encourage gambling and make it a source of revenue generation, this was also during the time period of kautilaya, that 5% of taxes were collected on such activities, hence if its legalised then taxes can be collected accordingly and the revenue generated from this can contribute towards development in this country.

The Public Gambling Act, 1867, in section 12 states that, "Nothing in the foregoing provisions of this Act contained shall be held to apply to any game of mere skill wherever played."

The Supreme Court has explicitly said in the cases of State of Bombay v. RMD Chamarbaugwala¹⁷ and State of Andhra Pradesh v. K Satyanarayana¹⁸ that "competitions where victory depends on a substantial degree of talent are not gambling."

Hence cricket is a sport of skill, talent, and hard work so it's not game of luck, if the

¹⁴ Information Technology Act, 2000, s. 67, (India).

¹⁵ Ibid.

¹⁶ Law Commission of India Report, 2018.

¹⁷ AIR 1957 SC 699.

¹⁸ (1968) 2 SCR 387.

gambling act itself states that the provisions of the act shall not be applied to any game of mere skill, the cricket is completely pure skill, so this makes an additional point to authors answer for legalizing betting.

The author agrees to the fact that legalizing does not stop people from illegal gambling, but it reduces illegal gambling at certain point and bring at least some money to the market, as one may say, “something is better than nothing.”

In the recent ruling of the High Court of Punjab and Haryana in the case of ‘Shri Varun Gumber vs. Union Territory of Chandigarh and others’ in 2017,¹⁹ it was held that playing fantasy sports of the type under consideration in the case (i.e. a Dream11 game) involved a substantial degree of skill and did not amount to gambling. The courts judgement; the element of skill’ had a predominant influence on the outcome of the game under consideration, which had the following format:

- a) Participants must choose a team consisting of the same number of players as the real-life sports team (e.g. five in basketball, seven in kabaddi and eleven in cricket/football etc.)
- b) The fantasy sports team needs to have a mix of players from both the participating real-life sports teams.
- c) All contests are run for at least the duration of the relevant real-life match
- d) No team changes are allowed by participants after the start of the relevant real-life match.

On the above basis, the Court adjudged that the above format, as offered by Dream11, constitutes a ‘game of mere skill’, and that Dream11 is a legitimate business activity protected under Article 19(1)(g) of the Constitution of India.²⁰

FANTASY SPORTS

This term fantasy in the last few years has exploded the betting industry, earlier it used to

¹⁹ CWP No.7559 of 2017.

²⁰ Constitution of India, Art. 19(1)(g).

be either win or lose situation (Example: Either Team A will win or Team B) but after the fantasy sports entered the market the perspective of betting is completely changed, now people have to make a playing 11 team of their own for the current game this playing 11 is consisted of the players from both the teams competing in a specific match this playing 11 consists of a captain and vice-captain, once the team is made and the bet is placed based on the slots of the amount ranging from approximately 30 - 40 INR to 3000 INR²¹ so the person places the bet depending on the slots and the gains each slot provides, higher the bet money higher the returns. The company keeps the money 15% as platform fee, and rest is distributed among the winners.²² This dream 11 lets their participants win 50% of the pool with largest going to the top ranked and smaller share going to the lower ranks, which the users can withdraw their money directly to their bank accounts. hence unlike lottery the odds of winning at least some money gave people adrenaline to participate in this fantasy sports.²³ This is how the money comes in and goes out in this market.

Now once the bet is placed, based on the performance of players points are distributed, captain gets 2x point and the vice-captain gets 1.5x points, and rest all gets regular points based on the terms and conditions. Whoever have placed a bet on the similar slots will be in a ranking table, this placement of ranking is the points a person gets with his combined 11 players performance.

When it comes to returns/gains it is completely based on the rankings and points at the end of the match, few players get mere returns but most of them does not, if their chosen playing team of 11 did not perform well, even for a 30 INR bet people end up getting 10-20 rupees (INR) in return, if their ranking is average.

The advertisement of these apps claims people to become “crorepatis,” but it is nearly impossible to reach even near to that word they claim. Let’s assume, there is a rough calculation of combination of two teams playing, one team of 11 members should be made in the fantasy app, so out of 22 players 11 players are chosen, now mathematically calculating all the possible combinations for making team there will be 705432 Team

²¹ Dream 11, Karthik Pillai, 2021, <https://grm.institute/blog/research-study-on-dream11>.

²² Ibid.

²³ Ibid.

combinations, and the combinations of choosing captain and vice-captain are 110, now when multiplied with team combinations the total combinations are 77597520

To understand this there is a rough calculation.

22! Means $22 \times 21 \times 20 \times \dots \times 1$

11! Means $10 \times 9 \times \dots \times 1$

By using the combination formula, it becomes;

$$(22/11) = 22! / 11! \times 11! = 705432.$$

Captain, Vice-Captain combos per team = $11 \times 10 = 110$.

Final Total of the number of team combinations = $705432 \times 110 = 77,597,520$.

Hence this makes a complete complicated and making it impossible to win crores as said by the apps officially so this resembles just their advertisement strategy to make people to fall in the well of greed towards money and get more and more bet on the games through there apps and generate income from them.

Dream 11 as a company

Dream11 is an application that allows its users to create imaginary teams. The catch here is that the users can earn cash based on the actual match performance of the selected players on their teams. Each good move by the players earns cash rewards for the users. Moreover, Dream11 allows its users to play games in categories like cricket, football, kabaddi, and the National Basketball Association.

Parent Company - Dream Sports

Harsh Jain and Bhavit Sheth- Founders

Dream11 has **15.01 million concurrent users**, as per a news report from March 2024, the company had **220 million+ users** as of March 2024, it has **2,50,00,000+ registered users** as of March 2024, it has **streamlined 40,000+ hours of live content** as of March 2024, the company has **29 sports brands as partners** as of March 2024.

The dark side of sports betting?

The major factor affecting people in betting is not only finance, but also, its affecting their psychological behaviour, rapid loss of money in this field makes people addictive, it directly or indirectly influences, the social evil activities like addiction to alcohol, smoking, anger and frustration etc which affects not only them but even there surroundings, people become more greedy for earning money through these kinds of shortcuts, rather than working hard to achieve their financial goals.

Other factors such as: There are no proper regulations for the flow of money, the inflow money market is so vast that it is difficult to trace every penny that comes in the market, as these are unregulated its indirectly financial loss for the government, as no taxes are imposed on these kinds of betting and this again raises a question that are the bettors financially protected? It is completely risk here bettors are taking twice risk, one is the bet itself is a risk for them and the second is that the money which is already in risk, is in the hands of an unknown person in this market, making even it riskier.